

# CHO



## ANNUAL REPORT 2018

CHO THAVEE PUBLIC COMPANY LIMITED

[www.cho.co.th](http://www.cho.co.th)

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## Vision

### CHO 2023 STRONG BRAVE DIFFERENT

The Company is aiming to become the leader in designing, creating, and manufacturing innovative world-class technology professional management and unique knowledge by using to reach the excellence, building customer's confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company's target is to proudly supply quality products under the name CHO as a world-class brand. And to create the happiness to the partners, as well as to enhance our competitiveness to become the leader of innovative technology for the sake of Thailand.

## Mission

- To build unique knowledge of CHO and personal development
- To increase recognition, awareness and confidence in the brand CHO.
- To produce a great variety of environmental friendly products with sustainability and safety
- To create happiness for our employees and stakeholders.
- To search and constantly develop new technology.
- To achieve excellence in finance and marketing.
- To achieve excellence in Total Quality Assurance and innovation
- To build the identity of "CHO" species.

## Unique

C = Creativity to drive innovative developments

H = High Performance Organization under Good Governance

O = One of a kind along with identity of "CHO" species

## Identity

**"STRONG, BRAVE AND DIFFERENT"**

## Message from the chairman of the Board of Directors



Changes in technology come to our daily life. How CHO has changed and prepared for it? This question may be raised from CHO's stakeholders, as well as society and environment, because we cannot deny that they are in close relationship with each other.

CHO then have a continued plan for our 10-year business plan, namely CHO 2023, in order to the innovative development and being a Smart Organization. With an investment plan in Amornrattanakosin Company Limited, we can manage public transportation in Bangkok Metropolitan Area, using a form of Smart Bus and Big Data management, receiving from various products including our alliances for the analysis and organize preparing for data management business in the future.

Including the business expansion concerning our services, we have expanded our transportation services

in terms of Smart Bus management projects, such as, RTC Project, projects in Bangkok, VIP Taxi, Vehicle Repairing Center 1024, as well as 489 NGV buses received a 10-year period service contract. This will cause revenues and profits of CHO increase respectively, according to the target for the 3 business groups planned to generate revenues equally. This will result in the sustainable performance of the company with continuity. It was another year that CHO has moving forward according to our plan as shareholders and investors trusted on us, so come with us to see the results.

A handwritten signature in black ink, appearing to read 'Phenphimol Vejvarut', written in a cursive style.

(Ms. Phenphimol Vejvarut)  
Chairman of the Board of Directors



## Message from the President and Chief Executive Officer



In 2018, as you may know, CHO have faced with a problem caused by an external factor. The Central Administrative Court had an instruction to respite the acceptance of 489 NGV buses of the BMTA. That was a big project affecting the overall operation results. Meanwhile, the Central Administrative Court had an instruction to dispose of the case in the last quarter of 2018, so CHO could earn money of the delivered buses and continue the project considering the delivery of 489 NGV buses until completed in March 2019.

CHO envision an importance of the domestic market, which are the market of public bus management, and standardize the Bangkok public transportation system to be as same as metropolis worldwide. It is a mission that CHO aiming for creating new products, therefore CHO decided to form a subsidiary company named Amorn Rattana Kosin Company Limited "ARK" especially for this mission.

The existing market of CHO for the product group 1 or Standard Products, and the product group 2 or Special Products, which are still continuing to grow in the market. Regarding the product group 1, the domestic market has an expansion considering agricultural products. The product group 2 considering overseas airports, there are inquiries from customers continuously. It projected that both 2 groups can generate revenues for CHO continuously.

The Research and Development is also an important role for CHO. CHO always do the research about Electric Vehicle (EV) and Railway transportation system. The EV had been testing for more than 3 years, and there were cooperating with local universities for doing projects regarding railway transportation system. These projects will generate revenues for CHO in the future.

A stylized, handwritten signature in black ink, appearing to read 'Suradech T.'

(Mr. Suradech Taweesaengsakulthai)  
President and Chief Executive Officer

### Audit Committee's Report

#### Attention to Shareholders

The audit committees of Cho Thavee Public Company Limited (the Company) comprising of three independent directors who are competency, independent, knowledgeable and experienced in the field of economics, social, political including the knowledge concerning the defining of strategy and organization management in the field of engineering, financial, accounting and taxation, corporate good governance, risk management and business auditing. With the above mentioned knowledge, supported to the audit committees in performing their duties with effectiveness, Mr. Anusorn Tamajai Chairman of the audit committees, Mr. Asa Prateepasen and Mr. Chatchawan Triamvicharnkul are the member of audit committees.

The audit committees perform their duties according to the responsibilities assigned by the Company's Board of Directors and to the designed charter of the audit committees. During 2018's, there were 9 meetings of the audit committees. All of the audit committees attend the meeting as the detail. Moreover, the audit committees have invited the executive, the external auditor, the internal auditor, the legal department and the risk management department to attend the meeting appropriately. The details of the meetings are as follows.

The audit committees	The number of participation / The number meeting
Mr. Anusorn Tamajai	9/9
Mr. Asa Prateepasen	9/9
Mr. Chatchawan Triamvicharnkul	9/9

The audit committees have considered many matters which can be summarized as follows:

1. To consider and review quarterly financial statements, financial statements for year 2018 of CHO and its subsidiary including the CHO's joint venture to meet with the general accepted accounting principles, accounting standard, and the basis of the changes in significant accounting principles, including the disclosure of important information and necessary for the decision making of the users of financial statements as accurately, adequately, and being on time.

2. To review CHO in order to commit to the accounting standard in accordance with all of the announcements from Accounting Profession Council, and the practice conformed to the legal and the regulations of The Securities and Exchange Commission ("SEC") and/or The Stock Exchange of Thailand ("SET"), including other related law which remains in forced with CHO's business as accurately and completely.

3. To review the related transactions between CHO, the shareholders, its subsidiary and the related company, including CHO's joint venture, for the assurance that the related transactions were the transactions operated in accordance with normal business condition, without the transmission of benefits and operated for the ultimate benefit of CHO.

4. To review and ensure that CHO having transparent, efficient and appropriate internal control systems and internal auditing, by following up on the performance of the internal audit department complied to the profession standard as independently and efficiency. Also, to give an advice in order to perform the business operation complying with the rules, regulations and CHO's policy. Including reasonably assuring for the appraisal of CHO's internal controls are sufficiency and appropriately.

5. To consider and review the policy and operational manual, including the internal audit department's operation plan having the performance covered roles and responsibilities of audit committees. Also to support the internal auditor developments in order to have quality operation according to the global standards.

6. To review on the adequate and the appropriate risk management system of CHO by having the quarterly meeting with the Chief of Risk Management Officer, for the consideration of designating audit plan and audit operation of existing risk (Risk base audit).

7. To support and supervise CHO having the operation complied with safety standard and taking good care of the environmental conditions of the production factory, repair and maintenance center, as well as the surrounding society and community. Also, to support and supervise CHO having the operation complied with Good Corporate Governance and Anti-Corruption policy.

8. To consider selecting the appointment of the auditor for the year 2018, and offering the appropriate remuneration accordance with the performance and responsibility, to Price Waterhouse Cooper ABS Co., Ltd. ("PWC"). There were quarterly independently meeting between the auditor and the audit committees, without the attendance of the company's executives or officers, in order to discuss the problems from reviewing the financial statements, and promptly resolve the significant matters, also, confirming the independency of the audit committees' operation.

9. To develop the audit committees' operation by reviewing on the charters of audit committees in corresponding with rules and regulations of SEC and SET, including the Good Corporate Governance policy of CHO, for the assurance of the shareholders, the creditors, the suppliers, and the customers, including the other stakeholders of CHO, that CHO performed complied with the regulations and under code of conduct, and maintain the efficiency internal control. To have the self-assessment on the performance in order to acknowledge the output, including the problems for further improving and correcting the performance of audit committees and all parties concerned. The basis of the assessment based on the consideration whether each of the matter has been done and in what degree of effective. During the year 2018, the performance appraisal was in the basis of good to very good. Furthermore, the audit committees have attended the training and seminar as appropriately, in order to develop and support knowledge and ability of the audit committees concerning on the accounting standard, Good Corporate Governance, internal control system, internal auditing, and risk management.

10. To recommend and advise for improvement of the operation by assigning management team to analysis controllable and uncontrollable expenses, and the team have to prepare proper plan and measure.

The audit committees have followed CHO's operation during the year 2018 according to the scope of authorities and responsibilities. The audit committees would like to express the opinion that CHO's financial reports were prepared accurately with significantly complied with the general accepted accounting principles. There was the disclosure of sufficient information about the related transactions or the transactions which may cause the conflict of interest. There were the internal controls and the risk managements in appropriated with business conditions. There were the operations in compliance with laws, SET regulations, and the related laws as accurately and completely, including to the practice of Good Corporate Governance for listed company in SET.



(Mr. Anusorn Tamajai)  
Chairman of the audit committees  
February 25, 2019

## The Board of Directors



1

**Ms. Phenphimol Vejvarut**  
-Board of Directors, Chairman

2

**Mr. Suradech Taweesaengsakulthai**  
-Director  
-Authorized Directors  
-Executive Committee, Chairman  
-President and Chief Executive Officer  
-Boards Secretary

5

**Ms. Asana Taweesaengsakulthai**  
-Director  
-Authorized Directors  
-Executive Director  
-Senior Vice President

6

**Mr. Siriwat Taweesaengsakulthai**  
-Director  
-Corporate Governance, Risk Management,  
Nomination and Compensation Committee  
-Executive Director





4



3



7

3

**Asst. Prof. Dr. Anusorn Tamajai**  
 -Independent Director  
 -Audit Committee, Chairman

4

**Mr. Chatchawan Triamvicharnkul**  
 -Independent Director  
 -Audit Committee  
 -Chairman of Corporate Governance,  
 Risk Management, Nomination and  
 Compensation Committee

7

**Prof. Dr. Asa Prateepasen**  
 -Independent Director  
 -Corporate Governance, Risk Management,  
 Nomination and Compensation Committee  
 -Audit Committee

## The Executives Committee



**1. Mr. Suradech  
Taweesaengsakulthai**  
President and Chief Executive Officer



**2. Ms. Asana  
Taweesaengsakulthai**  
Senior Vice President



**3. Ms. Somnuk Sangin**  
Vice President



**4. Mr. Narong  
Ongartmaneerut**  
Vice President



**5. Mr.Nititorn Deeumpai**

Chief Financial Officer

**6. Mr.Prasobsuk Boonkwan**

Chief Business Development Officer-Domestic

**7. Mr.Padungdetch Euasookkul**

Chief Business Development Officer- Overseas

**8. Mr.Sven Markus Gaber**

Chief Marketing Officer Overseas

**9. Mr Sakarin Unnim**

Chief Marketing Officer Domestic

**10. Mr.Nopparat Sangsawang**

Chief Production Officer

**11. Mr.Apichai Chumsri**

Chief Risk Management Officer

**12. Mr.Nirut Sumongkol**

Chief Design Engineering Officer

**13. Mr.Bamrung Chinsombat**

Chief Service Officer

**14. Mr.Chatchai Kantawirut**

Chief of Organizational Excellence

**15. Mr.Phard Pimrin**

Chief Information Officer



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



**Ms. Phenphimol Vejvarut**  
**Board of Directors, Chairman**

### Appointed

on November 14, 2013  
Age 57 year old.

### Education and Training

- Diploma, Faculty of Accountancy, Bangkok Business College
- Certificate, Thai Institute of Directors
- Director Accreditation Program (DAP) SET/2012

**Shareholding in the company** 0.025 %

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2013 - Present** Chairman  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**2018 - Present** Director Iphon Logistics Co., Ltd.

**1989 - Present** Director  
Bangkok CTV Intertrade Co., Ltd.

**1967 - Present** Managing Partner  
Tang Hua Singh Nakhon Pathom Limited Partnership



**Mr. Suradech Taweesaengsakulthai**

- **Director**
- **Authorized Directors**
- **Executive Committee, Chairman**
- **President and Chief Executive Officer**
- **Boards Secretary**

### Appointed

November 18, 1994  
Age 52 year old.

### Education and Training:

- Diploma, Automotive Engineering, Yomiuri Rikosem College, Japan
- Faculty of Business Administration, Sanno University, Japan
- Honorary Degree of Engineering in Mechanical Engineering (Graduation Year 2017), Department of Mechanical Engineering, Faculty of Engineering, Rajamangala University of Technology Isan (RMUTI)
- Certificate, Thai Institute of Directors
- Director Accreditation Program (DAP), class 82/2010
- What Business need to know about Data Science By CORALINE

**Shareholding in the company** 34.199 %

**Stake in the company of their spouses and minor children** none

### Work Experiences

**1994 - Present** Director, Executive Committee, Chairman, President and Chief Executive Officer  
**2015 - Present** Boards Secretary  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**2005 - Present** Director, Cho Thavee Termotech Co., Ltd.  
**2018 - Present** Director, Amornrattanakosin Company Limited ("ARK")  
**2017 - Present** Director, KLRT Company Limited  
**2017 - Present** Director, KKTT Holding Co., Ltd.  
**2016 - Present** Director, Joint Venture TSP-CTV  
**2016 - Present** Authorized Director, JVOPV Joint Venture  
**2016 - Present** Authorized Director, JVCKK Joint Venture  
**2015 - Present** Chairman of the Company's director  
Khonkaen City Development (KKTT) Co., Ltd.  
**2015 - Present** Director, Joint Venture JVCC  
**2012 - Present** Dean for Management  
College of Local Administration, KKU  
**1996 - Present** Director, A P S Multi-Trade Co., Ltd.  
**1990 - Present** Director, KhonKaen Cho Thavee (1993) Co., Ltd.  
**1990 - Present** Director, Chia Eam Seng Co., Ltd.  
**1977 - Present** Director, KhonKaen Cho Thavee Limited Partnership  
**1992 - 2015** Director, Volrep Truck and Bus Co., Ltd.



## Asst. Prof. Dr. Anusorn Tamajai

- Independent Director

- Audit Committee, Chairman

### Appointed

October 12, 2012

Age 52 year old.

### Education and Training

- Doctorate Degree, International Economics, Finance and Development, Fordham University New York, USA
- Master Degree, Faculty of Business Administration, Southeastern University
- Master Degree, Faculty of Economics, Fordham University New York, USA
- Bachelor Degree, Faculty of Politics (Honourary) Chulalongkorn University
- Bachelor Degree of Laws, Second Degree (2 years) Thammasat University
- Certificate, Thai Institute of Directors
- Director Certification Program (DCP) class 28/2003
- Strategy and Policy Development By IOD
- Audit Committee Program (ACP) 11/2006 By IOD
- Role of the Chairman Program (RCP) 19/2008 By IOD
- Anti-Corruption Executive Program (ACEP) 5/2013 By IOD
- Advance Audit Committee Program (AACP) 16/2014 By IOD
- Board that Make a Difference (BMD) 1/2016 By IOD
- Top executives of state enterprise program (PDI) class 2 by King Prajadhipok's Institute
- How New Foreign Bribery Laws Affect Companies in Thailand By IOD

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2012-Present** Independent Director and Chairman of Audit Committee  
Cho Thavee Public Company Limited

### Other listed companies

**2011 - 2014** Chairman of Audit Committee  
Audit Committee The Bangchak Petroleum Public Company Limited

### Non-listed companies

**2015 - Present** Director ,  
Bangchak Bioethanol  
(Chachoengsao) Co., Ltd.

**2013 - Present** Vice President of Research and Academic Service, Rangsit University

**2007 - Present** Dean of the Faculty of  
Rangsit University

**2007 - Present** Director, Freedom Media for Reform Co., Ltd.

**2015 - 2018** Directo , Ubon Bio Ethanol Co., Ltd.

**2014 - 2015** Committee and Audit Committee  
Bank of Thailand



## Mr.Chatchawan Triamvicharnkul

- Independent Director
- Audit Committee
- Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees

### Appointed

February 26, 2013

Age 54 year old.

### Education and Training

- Master Degree in Business Administration (Finance), National Institute of Development Administration (NIDA)
- Higher Diploma in Auditing (Accounting Examination) Chulalongkorn University
- Bachelor Degree, Business Administration, Programme (Accounting) Ramkhamhaeng University
- Certified Public Accountant (CPA)
- Certified Professional Internal Audit of Thailand (CPIAT), the Institute of Internal Auditors of Thailand
- CFO Certification Program, The Federation of Accounting Profession (FAP.)
- Diploma Tax Law, Central Tax Court
- Certificate, Thai Institute of Directors
- How to develop Risk Management (HRP) class06/2015
- Director Certification Program (DCP) class 174/2013
- Audit Committee Program (ACP) class 2/2004
- Director Accreditation Program (DAP) class 20/2004
- Seminar held by IOD and SET.
- Collective Action Coalition Against Corruption (CAC)
- CG Forum 1 – 4/2014
- CGR Scorecard Workshop
- Research Alliance Dialogue on Corporate Governance 2014
- R-ACF 1/2016 By IOD
- Ethical Leadership program (ELP) 3/2016

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2014 -Present** Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees

**2013 -Present** Independent Director and Audit Committee Cho Thavee Public Company Limited.

### Other listed companies :

**2017 - Present** Independent Director and Audit Committee , Corporate Governance Committee Chairman Star Universal Network Public Co., Ltd.

**2015 - Present** Independent Director and Audit Committee Apex Development Public Company Limited.

**2008 - 2015** Nomination and Compensation Committee

**2015 - 2015** Independent Director and Chairman of Audit Committee

**2004 - 2014** Independent Director and Audit Committee ACAP Advisory Public Company Limited.

**2012 - 2014** Deputy Managing Director Asia Soft Corporation Public Company Limited

### Non-listed companies :

**2014 - Present** Managing Director Smart Consulting and Services Co.,Ltd

**2013 - 2014** Director Thinkplusdigital Co., Ltd

**2012 - 2014** Director Play Cyber Games Co., Ltd.



## Prof. Dr. Asa Prateepasen

- Independent Director

- Corporate Governance, Risk Management,  
Nomination and Compensation Committee

- Audit Committee

### Appointed

October 12, 2012

Age 58 year old.

### Education and Training

- Doctorate Degree in Engineering, System Engineering Brunel University, United Kingdom
- Master Degree in Engineering, Mechanical, King Mongkut's University of Technology Thonburi
- Bachelor Degree in Engineering, Industry, King Mongkut's University of Technology Thonburi
- Bachelor Degree in Economics, Fiscal, Ramkhamhaeng University
- Certificate, Thai Institute of Directors
- Monitoring fraud risk management (MFM) class 8/2012
- Monitoring the quality of financial report (MFR) class 15/2012
- Monitoring the system of internal control and risk management (MIR) class 13/2012
- Monitoring the internal audit function (MIA) class 13/2012
- Audit committee program (ACP) class 39/2012
- Understanding fundamental financial statement class 11/2007
- Finance for Non-finance-director (FND) class 37/2007
- Director certification program (DCP) class 94/2007

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2014 - Present** Corporate Governance, Risk Management, Nomination and Compensation Committees

**2012 - Present** Independent Director and Audit Committee Cho Thavee Public Company Limited

**Other listed companies** none

### Non-listed companies

**2014 - Present** Professor,  
King Mongkut's University of Technology, Thonburi

**1992 - 2014** Associate Professor,  
King Mongkut's University of Technology, Thonburi



## Ms. Asana Taweessangsakulthai

- Director
- Authorized Directors
- Executive Director
- Senior Vice President

### Appointed

August 15, 1995  
Age 64 year old.

### Education and Training

- Bachelor Degree, Faculty of Humanities, Ramkhamhaeng University
- Certificate, Thai Institute of Directors
- Director Accreditation Program (DAP) SET/2012

**Shareholding in the company** 3.021 %

**Stake in the company of their spouses and minor children** none

### Work Experiences

**1995 - Present** Director, Executive Director, Senior Vice President  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**2005 - Present** Director Cho Thavee Termotech Co., Ltd.  
**2016 - Present** Director Joint Venture TSP-CTV  
**2009 - Present** Director O J Development Co., Ltd.  
**1992 - Present** Director Volrep Truck and Bus Co., Ltd.  
**1989 - Present** Director Bangkok CTV Intertrade Co., Ltd.



## Mr. Siriwat Taveessangsakulthai

- Director
- Corporate Governance, Risk Management, Nomination and Compensation Committee
- Executive Director

### Appointed

October 12, 2012  
Age 40 year old.

### Education and Training

- Master Degree in Management, Brunel University
- Bachelor Degree in Economics, Risho University
- Certificate, Thai Institute of Directors
- Director Accreditation Program (DAP) class 82/2010

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2014 - Present** Corporate Governance, Risk Management, Nomination and Compensation Committees  
**2012 - Present** Director, Executive Director  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**2017 - Present** Director, Thaveesaengthai Nongrue Rice Mill Ltd., Part.  
**2012 - Present** Director, General Manager Ruamthavee KhonKaen Co., Ltd.  
**2011 - Present** Director Ruamthavee Motor Sales Co., Ltd.  
**1984 - Present** Director Cho Ruamthavee Leasing and Real Estate Co., Ltd.





**Ms. Somnuk Sangin**  
- Executive Director  
- Vice President

#### Appointed

November 26, 2014  
Age 59 year old.

#### Education and Training:

- Master Degree, Faculty of Business Administration, Mahanakorn University of Technology
- Bachelor Degree, Faculty of Business Administration, Accounting, Ramkhamhaeng University
- Company Reporting Program (CRP) 17/2017
- Director Accreditation Program (DAP) class SEC/ 2013
- Company Secretary Program (CSP) class 15/2006
- Code of Conduct by SET/ 2007
- Directors Accreditation Program (DAP) 24/2004
- What Business need to know about Data Science By CORALINE

**Shareholding in the company** 0.005 %

**Stake in the company of their spouses and minor children** none

#### Work Experiences

**2014-Present** Vice President  
**2014-Present** Executive Director  
Cho Thavee Public Company Limited.  
**2010-2014** Executive Director/Chief Financial Officer  
ChoThavee Dollasien Public Company Limited.

**Other listed companies** none

#### Non-listed companies

**2003-Present** Special Lecturer Sukhothai  
Thammathirat Open University  
**2014 -2014** Chief Financial Officer  
Baansuay Group (Suratthani) Co.,Ltd



**Ms. Narong Ongartmaneerut**  
- Executive Director  
- Vice President

#### Appointed

December 25, 2018  
Age 57 year old.

#### Education and Training

- Master of Business Administration, Chulalongkorn University, Bangkok
- Bachelor of Business and Administration, Thammasat University, Bangkok
- Core Credit Course, Security Pacific Asian Bank, Hong Kong, 1993
- Investment Banking Course, Euro money, Macao, 1995
- Global CFO 2015 & Beyond, Marcus Evan, Kuala Lumpur, Malaysia, 2015
- Financial Advisor Training, Thai Securities Companies & Investment Banking Association, 2016
- DCP Training, English Program by IOD, 2016
- Risk Management Program for Corporate Leader by IOD, 2016
- 2016 IFRS Training, Federation of Accounting Profession, 2016

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

#### Work Experiences

**2018 - Present** Vice President, Executive Director  
Cho Thavee Public Company Limited.

#### Other listed companies :

**2015 - 2017** SEVP, Chief Operation Officer, Executive Director,  
The International Engineering Plc.  
**2003 - 2015** Executive Vice President Head, Corporate  
Banking Division CIMB Thai Bank Plc.  
**2017 - Present** Member of Risk Management Committee  
Board, ALT Telecom Plc.

#### Non-listed companies :

**2017 - Present** Executive Independent Advisor  
Global Steel Dust (Thailand) Co., Ltd.  
**2017 - Present** Executive Advisor  
Ayutthaya Clean Energy Co.,Ltd.  
**2017 - 2018** Deputy CEO & CFO  
Praram 2 Medical Group Co.,Ltd



**Mr. Prasobsuk Boonkwan**  
**- Executive Director**  
**- Chief Business Development Officer-Domestic**

#### **Appointed**

Jane 1, 2011

Age 51 year old.

#### **Education and Training:**

- Bachelor Degree, Faculty of Business Administration Ramkhamhaeng University
- What Business need to know about Data Science By CORALINE

**Shareholding in the company** 0.001 %

**Stake in the company of their spouses and minor children** none

#### **Work Experiences**

**2012 - Present** Executive Director

**2015 - Present** Chief Business Development Officer- Domestic

**2011 - 2015** Chief Marketing Officer, Domestic Cho Thavee Dollasien Public Company Limited.

**Other listed companies** none

#### **Non-listed companies**

**2015 - Present** Director  
Cho Thavee Termotech Company Limited.

**2018 - Present** Director  
Amornrattanakosin Company Limited ("ARK")

**2017 - Present** Authorized Directors  
Joint Venture CKKM

**2010 - 2011** Administrative Manager

**1995 - 2010** Purchase Manager  
Cho Thavee Dollasien Company Limited.



**Mr. Padungdetch Euasookkul**  
**- Executive Director**  
**- Chief Business Development Officer-Overseas**

#### **Appointed**

July 21, 2015

Age 47 year old.

#### **Education and Training:**

- Bachelor Degree, Faculty of Business Administration, Business Administration, Ramkhamhaeng University

**Shareholding in the company** 0.0005 %

**Stake in the company of their spouses and minor children** 0.025%

#### **Work Experiences**

**2015 - Present** Executive Director, Chief Business Development Officer- Overseas  
Cho Thavee Public Company Limited.

**Other listed companies** none

#### **Non-listed companies**

**2014 – 2015** General Manager

**2008 – 2013** General Manager  
Cho Thavee Termotech Company Limited.

**2013 – 2014** Workshop Manager, Linfox Transport (Thailand) Company Limited.





**Mr. Sven Markus Gaber**  
**- Executive Director**  
**- Chief Marketing Officer Overseas**

**Appointed** June 1, 2011  
 Age 51 year old.

#### **Education and Training**

- Bachelor Degree in Engineering, Mechanical, DAA-Thchnikum Gemeinnuetzige Wuerzburg University (GMBH)

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

#### **Work Experiences**

**2012 - Present** Executive Director

**2011- Present** Chief Marketing Officer, Oversea, Cho Thavee Public Company Limited.

**Other listed companies** none

#### **Non-listed companies**

**2009- 2010** Director Manager, Foreign Sales Cho Thavee Dollasien Company Limited.



**Mr. Sakarin Unnim**  
**- Executive Director**  
**- Chief Marketing Officer Domestic**

**Appointed**  
 July 21, 2015  
 Age 49 year old.

#### **Education and Training**

- Master Degree, Faculty of Business Administration (M.B.A), Dhurakijpundit University
- Bachelor Degree, Faculty of Business Administration (B.B.A.), Dhurakijpundit University

**Shareholding in the company** 0.010 %

**Stake in the company of their spouses and minor children** none

#### **Work Experiences :**

**2015 - Present** Executive Director  
 Chief Marketing Officer-Domestic  
 Cho Thavee Public Company Limited.

**2013 - 2015** Government Sales Manager  
 Cho Thavee Dollasien Public Company Limited

**Other listed companies** none

#### **Non-listed companies**

**1998 - 2013** Government Sales Manager  
 Cho Thavee Dollasien Company Limited.



## Mr. Nopparat Sangsawang

- Executive Director  
- Chief Production Officer

**Appointed** : June 1, 2011

Age :51 year old.

### Education and Training:

- Master Degree, Faculty of Business Administration, Ramkhamhaeng University
- Bachelor Degree, Production Engineering, King Mongkut's University of Technology Thonburi

**Shareholding in the company** :0.010 %

**Stake in the company of their spouses and minor children** none

### Work Experiences

**2012- Present** Executive Director

**2011-Present** Chief Production Officer  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**2018-Present** Director Amornrattanakosin Company Limited ("ARK")

**2016-Present** Director JVCKK Joint Venture  
Director JVOPV Joint Venture  
Director JVCC Joint Venture

**2015-Present** Director KhonKaen  
Cho Thavee (1993) Co., Ltd.  
Director, O J Development Co., Ltd.

**1998 – 2011** Manager, Production Management  
Department Cho Thavee Dollasien  
Company Limited.



## Mr. Apichai Chumsri

- Executive Director  
- Chief Risk Management Office

**Appointed** June 4, 2013

Age 50 year old.

Education and Training:

- Bachelor Degree of Science in Technical Education Program in Industrial Engineering Welding Fabrication.
- Rajamangala University of Technology IsanKhonkaen Campus. Certificate, MINI MBA Kasetsart University, Si Racha Campus.
- HOW TO DEVELOP A RISK MANAGEMENT PLAN HRP 9/2016 by IOD
- Strategic Risk Management by THAILAND PRODUCTIVITY INSTITUTE
- Sustainability Risk and Materiality Analysis class 1

**Shareholding in the company** 0.004 %

Stake in the company of their spouses and minor children : none

### Work Experiences

**2013-Present** Executive Director

**2013-Present** Chief Risk Management officer  
Cho Thavee Public Company Limited.

**Other listed companies** none

### Non-listed companies

**1996 – 2013** Inspection Cost Dept. Mgr.  
Cho Thavee Dollasien  
Company Limited.



**Mr. Nirut Sumongkol**  
**- Executive Director**  
**- Chief Design Engineering Officer**

**Appointed** June 4, 2013  
 Age 53 year old.

#### **Education and Training**

• Bachelor Degree of Science in Technical Education (Electrical Engineering), Faculty of Technical Education, Rajamangala University of Technology Isan, Khonkaen Campus.

**Shareholding in the company** 0.014 %

**Stake in the company of their spouses and minor children** 0.003%

#### **Work Experiences**

**2013 - Present:** Executive Director

**2013 - Present:** Chief Design Engineering Officer  
 Cho Thavee Public Company Limited.

**Other listed companies** none

#### **Non-listed companies**

**1986 -2013** Engineering manager  
 Cho Thavee Dollasien Company Limited.



**Mr. Bamrung Chinsomba**  
**- Executive Director**  
**- Chief Service Officer**

**Appointed**  
 July 21, 2015  
 Age 65 year old.

#### **Education and Training:**

• Bachelor Degree, Faculty of Economics, Financial matters, Chulalongkorn University

**Shareholding in the company** none

**Stake in the company of their spouses and minor children** none

#### **Work Experiences**

**2015 - Present** Executive Director,  
 Chief Service Officer  
 Cho Thavee Public Company Limited.

**2013 – 2015** Domestic Sales and  
 Marketing Manager  
 Cho Thavee Dollasien Public  
 Company Limited.

**Other listed companies** :none

#### **Non-listed companies :**

**2009 – 2013** Domestic Sales and  
 Marketing Manager  
 Cho Thavee Dollasien  
 Company Limited.



**Mr. Chatchai Kantawirut**

**- Executive Director**  
**- Chief of Organizational Excellence**

**Appointed** : January 1, 2017  
Age 38 year old.

**Education and Training:**

- Bachelor Degree, Industrial Technology, Rajamangala University of Technology ISAN Khon Kaen Campus
- What Business needs to know about Data Science By Cora line
- SBA Business Academy class 1/2018 By KKUIC
- TQA Criteria class 2/2016 and class 9/2014 By ftpi
- TQA Application Report Writing class 4/2016 and class 3/2014 ftpi
- TQA Internal Organization assessment class 3/2016 By ftpi
- TLS8001-2010 class 4/2012 By Department of Labour protection and Welfare Ministry of Labour
- Risk-based thinking for ISO 9001: 2015, 2015 By TUV nord
- QMS ISO 9001:2015 Requirement Interpretation 2016 By TUV nord
- QMS Internal audit for ISO 9001:2015, 2016 By TUV nord
- What Business need to know about Data Science By CORALINE

**Shareholding in the company** 0.0002%

**Stake in the company of their spouses and minor children** none

**Work Experiences**

- 2017-Present** Executive Director,  
Chief Service Officer  
Cho Thavee Public Company Limited.
- 2013 – 2017** Domestic Sales and Marketing Manager  
Cho Thavee Dollasien Public  
Company Limited.

**Other listed companies** none

**Non-listed companies**

- 2009 – 2013** Domestic Sales and Marketing Manager  
Cho Thavee Dollasien Company Limited.



**Mr. Phard Pimrin**

**- Executive Director**  
**- Chief Information Officer**

**Appointed**  
January 18, 2018  
Age 47 year old.

**Education and Training**

- Master Degree, Faculty of Business Administration, College of Graduate Study in Management, Khon Kaen University
- Bachelor Degree, Business Administration, Business Computer, North Eastern University
- Certificate, MINI MBA Kasetsart University, Si Racha Campus.
- Windows Server Networking and Administration
- Platinum for Windows and Pervasive SQL database by SAGE software
- Data Center by NSTDA Academy
- IT Security for Listed Company by SET
- IT Audit Workshop for Non - IT Audit class 5 by NSTDA Academy
- IT Audit for non - IT Audit Master class by NSTDA Academy
- SAP Business by Design System configuration by NTZ
- What Business need to know about Data Science By CORALINE

**Shareholding in the company** 0.010 %

**Stake in the company of their spouses and minor children** none

**Work Experiences :**

- 2018 - Present** Executive Director  
Chief Information Officer  
Cho Thavee Public Company Limited.
- 2015 - Present** CSR committee
- 2001 - 2018** Information Technology Manager  
Cho Thavee Public Company Limited.

**Other listed companies** none

**Non-listed companies**

- 2001 - 2018** Information Technology Manager  
Cho Thavee Dollasien Company Limited.



## Miss Yinghathai Ponphangnga - Company Secretary

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**Appointed** : Jane 1, 2011

Age :43 year old.

**Education and Training:**

- Master Degree, Faculty of Business Administration, KhonKaen University
- Bachelor Degree, Faculty of Business Administration, Accounting, North Eastern University
- Director Accreditation Program (DAP)class SEC/ 2013
- Effective Minutes Taking (EMT) class 26/2013
- Company Secretary Program (CSP) class 48/2012

**Shareholding in the company** 0.016 %

**Stake in the company of their spouses and minor children** none

**Work Experiences**

**2013 - Present** Company Secretary  
Secretary of President and Chief Executive Officer.  
Head of Import-Export  
Cho Thavee Public Company Limited.

**Other listed companies** none

**Non-listed companies**

**2007 - 2013** Company Secretary  
**2000 - 2012** Oversea Sale administrative Officer  
Cho Thavee Dollasien  
Company Limited.

**The person who was assigned for the highest responsibility in finance and accounting (Chief Financial Officer “CFO”) and The person supervising accounting (Chief Accountant)**

### Chief Financial Officer “CFO”



### Mr. Nititorn Deeumpai

- Executive Director
- Chief Financial Officer
- Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees

#### Appointed

April 3, 2014

Age 49 year old.

#### Education and Training

- Master of Business Administration (Industrial Management) Ramkhamhaeng University
- Bachelor of Accounting (B.B.A) Faculty of Accountancy Dhurakij Pundit University
- Director Certification Program (DCP) class 192/ 2014
- Anti-Corruption for Executive Program class 3/2014
- Anti-Corruption The Practical Guide ACPG 23/2015

**Shareholding in the company** 0.0006 %

**Stake in the company of their spouses and minor children** none

#### Work Experiences

**2014 - Present** Executive Director, Chief Financial Officer, Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees  
Cho Thavee Public Company Limited.

**Other listed companies** none

#### Non-listed companies

**2017- Present** Executive Director and Treasurer  
maiA Listed Company Association

**2008- 2013** Financial Controller Dmed Hearing Center Co.,Ltd.

### Chief Accountant

### Ms. Panthong Nowa

- The person supervising accounting (Chief Accountant)
- Accountant Manager

#### Appointed

July 26, 2008

Age 49 years old.

#### Education and Training

- Bachelor Degree (B.B.A), Faculty of Business Management (Accounting), Accounting Department
- Impact on the new Thai Financial Reporting Standard concerning revenues from contract that regulated customers (TFRS 15), and rental contract (TFRS 16) that effect on listed companies financial reporting in year 2018
- Anti-money laundering and countering the financing of terrorism and the draft of FAP regulations concerning ethics
- Forbidden issues of payment financial transactions and taxes in year 2018

**Shareholding in the company** 0.0006%

**Stake in the company of their spouses and minor children** none

#### Work Experiences

**2018 - Present** Chief Accountant,  
**2008.-Present** Accountant Manager,  
Cho Thavee Public Company Limited.

**Other listed companies** none

**Non-listed companies** none



## Details of Directors Management of Its Subsidiary as at December 31, 2018

[illegible]



## Annotation

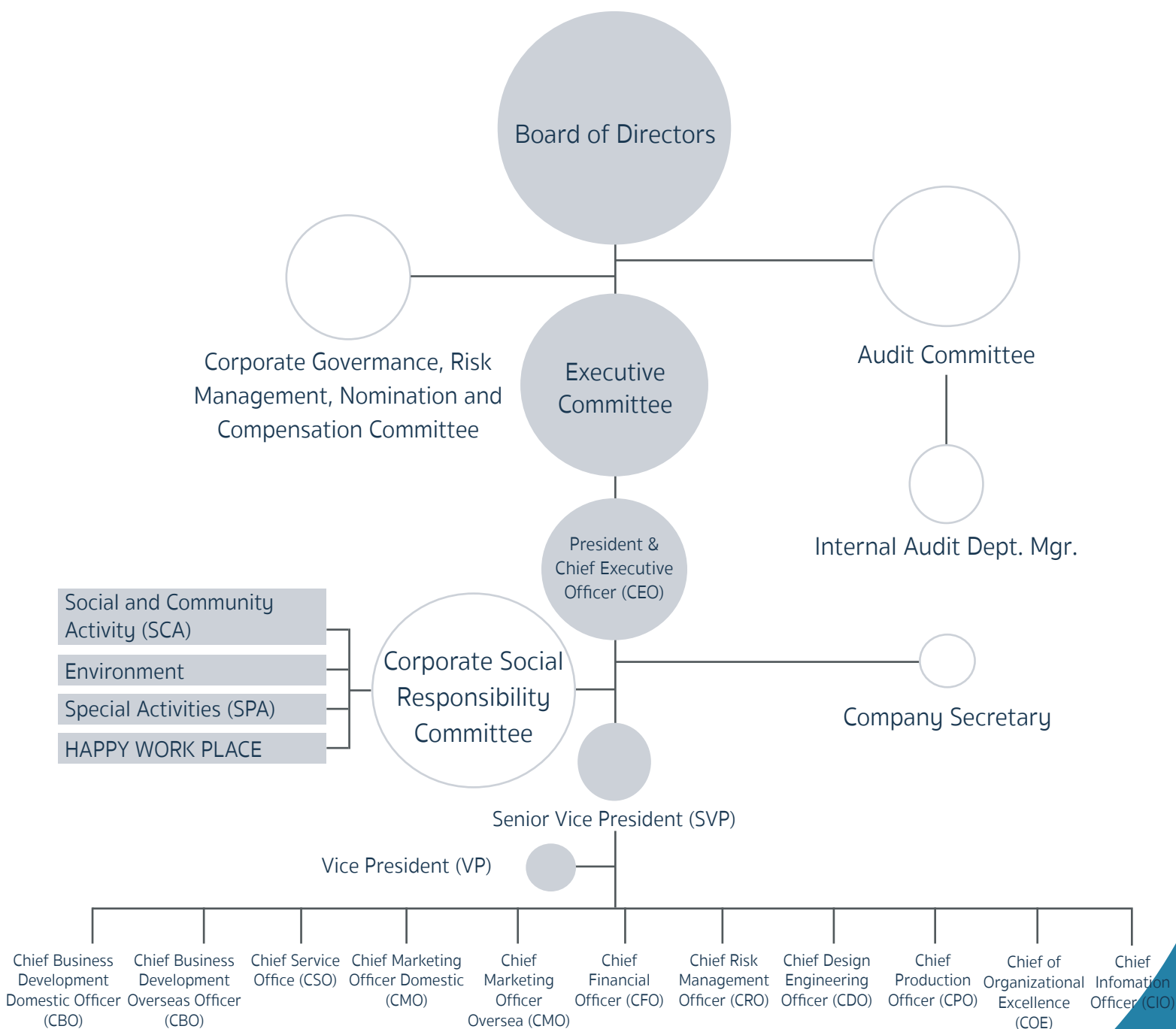
X	=	Chairperson of the Company
/	=	Board of Director
XX	=	Chief Executive Officer
//	=	Executive Director
CHO	=	Cho Thavee Public Company Limited.

### Related Companies

1. Khon Kaen Cho Thavee (1993) Co., Ltd.
2. Volrep Truck and Bus Co., Ltd.
3. Iphon Logistics Co., Ltd.
4. Cho Ruamthavee Leasing and Real Estate Co., Ltd.
5. Chia EamSeng Co., Ltd.
6. Bangkok CTV Intertrade Co., Ltd.
7. Ruamthavee KhonKaen Co., Ltd.
8. Ruamthavee Motor Sales Co., Ltd.
9. A P S Multi-Trade Co., Ltd.
10. O J Development Co., Ltd.
11. Tang Hua Sing Nakhon Pathom Ltd. Partnership
12. Khon Kaen City Development (KKTT) Co., Ltd.
13. Joint Venture JVCC
14. Joint Venture TSP-CTV
15. Joint Venture CKKM
16. Joint Venture SCN-CHO
17. JVCKK Joint Venture
18. JVOPV Joint Venture
19. Thaveesaengthai Nongrue Rice Mill Ltd., Partnership
20. KKTT Holding Co., Ltd.
21. Bangchak Bioethanol (Chachoengsao) Co., Ltd.
22. Smart Consulting and Services Co., Ltd.
23. Freedom Media for Reform Co., Ltd.
24. Apex Development Public Co., Ltd.
25. Star Universal Network Public Co., Ltd.

# The managerial structure

The company's managerial structure as at December 31, 2018, comprises of 5 groups of committees which are: The Board of Directors, The Audit Committee, The Corporate Governance Committee, Risk Management, Nomination and Compensation Committee, The Executive Committee and The CSR Committee with the details as follows:



# 1 Committee

## 1.1 The Board of Directors

As at December 31, 2018, the company has 7 directors comprising of:

Name	Position
1. Ms. Phenphimol Vejvarut	Chairman
2. Mr. Suradech Taweesaengsakulthai	Director
3. Mr. Anusorn Tamajai	Independent Director / Audit Committee Chairman
4. Mr. Chatchawan Triamvicharnkul	Independent Director / Audit Committee
5. Mr. Asa Prateepasen	Independent Director / Audit Committee
6. Ms. Asana Taweesaengsakulthai	Director
7. Mr. Siriwat Taweesaengsakulthai	Director

With Mr. Suradech Taweesaengsakulthai is the Board of Director's secretary

**The authorized persons with the signature on behalf of the company** : Mr. Suradech Taweesaengsakulthai signs with Ms. Asana Taweesaengsakulthai, and affixed with the company's seal.

**The limitation of the directors' authority** : none

## 1.2 Audit Committee

As at December 31, 2018, the company's audit committee has 3 persons comprising of:

Name	Position
1. Mr. Anusorn Tamajai	Chairman of the audit committee
2. Mr. Chatchawan Triamvicharnkul	The audit committee
3. Mr. Asa Prateepasen	The audit committee

Remarks : The audit committee who has knowledge and experiences in reviewing the reliability of the financial statements, is Mr. Chatchawan Triamvicharnkul, who graduated with a Certificate in Higher Diploma in Auditing (Accounting Examination) Chulalongkorn University, and Bachelor's degree in Business Administration (Accounting) from Ramkhamhaeng University.

With Mrs. Apsorn Suriya is the secretary to the audit committee

### 1.3 Corporate Governance, Risk Management, Nomination and Compensation Committee (CGR Committee)

As at December 31, 2018, comprising of 3 Committees as follows:

Name	Position
1. Mr. Chatchawan Triamvicharnkul	Chairman of the committee
2. Mr. Asa Prateepasen	The committee
3. Mr. Siriwat Taveesangkulthai	The committee

With Mr. Nititorn Deeumpai is the CGR Committee's secretary

#### Statistical data of the Company's Directors attending the Meeting in 2016-2018

List of directors	2016			2017			2018		
	The company's Director	Audit Committee	The CGR Committee	The company's Director	Audit Committee	The CGR Committee	The company's Director	Audit Committee	The CGR Committee
Ms. Phenphimol Vejvarut	6/6	--	--	6/6	--	--	10/10	--	--
Mr. Suradech Taveesangsakulthai	6/6	--	--	6/6	--	--	10/10	--	--
Mr. Anusorn Tamajai	6/6	9/9	--	6/6	9/9	--	10/10	9/9	--
Mr. Chatchawan Triamvicharnkul	6/6	9/9	5/5	6/6	9/9	5/5	10/10	9/9	5/5
Mr. Anusorn Tamajai	6/6	9/9	5/5	6/6	9/9	5/5	10/10	9/9	5/5
Ms. Asana Taveesangsakulthai	6/6	--	--	5/6	--	--	9/10	--	--
Mr. Siriwat Taveesangsakulthai	6/6	--	5/5	6/6	--	5/5	7/10	--	4/5

#### 1.4 Executive Board

As at December 31, 2018, the company's executive board has 16 persons comprising of:

Name		Position
1. Mr. Suradech	Taweesaengsakulthai	Chairman
2. Ms. Asana	Taweesangsakulthai	The Executive Director
3. Mr. Siriwat	Taweesangsakulthai	The Executive Director
4. Ms. Somnuk	Sangin	The Executive Director
5. Mr. Narong	Ongartmaneerut	The Executive Director
6. Mr. Nititorn	Deeumpai	The Executive Director
7. Mr. Prasobsuk	Boonkwan	The Executive Director
8. Mr. Sven Markus Gaber		The Executive Director
9. Mr. Nopparat	Sangsawang	The Executive Director
10. Mr. Apichai	Chumsri	The Executive Director
11. Mr. Nirut	Sumongkol	The Executive Director
12. Mr. Padungdetch	Euasookkul	The Executive Director
13. Mr. Bamrung	Chinsombat	The Executive Director
14. Mr. Sakarin	Unnim	The Executive Director
15. Mr. Chatchai	Kantawirut	The Executive Director
16. Mr. Phard	Pimrin	The Executive Director

With Ms. Thanyaphat Noipracha is the Executive Committee's secretary

#### Remark :

- The Executive Committee's meeting no. 3/2018 held on January 30, 2018 had a resolution to appoint Mr. Phard Pimrin, and the Executive Committee's meeting acknowledged the resolve on February 23, 2018, and the appointment was effective on January 18, 2018 onwards.

- The Executive Committee's meeting no. 13/2018 held on December 25, 2018 had a resolution to appoint Mr. Narong Ongartmaneerut, the Executive Committee's meeting acknowledged the resolve on January 22, 2019, and the appointment was effective on December 25, 2018 onwards.

## 2 Management

### Company's Management

As at December 31, 2018, the Company has 15 Managements comprising of:

Name		Position
1. Mr.Suradech	Taweesaengsakulthai	President and Chief Executive Officer
2. Ms. Asana	Taweesaengsakulthai	Senior Vice President
3. Ms. Somnuk	Sangin	Vice President
4. Mr. Narong	Ongartmaneerut	Vice President
5. Mr.Nititorn	Deeumpai	Chief Financial Officer
6. Mr. Prasobsuk	Boonkwan	Chief Business Development Officer - Domestic
7. Mr. Padungdetch	Euasookkul	Chief Business Development Officer - Overseas
8. Mr. Sven Markus Gaber		Chief Marketing Officer – Overseas
9. Mr. Sakarin	Unnim	Chief Marketing Officer - Domestic
10. Mr. Nopparrat	Sangsawang	Chief Production Officer
11. Mr. Apichai	Chumsri	Chief Risk Management Officer
12. Mr. Nirut	Sumongkol	Chief Design Engineering Officer
13. Mr. Bamrung	Chinsombat	Chief Service Officer
14. Mr. Chatchai	Kantawirut	Chief of Organizational Excellence
15. Mr. Phard	Pimrin	Chief Information Officer

## 3 Company's Secretary

The Company's Board of Directors has resolved to appoint Ms. Yinghathai Ponphangnga to be the Company's Secretary. The Company's Secretary performs the duties of arranging for the meeting of The Board of Directors and The shareholders' meeting including the preparation of the minutes of the Board of Directors' meeting the shareholders' meeting and keeping all the documents legally designated. The Company's secretary appointed by the Board of Directors is the right person with the knowledge and competency in managing the Company's secretarial works.

## 4 Corporate Social Responsibility (CSR) Committee

As December 31, 2018, the Company CSR committee comprising of:

Name	Position	Position in CSR Committee
1. Mr. Suradech Taweesaengsakulthai	President and Chief Executive Officer	Chairman
2. Ms. Somnuk Sangin	Vice President	Vice Chairman, Consultant to Happy Workplace Group
3. Mr. Siriwat Taweesaengsakulthai	Executive Director	Committee
4. Mr. Apichai Chumsri	Chief Risk Management Officer	Committee, Consultant to Special Activity Group
5. Mr. Nopparat Sangsawang	Chief Production Officer	Committee, Consultant to Special Activity Group
6. Mr. Prasobsuk Boonkwan	Chief Business Development Officer - Domestic	Committee, Consultant to Social and Community Activity Group
7. Mr. Nirut Sumongkol	Chief Design Engineering Officer	Committee, Consultant to Happy Workplace Group
8. Mr. Chatchai Kantawirut	Chief of Organizational Excellence	Committee, Consultant to Environmental Activity Group
9. Mr. Phard Pimrin	Chief Information Officer	Committee, Consultant to Social and Community Activity Group
10. Mr. Winyou Ingo	Domestic Sale Manager	Committee, Chair Man of Special Activity Group
11. Mr. Sommai Kaewvisath	Smart City Project Manager	Committee, Chair Man of Environmental Activity Group
12. Mr. Piyapong Jewmuang	Production Manager of Cho Thavee Thermotech Co., Ltd.	Committee, Chair Man of Social and Community Activity Group
13. Mr. Chatchai Kantawirut	Chief of Organizational Excellence	Committee, Chairman of Happy Workplace Group
14. Mr. Nikom Polsoongnern	Wang Noi Service Center Manager	Committee
15. Mr. Nattaporn Muangjanta	Assistant Manager, Law Department Document Controller, QMR	Committee
16. Ms. Thanyaphat Noipracha	Department	Committee, CSR Secretary

with other 30 staffs



### CSR Committee Responsibilities

1. To determine CSR activity's policy, plan, budget and code of conduct
2. To consider selecting CSR team for each activity and propose the appointment to the President and Chief Executive Officer
3. To determine CSR strategy and policy for each party
4. To control and follow up CSR's operating results from each party
5. To review and sign on related document of CSR
6. To determine CSR rules and regulations
7. To review CSR results and arrange the criteria of CSR international standards

## 5 Remunerations of the Company's Directors and Managements

On 23rd April 2018, the Annual General Meeting of shareholders has resolved in approving the remunerations to the Company's committee as follows:

### 5.1 Monetary Remunerations

a) The remunerations for the Company's directors and the audit committee

The meeting remuneration of not over than THB 1.7 million comprising of:

- Chairperson and Audit Committee Chairman  
THB 12,500 / meeting
- Director and Audit Committee THB 10,000 / meeting

The committee monthly remuneration :

• The monthly remuneration for the audit committee, monthly remuneration only audit committees as follows :

	Monthly Remuneration (THB/Person) in 2018
Board of Directors	-none-
Audit Committee	390,000
Corporate Governance, Risk Management, Nomination and Compensation Committee	-none-

The annually remuneration (bonus) Bonus for the company's directors for the year 2018 not over than 4 million baht, the chairman of the company is authorized in determining the allocation of bonus to each director. In the 2018, there was no payment.

b) Remunerations for the sub-committee and the Corporate Governance, Risk Management, Nomination and Compensation Committees

Meeting remuneration: (excluding the one who is in the position of executive management)

- Chairman of the sub-committee THB 10,000 /meeting
- Member of the sub-committee THB 8,000 /meeting

## Summary of the remunerations for the directors in 2017-2018

List of the director	2017					2018				
	The company's Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total	The company's Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total
Ms. Phenphimol Vejvarut	75,000	--	--	--	75,000	125,000	--	--	--	125,000
Mr. Suradech Taweesaeng-sakulthai	60,000	--	--	--	60,000	100,000	--	--	--	100,000
Mr. Anusorn Tamajai	60,000	112,500	--	--	172,500	100,000	112,500	--	--	212,500
Mr. Chatchawan Triamvicharnkul	60,000	90,000	50,000	--	200,000	100,000	90,000	50,000	--	240,000
Mr. Asa Prateepasen	60,000	90,000	40,000	--	190,000	100,000	90,000	40,000	--	230,000
Ms. Asana Taweesaeng-sakulthai	50,000	--	--	--	50,000	90,000	--	--	--	90,000
Mr. Siriwat Taweesaeng-sakulthai	60,000	--	40,000	--	100,000	70,000	--	32,000	--	102,000

## c) The remunerations for the executive managements

The remunerations for the executive managements are in the form of salary, bonus, and other welfare and fringe benefits such as: the provident funds, the savings in the cooperative, the benefits from the resignation (excluding the meeting remunerations for Directors) details as follows:

Remuneration for the Executive	2016		2017		2018	
	persons	million baht	persons	million baht	persons	million baht
Salary	14	14.42	13	14.83	14	15.92
Bonus	13	0.95	11	0.93	14	1.08
Welfare and fringe benefits (the provident funds, the savings in the cooperative, the benefits from The resignation)	14	0.84	11	0.96	14	1.11
<b>Total</b>	<b>14</b>	<b>16.21</b>	<b>13</b>	<b>16.72</b>	<b>14</b>	<b>18.11</b>

## 5.2 Other Remunerations

### (A) Other Remuneration Committee

- Risk insurance for the Managements: not exceed 50 million Baht

### (B) Other Remuneration of Sub - Committee

- None -

### (C) Other Remuneration of executive

- The provident fund: The Company has established provident fund on November 26, 2012, the Company has joined ratio 2.00% of Salary in 2018, the company has contributed funds for the management 14 person totaling THB 0.00 due to the Executive officer is the Saving Cooperative member.
- Contribution Saving : The Company has provided the cooperative's assets for employees since 2004, The Company contributed for each payroll in the ratio of 0.10% In 2018 the Company has contributed Saving for executives, totaling 15 persons amounts of THB 115,200 (data shown in the table, executive compensation).
- Non-Monetary Remunerations for the Chief Executive Officer is a car allowance including a driver.

# 6 Personnel

## 6.1 Number of employees (Not include number of Management)

In the year 2016-2018 the Company has a number of personnel in the designation are as follows.

	Number of employees		
	31 <sup>st</sup> December 2016	31 <sup>st</sup> December 2017	31 <sup>st</sup> December 2018
<b>1. Permanent employee</b>			
- Financial and Fund Management department	20	20	26
- Domestic Marketing department	9	15	21
- Overseas Marketing department	7	6	6
- Administration department	192	207	257
- Production department	440	442	476
- Internal Audit department	4	3	3
<b>2. Temporary employee</b>	--	--	--
<b>Total</b>	<b>672</b>	<b>693</b>	<b>789</b>

## 6.2 Total remunerations for the company's employees, and type of remuneration

(unit : million baht)

Remunerations for permanent employees	2016	2017	2018
Salary, bonus, TO, commissions <sup>/1</sup> , provident fund. <sup>/1</sup>	156.12	182.57	174.98
<b>Total</b>	<b>156.12</b>	<b>182.57</b>	<b>174.98</b>

Remark : /1 = The Company has its regulation in paying commissions to all Sales of sales department, the basis in computation based on the agreement with the company. The Company pays for the commissions in the salary account at the end of each month.

### Employee Compensations and Benefits

The company has provided employee compensations and benefits more than the labor legislation according to Thailand social and economy in present such as bonus, commission, provident fund, medical benefit, disabled welfare, uniforms, social welfare, infirmary, non-interest loan, free rice for lunch and 100% add up saving and credit cooperatives.

### **6.3 Human resources development**

The company has the policy concerning the development of human resources as continuous, by focusing on the promoting and giving the knowledge for the development of capability. The Company provides the internal training, and sends its employees in attending the training course with the governmental and private sector. The Company also provides the learning by doing to its employees under the supervision and the advice from the supervisor. The Company has the policy of job rotation for the personnel in each project, in order for the employees in having various and broaden skillful and experiences.

### New Committees Orientation

The company assigned new committees to attain the orientation comprising of the presentation of business characteristic, business details, business operation and regulation. The new committees will be given a handbook and documents concerning committee duties: Code of Business Conduct, Regulation, Annual Report, Working Handbook, Anti-corruption Policy and handbooks related to committees' duties.

### **The company committee and executive committee training**

The company has supported trainings for the committee and executive director to participate beneficial training program for improvement of their knowledge, understanding of good governance principles, code of conduct, regulations, as well as role and duties of the committee in order to the effective management with ethics. Also, the committee and executive director can always meet and share ideas with various companies' committee and executive director. The fundamental training program for the committee are the program held by the Thai Institute of Directors (IOD) including: Directors Certification Program (DCP), or Directors Accreditation Program (DAP), or Audit Committee Program (ACP). In 2018, the committees had participated in the training program held by the Thai Institute of Directors (IOD) including: Directors Certification Program (DCP), or Directors Accreditation

Program (DAP), or Audit Committee Program (ACP), and other specific program from many institutes in order to bring knowledge and experience to develop the company. In 2018, the committee has participated in training program held by the Thai Institute of Directors (IOD), Stock Exchange of Thailand and other institutes as follows.

Committee / Executive Director	Training Program in 2018	Institute Name
1. Mr.Suradech Taweesaengsakulthai (Director) (Chairman)	<ul style="list-style-type: none"> <li>• What Business needs to know about Data Science</li> </ul>	<ul style="list-style-type: none"> <li>• Coraline</li> </ul>
2. Ms. Somnuk Sangin (Executive Director)	<ul style="list-style-type: none"> <li>• Adjustment of the direction of Thai Economic, prepare for the era of technology confusion</li> <li>• Impact on Financial Standard TFRS9</li> <li>• What Business needs to know about Data Science</li> </ul>	<ul style="list-style-type: none"> <li>• Thailand Development Research Institute (TDRI)</li> <li>• Stock Exchange of Thailand</li> <li>• Coraline</li> </ul>
3. Mr.Nititorn Deeumpai (Executive Director)	<ul style="list-style-type: none"> <li>• “C” (Caution) measure and the adjustment of backdoor listing</li> </ul>	<ul style="list-style-type: none"> <li>• Stock Exchange of Thailand</li> </ul>
4. Mr. Prasobsuk Boonkwan (Executive Director)	<ul style="list-style-type: none"> <li>• What Business needs to know about Data Science</li> </ul>	<ul style="list-style-type: none"> <li>• Coraline</li> </ul>
5. Mr. Apichai Chumsri (Executive Director)	<ul style="list-style-type: none"> <li>• Sustainability Risk and Materiality Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Stock Exchange of Thailand</li> </ul>
6. Mr. Chatchai Kantawirut (Executive Director)	<ul style="list-style-type: none"> <li>• Modern Businessman Development</li> <li>• What Business needs to know about Data Science</li> </ul>	<ul style="list-style-type: none"> <li>• Khon Kaen University</li> <li>• Coraline</li> </ul>
7. Mr. Phard Pimrin (Executive Director)	<ul style="list-style-type: none"> <li>• What Business needs to know about Data Science</li> </ul>	<ul style="list-style-type: none"> <li>• Coraline</li> </ul>

The participants are 7 persons of total 20 persons. (Committee and Executive Director) The Company is also responsible for IOD registration for benefit on information and knowledge receiving.

Average of in-house/external training hours (per person, per year)	2016	2017	2018
Senior manager Executive Management	55.33	11.58	31.17
Department manager	72.36	23.63	25.23
Staff	18.35	7.70	9.23
<b>Total</b>	<b>146.04</b>	<b>42.91</b>	<b>65.63</b>

Furthermore, the company lends the significant to the building of morale and motivation in the company's human resources. The expense of in-house/external training totaling 4.38 million Baht. The Company has continuously improved the employees' welfare in the proper way. The last 3 years training expenses are showed on the table below.

(unit : million baht)

Remunerations for permanent employees	2016	2017	2018
External/in-house training expenses	21.94	3.23	4.38
<b>Total</b>	<b>21.94</b>	<b>3.23</b>	<b>4.38</b>

# Corporate Governance

## 1 Corporate Governance Policy

The Company's Board of Directors concern to the significant of The Principle of Good Corporate Governance for the transparency, able to be audited, and building the investors' confidence. The Company shall regularly disclose the information to the public and to the shareholders. In addition, the Company lends the significant to the controlling system and internal auditing. The Company attempts to control and to manage the risks closely, and concerns to the ethics the business operation.

The company is also monitoring the operation of Good Corporate Governance policy and company's code of conduct, by communication disclosed on the company's website for the acknowledgement of Committee, Executive Committee, all level employees and general parties. It is for Good Corporate Governance. There is an internal auditor department and audit committee to constantly monitor the operation. As of December 31, 2018, it had no issue which does not comply with the policy above.

The Company has Closely Control and manage risks. And taking into account ethics in business operation by maintaining the fairness to the partners, the shareholders, and the stakeholders, with the details to be classified into 5 sections as follows

### Section 1: Rights of Shareholders

The Company's Board of Directors concern to the significant of the shareholders' rights as equitable, by not doing any action to violate or to deprive the shareholders' rights. The Company also accommodates the shareholders in using the rights, and determines the directions in building the shareholders' confident for the protection of fundamental rights as follows:

- 1) The Company will inform as regular to the shareholders directly or through the SET systems, about the progress of business operation.
- 2) The arrangement of shareholders' meeting to be held at the place convenience in travelling, and at the proper date and time.
- 3) The Company will send in advanced of not less than 7 or 14 days the invitation letter to attend the meeting to the shareholders, in compliance with the company's regulations and/or designated law. The Company will send together with the invitation letter the supplement information according to the agenda of meeting as sufficient for the consideration. The letter and other documents will prepare in Thai version and English version. The Company also prepares for the opinions of the BOD for the consideration of the shareholders' resolution to each meeting agenda, and the opinions of the audit committee for the significant agenda or as designated by law.
- 4) The Company will announce to the shareholders before starting the meeting, the matters concerning: the rights according to the company's regulation, the handling of the meeting the method in voting and the right in express the opinion including the raise of question. The chairman of the meeting, the board of directors and the director with position related to the special concern has attend the meeting in providing the information and answering the questions. The chairman of BOD or chairman of the meet-



ing will allocate the time as proper by arranging for the shareholders in having the opportunity for asking the questions or express the opinions and the suggestions.

5) After the shareholders' meeting has been finished the Company will inform to the SET immediately prior to the next opening of stock the resolutions of the shareholders' meeting. The Company will prepare the record of every shareholder' meeting with the accuracy and complete content including the detail of the director attending the meeting the detail of the counting of the votes in each agenda, and the questions or major opinions, enable to the examination of the shareholders. The Company will send the documents to the SET within 14 days after the date of shareholders' meeting

Because of its continual improvement, the Company has received a perfect score of 100 for its quality under the 2015 AGM project, given by the Thai Investors Association.

## **Section 2: Equitable Treatment of Shareholders**

The Company lends the significant for equitable treatment of shareholders under the following directions:

1) The Company will send the proxy document by proposing at least of 1 audit committee for the shareholders in selecting as proxy to attend the shareholders' meeting and to resolve on behalf of the shareholders in each agenda, in case that the shareholders cannot attend the meeting. This is the treatment in supporting to the shareholders able to define their own resolve directions.

2) In case of the shareholders request for the adding of the agenda not less than 3 days prior to the meeting date, and the company considers that such agenda benefited to the Company and the shareholders. The Company has the policy in presenting such agenda to the meeting, and the Company shall inform to the shareholders through the SET about the additional agenda.

3) In case that the shareholders request to the Company, three months in advanced prior to the shareholders meeting date, for the proposing of person(s) to hold the position of the Company's director(s), and have sent the supported information about the qualification with letter of agreement from the proposed person(s). The Company has the policy in considering proposing such person(s) qualifying according to the related laws to hold the position of director(s) in replacement of the director(s) whose term has been expired, and shall be presented in the Annual General Shareholders' Meeting for the consideration of the resolution.

4) The Company has its direction in protecting of using the inside information, by defining in the employee's operation manual under part of ethics which has been published to all the employees.

5) The Company has its policy and method in protecting the directors and the managements from using of benefits incurred from significant information which affect to the investment. The Company will inform to the SET immediately before the next trading date of stocks about the meeting resolutions. So, the directors and the managements have no opportunities in using inside information for their own benefits. The directors and the managements must also report the holding of shares in each time of buying and selling to the SET within 3 working days.

6) Stipulated the duties of directors and the management in the good corporate governance statement, in refraining from trading of Company shares at least a month before the disclosure of financial statements and three days after the disclosure, as well as in reporting to the Board on their shares held every month.

7) Define the duties of committees and report to Board of Directors at least 1 day before the deal.

### Section 3: Roles of Stakeholders

The Company respects to the stakeholders' rights, and defines as the treatment in the Company's code of conduct, to ensure that the rights pertaining to any lawful related to the stakeholders in all parties such as: the shareholders the employees the managements the clients the vendors including the socials will be take care by the Company. Furthermore, the Company also builds the coordination with the stakeholders for the business can be well operated and to return the advantages as fairness to all parties concerned. In order to build the long term accomplishment the Company has its directions to be treated as follows:

- 1) The equitable treatment to the employees, and with the appropriated remunerations.
- 2) The procurement of products and services from the vendors must be complied to the conditions, also with the treatment to the vendors as per the agreement.
- 3) To pay attention and to take responsible to the clients for the quality of products and services.
- 4) The treatment as per the borrowing conditions agreed with the lender of the company.
- 5) The treatment as per the rule of good competition, to avoid the untruthful method in order to destroy the competitors.
- 6) To take responsible to the environment of social and community, and also to support for the activities in community at the proper time and opportunity.

### Section 4: Disclosure of Information and Transparency

Beside to the disclosure as strictly, completely, and on time of financial reports or other information to the public through many channels, the Company shall disclose the following information for the transparency in business operation:

- 1) To disclose the information about the performance of the Company's Board of Directors and the audit committee such as: number of meeting and number of attending the meeting of each director in the past year.
- 2) To disclose the method in the appraisal, and the performance appraisal of the Company's directors.
- 3) To disclose the policy of the remunerations to the Company's directors and the executive managements, including the form or characteristic of remunerations.
- 4) To report the policy of corporate governance, and performance results as per policy.

The Company discloses this information to the public through the SEC, the SET, and the company's website.






### Section 5: Board Responsibilities

The Company's Board of Directors comprising of those who are professional with the knowledge, the competency, and the experiences from various professions benefited to the Board of Directors, and to the independence in making decision for the ultimate advantages to the Company and the shareholders. The Board of Directors takes part in defining and/or agreeing on the company's vision, missions, strategies, business plans, and budget. The Board of Directors also governs the managements in performing as to the business plans and budget with the efficiency and the effectiveness to the corporation, and the ultimate wealth to the shareholders. The Board of Directors also governs for the evaluation to the suitable of internal controlling, internal auditing, risk management, financial reporting, and the monitor of the performance regularly.

There are 7 directors in the Company's Board of Directors, which comprising of 2 directors from the Company's executive Management and 5 directors which are not from the executive managements. 3 directors are the independent directors, which are over than 1/3 of total directors. In addition, the company has appointed 3 independent directors as the audit committee with the term of 3 years. The Company has determined precisely the scope and authority of the audit committee in the charter of the audit committee.

### **Good Governance Assessment**

The company has a result of a very good level for Corporate Governance Report of Thai Listed Companies (CGR) 2018. The report published by Thai Institute of Directors (IOD) which the details of reports 2014-2018 shown as following.

Year	Result (%)		
	Point of CHO	Level	Average point of Thai Listed Companies
2018	92%	Excellent 	81%
2017	90%	Excellent 	80%
2016	89%	Very Good 	78%
2015	87%	Very Good 	75%
2014	66%	Satisfactory 	72%

### **AGM Assessment**

The company has been improving AGM continually with the assessment point of 96 for the AGM Checklist 2018 project held by the Thai Investors Association. The results of 2014-2018 are as follows.

Year	Result (Total 100 point)		
	Point of CHO	Level	Average point of Thai Listed Companies
2018	96	Excellence	92.42
2017	96	Excellence	91.97
2016	100	Excellence	91.62
2015	100	Excellence	92.68
2014	90.13	Excellence	91.35

### **Un-accomplishment performances in good corporate governance**

In 2018, the company's had followed the principle of good corporate governance except:

<b>Un accomplishment Tasks</b>	<b>Reason</b>
1. The Directors held more than 25% of the company's share.	The company's needs of experienced Management to lead the business succeed
2. The company had not determined the 'Cumulative Voting' for the Director election method.	According to the Company Act, It had selected the '1 Share : 1 Vote' method that to the company's policy compliance.
3. The company had not revealed the compensation of the CEO specifically as it had been included with the board of director report.	The company is a small-sized business and the Information has no impact on the management.
4. The committee chairman did not originate from the independent committee.	The committee chairman must be knowledgeable, has experienced in the company's products and also can give comments to the Board of Directors and Executive Administrators as well.

### **Remunerations of Directors**

The Company has its policy in determining, with the precision and the transparency, the monetary remunerations of the directors, and brought to the annual general shareholders' meeting for the approval. The measures in determining the company directors' remunerations are as follows:

- 1) To be appropriate and corresponded to the scope of responsibility of each director.
- 2) The remunerations are in the level of attractive, capable of maintaining the directors with competency and quality in performing the duties with the company.
- 3) The factors of the remunerations are clear, transparent, and simplified.
- 4) The remunerations are at the rate in equivalent to the directors in the same industry.

### **Board of Directors Meeting**

The Company shall arrange for the Board of Directors meeting and additional special meeting complied with the Company's regulations legal concerns to the public company and rules and regulations of the SET. The Chairman of the BOD acts as chairman of the meeting shall promote for the using of careful judgment and allocate the appropriated time for the meeting enable for the managements in proposing of the matters and the careful discussion of major problem. It is defined that the company shall arrange meeting at least once a month and as necessary with the minutes specified in advance, then the Company will send to the board of directors in advanced of 7 days prior to the meeting date the invitation letter together with the agenda and other supporting documents. The company has specified the minimum

quorum for each meeting, which the committees should participate the meeting at least two third (or 75%) of the total participants, except in cases of necessity, In addition the Company shall prepare the precise and complete minutes of meeting enable for the examination by the shareholders.

#### **Board of Directors Report**

- The Board of Directors responsible for the preparing of financial reports which include the Company's financial report, the consolidated financial report of the Company and its subsidiary, and financial information appeared in the annual report. The financial reports have been prepared in accordance with general accepted accounting standard in Thailand, by the adoption of accounting policy as appropriated, accepted, and frequently treated, including the careful adoption of judgment in preparing and disclosure of significant information as appropriated in the remark to the financial statements.
- The director, the executive committee and managements have been assigned to report their interest and involved person's interest when starting their positions and when the data changes, as well as the report of changing should be submitted annually. According to the rules and regulations for reporting conflicts of interest of the director and management set by the committee. In 2017, the director, the executive committee and managements have been assigned to hand in a report of interest to the company secretary. The report will be summarized and submitted to the audit committee and the board of directors. This issue has been proposed to the board of directors in the meeting 2/2018 dated 23 February, 2018.

#### **Board of Directors Self-Assessment**

In order for the increased of the Board of Directors' effectiveness, the Company lets the Board of Directors do the performance self-assessment, by having the directors appraise the performance of the Board of Directors as a whole, and having the directors join in the consideration of performance and problems. The Board of Directors shall analyze and find the conclusion, from the assessment result, in determining the measure in improving the performance effectiveness.

#### **Preparation of Sustainability Report, 2018**

The company has conducted Sustainable Report 2018 in order to report the company's performance between 1 January – 31 December 2018 by focused on distributing the economic, environmental and social information explaining good corporate governance in human development, aim to be the Learning Organization. Therefore, the structure layout of the company's committee is connected to the President and the Chief Executive Officer directly. Thus, the CSR is linked to all levels of the staff.

## **2 Sub-Committee**

The company's managerial structure comprises of 4 sets of committees which are: the Board of Directors, the Audit Committees, and the Executive Committees (considered appointing from the Board of Directors' Meeting No. 12/2012 on November 14, 2012) and the Corporate Governance, Risk Management, Nomination and Compensation Committees (considered appointing from the Board of Directors' Meeting No. 6/2014 on December 21, 2014). The scope of the directors' authorities being shown as follows:

## 2.1 Board of Directors

As at December 31, 2018, the company has 7 directors comprising of:

Name		Position
1.Ms. Phenphimol	Vejvarut	Chairman
2.Mr. Suradech	Taweesaengsakulthai	Director
3.Mr. Anusorn	Tamajai	Independent Director / Audit Committee Chairman
4.Mr. Chatchawan	Triamvicharnkul	Independent Director / Audit Committee
5.Mr. Asa	Prateepasen	Independent Director / Audit Committee
6.Ms. Asana	Taweesaengsakulthai	Director
7.Mr. Siriwat	Taweesaengsakulthai	Director

With Mr. Suradech Taweesaengsakulthai is the Board of Director's secretary

The authorized persons with the signature on behalf of the company : Mr. Suradech Taweesaengsakulthai signs with Ms. Asana Taweesaengsakulthai, and affixed with the company's seal.

The limitation of the directors' authority : none

### Scope of duties and responsibilities of Board of Directors

1. To perform the duties complied with law, objective, the company's regulations, and the shareholders' meeting resolution.

2. To consider the approval of business policy, target, business plans, corporate strategies, and annual report.

3. To consider the appointment of person(s) with the qualifications and characteristics not forbidden to the public company act B.E. 2535, and law pertaining to securities and stock exchange market, including the regulations and/or regulations concerning to the directors in case that the vacancy for the position of directors due to other reason beside the resignation.

4. To consider the appointment of the independent directors and the audit committee, by considering to the forbidden qualification and characteristic of the independent directors and the audit committee: according to the law concerning securities and stock exchange market: including the regulations and/or regulations concerning stock exchange market; or to present to the shareholders' meeting for the consideration of the appointment as the independent directors and the audit committee.

5. To consider the appointment of the executive managements by selecting from management or the directors of the company, including the defining of the scope of authorities and responsibilities of the executive managements.

6. To consider the determining and the correction of list of the authorized directors of the company.

7. To appoint other person in operating the business, under the control of the board of directors, or to delegate the authority to such person and/or in the period that the board of directors consider as appropriated. The board of directors may cancel/ withdraw/ amend or correct such authorization.

8. To consider the approval of the transaction pertains to the acquiring or the disposal of assets,

except that such transaction must be approved from the shareholders' meeting. Such approval shall be as per the notice, the regulations and/or regulation concerning stock exchange market.

9. To consider the approval of the related transaction, except that such transaction must be approved from the shareholders' meeting. Such approval shall be per the notice, the regulation and/or regulation concerning stock exchange market.

10. To consider the approval of interim dividend payment to the shareholders based on the view that the company has the appropriated profits to do so, and report the payment of dividend to the shareholders at the next shareholders' meeting.

11. To consider the approval of the company's securities holdings of themselves, their spouses and underage child in every board of directors meeting with and inform to the company in case of

- They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
- They hold shares in the Company

12. To consider the approval of any committees shall remain the committee position in not over 5 companies listed or unlisted in The Stock Exchange of Thailand.

13. Directors must have the awareness of ethics and morality, and act as Good Governance Principles, conducts and policy of anti-corruption as well as to encourage all level employees to do the same. This is for reducing the corruption risk, using power incorrectly and prevention of illegal actions.

The directors or other person with or may have the conflict of interest with the company, are not allowed to vote such matter.

In addition, the following cases must be agreed from the board of directors' meeting, and the shareholders' meeting with the votes of not less than 3/4 of total votes from shareholders who attend the meeting and have the voting right.

- Selling or transferring the whole or partial of the company's business
- The acquisition of the transferring of other firm's business or private firm to be the company's business
- To do, to correct, or to terminate the agreement concerning the letting of the whole or partial of the company's business. To delegate the authority to other person in managing the company's business, or to merge the business with other person with the purpose of profits and loss sharing
- To amend the prospectus or the regulations
- To increase the capitals, to decrease the capitals, to issue the debenture, to merge or to dissolve the company
- The other matter defined under the provision of law concerning securities and/or the provision of the SET, in obtaining the agreement from the shareholders' meeting with the votes as mentioned above, for example: the transaction about the acquisition or the disposal of assets, the related transaction.



### Directors' Term

The directors have the term of 3 years in each period, the period of 1 year means time period from the year that directors have been appointed from the shareholders' Shareholders meeting until the next annual meeting. The director, whose term has been expired, may have been proposed as director for another term.

The delegation of the board of directors' authorities and responsibilities is not the delegation of the authorities or responsibilities which enable the directors or the authorized person to approve the transaction with conflict of interest (as defined in the notice from the SEC) for both the Company and the subsidiary company.

### **2.2 Audit Committee**

As at 31 December 2018, the Company has 3 audit committee comprises of:

รายชื่อ	ตำแหน่ง
1. Mr. Anusorn Tamajai	Chairman to the audit committee
2. Mr. Chatchawan Triamvicharnkul	Audit committee
3. Mr. Asa Prateepasen	Audit committee

Remark : Audit committee who has knowledge and experiences in reviewing the reliability of financial statements is Mr. Chachawal Triamvijarnkul, who graduated with the certificate in higher graduate (auditing) from Chulalongkorn University, and Bachelor's degree in Business Administration (Accounting) from Ramkhamhaeng University.

With Mrs. Apsorn Suriya is the secretary of the audit committee

### **Scope of duties and responsibilities of Audit Committee**

The Board of Directors has assigned the duties and responsibilities as follows

1. To review for the Company's in having the financial reports with the accuracy, complied to general accepted account standard, disclose the adequate and reliable information
2. To review for the Company in having the internal control system and internal audit system with the appropriated and effectiveness
3. To review the Company's operation in corresponded with public law, securities and stock exchange market law, the regulations of the SET and the SEC, including law concerning the Company's business
4. To consider the selection, propose the appointment and offer withdrawn for the Company's auditor, to determine the auditor's compensation, to evaluate the auditor's performance, to maintain the independence in performing of job for the auditor
5. To review for not having the conflict of interest between related persons
6. To consider the disclosure, with the accuracy and the completion, of the company's information concerning the related transactions or transactions which may have conflict of interest
7. To consider the approval of the charter of the internal audit department, including the approval of audit plan, man power, and annual budget

8. To consider and to agree on the appointment, the discharging, the transferring, lay off, and to consider the merit, to assign the job, and to maintain the independence to the internal audit department

9. To perform other duties designated by law, and assigned by the board of directors and agreed by the audit committee such as:

- To review and to evaluate the appropriate of the Company's rules and regulations, and to govern the Company in performing according to the regulations and related law including the policy designated by the Board of Directors

- To review the Company's policy concerning financial management and risk management

- To review the executive managements' performance as per the business ethics

- To review with the executive managements on the significant reports that have to be presented to public as required by law such as: management's report and analysis

10. To prepare report of the audit committee's corporate governance, signed by chairman of the audit committee, by disclosing in the company's annual report.

11. To consider the information and/or the trace of fraud and/or corruption that has been informed by a person inside and outside the organization according to the clues notification process (Whistle-blower hotline) as well as the Anti-Corruption process.

The Audit Committee responsible, for the above mentioned duties and responsibilities, directly to the Board of Directors, and the Board of Directors responsible, for the Company's operation, to the shareholders and the public.

#### Term of Audit Committee

The audit committee has the term for 3 years in each period, and maintains in the position of not over than 3 consecutive terms, counting from the date of approval from the Board of Directors or the shareholders' meeting. The period of 1 year means time period from the year that the audit committee has been appointed from the shareholders' meeting until the next annual meeting. The audit committee, whose term has been expired, may have proposed in renewal.

### **2.3 Corporate Governance, Risk Management, Nomination and Compensation Committee (The CGR. Committee)**

As at December 31, 2018, comprising of 3 Committees as follows:

Name	Position
1. Mr. Chatchawan Triamvicharnkul	Chairman of the committee
2. Mr. Asa Prateepasen	The committee
3. Mr. Siriwat Taveesangkulthai	The committee

With Mr. Nititorn Deeumpai is the CGR Committee's secretary

#### **Scope of duties and responsibilities of Committees**

##### 1. Good Corporate Governance and Code of Business Ethics

1.1 To propose Good Corporate Governance policy and a Code of Business Ethics of the Company's group to the Company's Board of Directors for approval.

1.2 To monitor and supervise the Company's group to ensure that Good Corporate Governance policy and Business Ethics specified by the Company are complied.

1.3 To continuously assess the Good Corporate Governance policy and Code of Business Ethics of the Company's group to ensure that they comply with international standards and/or recommendations from related government organizations, and propose to the Company's Board of Directors for approval.

1.4 To evaluate and propose a Code of Best Practices to the Board of Directors and/or other sub-committees in the Company's group.

1.5 To encourage the dissemination of the Good Corporate Governance culture across the organization and support to the Good Corporate Governance practices.

1.6 To appoint the working team and outline its roles in supporting the monitoring and supervision of Corporate Governance and Business Ethics, as appropriated.

1.7 To perform other duties related to Good Corporate Governance and Business Ethics as assigned by the Board of Directors.

## 2. Risk Management

2.1 To assess and present Risk Management policy and framework to the Company's Board of Directors for approval.

2.2 To examine and agree on risk appetite (acceptable risk levels), and present to the Company's Board of Directors.

2.3 To continuously monitor development activities and compliance actions according to the policies and Risk Management framework so the Company's group will have Risk Management system that is uniformly effective throughout the organization to ensure that such policies continue to be observed.

2.4 To assess risk identification and assessment procedures, report on significant Risk Management activities and enforce procedures to ensure that the Company has sufficient, appropriate and efficient Risk Management system in place.

2.5 To coordinate with the audit committee about significant risk factors and having the internal audit unit to review that the Risk Management system of the Company's group is appropriate to the exposure, being adapted as needed and adopted throughout the organization.

2.6 To continuously report to the Company's Board of Directors on significant risk and Risk Management solutions, recommend and advising the Sub Risk-Management Committee (SRM) and/or department and/or the relevant working committees about significant risks and Risk Management, as well as evaluate the appropriate means to improve various databases that are related to the development of Risk Management solutions.

2.7 To appoint the additional related personnel and/or the management committee as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.

2.8 To perform other tasks related to Risk Management as assigned by the Company's Board of Directors.

## 3. Nomination

3.1 To set guidelines and policies in nominating company's Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of

members, and outlining necessary directors' qualifications, and proposing for approval by the Company's Board of Directors and/or Shareholders' Meeting as appropriate.

3.2 To search, select and propose appropriate persons to hold the position of the Company's Directors whose retiring by rotation and/ or became vacant, and/or newly appointed Directors, and proposing for approval by the Company's Board of Directors and/or Shareholders' Meeting as appropriate.

3.3 To perform other duties related to nominations as assigned by the Company's Board of Directors.

#### 4. Remuneration

4.1 To prepare guidelines and policies in determining the Company's Board of Directors and other sub-committees' Remuneration, and proposing to the Company's Board of Directors and Shareholders' Meeting for approval.

4.2 To determine necessary and appropriate monetary and non-monetary Remuneration, for individual members of the Company's Board of Directors in each year by taking into consideration each Directors' duties and responsibilities, performance, and comparisons against similar businesses including the benefits expected in return from each Directors, and proposing to the Company's Board of Directors and to the Shareholders' Meeting for approval.

4.3 To evaluate the annual performance of the President and Chairman Management for considering approval the Remuneration by proposing to the Company's Board of Directors. However, the committees whose are Executive committees shall not be part of taking consideration the President and Chairman Management's Remuneration.

4.4 To take responsibility supports the Company's Board of Directors and being responsible for explaining and answering any question regarding the Company's Board of Directors, the President and the Chief Executive Officer's Remuneration in the Shareholders' Meeting.

4.5 To report policies and principles, reasons in determining the Remuneration of Directors and management according to the Stock Exchange of Thailand (SET) guideline by disclosing them in the Company's annual information disclosure (56-1) and annual report.

4.6 To perform other duties related to Remuneration as assigned by the Company's Board of Directors.

## 2.4 Executive Committee

As at December 31, 2018, the company's 16 persons of executive committee, comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	Chairman
2. Ms. Asana Taweesaengsakulthai	The Executive Director
3. Mr. Siriwat Taveesaengsakulthai	The Executive Director
4. Ms. Somnuk Sangin	The Executive Director
5. Mr. Narong Ongartmaneerut	The Executive Director
6. Mr. Nititorn Deeumpai	The Executive Director
7. Mr. Prasobsuk Boonkwan	The Executive Director
8. Mr. Sven Markus Gaber	The Executive Director
9. Mr. Nopparat Sangsawang	The Executive Director
10. Mr. Apichai Chumsri	The Executive Director
11. Mr. Nirut Sumongkol	The Executive Director
12. Mr. Padungdetch Euasookkul	The Executive Director
13. Mr. Bamrung Chinsombat	The Executive Director
14. Mr. Sakarin Unnim	The Executive Director
15. Mr. Chatchai Kantawirut	The Executive Director
16. Mr. Phard Pimrin	The Executive Director

With Ms. Thanyaphat Noipracha is the Executive Committee's secretary

Remark :

- The Executive Committee's meeting no. 3/2018 held on January 30, 2018 had a resolve to appoint Mr. Phard Pimrin, and the Executive Committee's meeting No.2/2018 acknowledged the resolve on February 23, 2018, and the appointment was effective on January 18, 2018 onwards.

- The Executive Committee's meeting no. 13/2018 held on December 25, 2018 had a resolve to appoint Mr. Narong Ongartmeerut, the Executive Committee's meeting acknowledged the resolve on January 22, 2019, and the appointment was effective on December 25, 2018 onwards.

### Scope of duties and responsibilities of Executive Committee

1. To prepare and to present the Company's business policies, goals, operational plans, business strategies, and annual budget, for the approval from the Board of Directors

2. To arrange an orientation for new committee about the Company's business

3. To determine the Company's business plans, the authorities, and budget, for the approval from the Board of Directors

4. To control for the effectiveness and obliged to the business condition, the Company's operation corresponded with business policies, goals, operational plans, business strategies, and budget which approved from the Board of Directors

5. To consider the approval of the borrowing or the request for credit facility from financial institution, including the payment or the disbursement for transaction as to the Company's normal business such as: the disbursement for investment, and operating expenses as per chart of authorization

6. To define the effective organizational structure and management covering: the selection, training, recruiting, and lay off the Company's employees which are the managements or the executive managements. The authorization may be delegated to managing director in signing the employment agreement

7. To govern and to approve the Company's operation. The executive committee may appoint or assign any person or persons in performing any matter deem appropriated, and the executive committee can cancel, amend, or correct such authority

8. To perform other duties assigned by the Company's Board of Directors

9. To consider the approval of the company's securities holdings of themselves, their spouses and underage child in every board of directors meeting with and inform to the company in case of

- They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
- They hold shares in the Company

The Executive Committee has no right in voting for the transaction which may have conflict of interest, or have interest with the Company or the subsidiary company. The approval of transaction which may have conflict of interest, must comply with the notice from the SET under the subject: basis, procedure, and the disclosure of related transaction B.E. 2546.

## 2.5 Executive Directors

As at December 31, 2018, the Company has 15 persons of Executive Directors comprising of:

Name		Position
1. Mr. Suradech	Taweesaengsakulthai	President and Chief Executive Officer
2. Ms. Asana	Taweesaengsakulthai	Senior Vice President
3. Ms. Somnuk	Sangin	Vice President
4. Mr. Narong	Ongartmaneerut	Vice President
5. Mr. Nititorn	Deeumpai	Chief Financial Officer
6. Mr. Prasobsuk	Boonkwan	Chief Business Development Officer - Domestic
7. Mr. Sven Markus	Gaber	Chief Marketing Officer - Overseas
8. Mr. Nopparat	Sangsawang	Chief Production Officer
9. Mr. Apichai	Chumsri	Chief Risk Management Officer
10. Mr. Nirut	Sumongkol	Chief Design Engineering Officer
11. Mr. Padungdetch	Euasookkul	Chief Business Development Officer - Overseas
12. Mr. Bamrung	Chinsombat	Chief Service Officer
13. Mr. Sakarin	Unnim	Chief Marketing Officer - Domestic
14. Mr. Chatchai	Kantawirut	Chief of Organizational Excellence
15. Mr. Phard	Pimrin	Chief Information Officer

### Scope of duties and responsibilities of President and Chief Executive Officer

- 1) To determine and to present to the Board of Directors, the business strategies and plans
- 2) To operate as per the business strategies and plans approved by the Board of Directors
- 3) To present to the Board of Directors for the consideration of the search for the opportunity in operating business related to the Company's business, including new business with the feasible and

increasing the company's and the employees' revenues

4) To operate and to perform the missions assigned by and under the policy of the Board of Directors

5) To order, to issue the regulation/ announcement/ memorandum for the operation to be corresponded with the policy

6) To consider the approval of the borrowing or the request for credit facility from financial institution, including the payment or the disbursement of transaction as to Company's normal business such as: the disbursement for investment, and operating expenses as per chart of authorization

7) To coordinate with the executive and the employees for the operation according to business policy and direction derived from the Board of Directors

8) To govern the employees' operation in accordance with the policy, rules and regulations, including the operation under the principle of good governance

9) To promote the development of the employees' knowledge, competency, and potential, for the increase of the organization's potential

10) To consider the Company's operational results, and to present to the Board of Directors in approving the interim dividend payment and annual dividend payment

The above mentioned authorities of President and Chief executive officer are not included to the authority of President and Chief executive officer in approving the transaction with the conflict, the interest, or may have conflict of interest (as per the regulations of the Company and the SEC) with the Company or the subsidiary company.

#### Summary of General Authorization

Position	approval in getting job/ Bidding (baht/transaction)	approval for investment (baht/transaction)	approval for general expenses/ <sup>2</sup> (baht/ transaction)
<b>The Board of Directors</b>	>1,000,000,000	> 50,000,000	
<b>The executive committee</b>	100,000,001 –1,000,000,000	< 50,000,000	> 2,000,001
<b>President and Chief Executive Officer</b>	≤ 100,000,000	≤ 20,000,000	≤ 2,000,000
<b>Senior Vice President / Vice President</b>	≤ 10,000,000	- no authorization-	20,000 - 100,000
<b>Chief Officer</b>	≤ 10,000,000	- no authorization-	< 20,000 <sup>/1</sup>



Remark : The Company's board of directors meeting No. 4/2016 on August 9th 2016, has approved the above mentioned summary of general authorization

/1 = Chief Officer approves only on the related transaction with the authority owns

/2 = general expenses mean the expenses which are the fixed expenses such as expenses of water, electricity, rental , and expenses that are not related to selling project or production expenses, the expenses with the amount over 2 million baht will be approved by the executive committee.

The Company and its subsidiary has prepared annual budget through the consideration of executive committee. In case that the department with the expenses exceed the budget, there must be proposed for the approval of the additional budget from executive committee.

### 3 Recruitment and Appointment of Directors and Executive Managements

The selection of person to be appointed as director or management, the Company will assign the Corporate Governance, Risk Management, Nomination and Compensation Committee which considered appointing from the Board of Director No. 6/2014 on December 21, 2014, to do so. The Company's directors or managements shall be gender equality, comply with the law and the company's rule, be faithful and secure the company's benefit with the completely qualifications as per article 68 of the public company act B.E. 2535, and notice No. Tor Jor 28/2551 from the Capital Market Supervision Commission subject: the request for permission and permission of the initial public offering (IPO) dated 15th December 2008; and must not be the person with the qualifications forbidden as per notice from the SEC subject: the regulation concerning the management of the Company issuing stocks. The Company's directors and managements must not have the history of illegal concern in ten years retrospective prior to the date of request for permission, and have never been convicted as the insolvent person, not being the person violating the regulations, notice, order, the resolution of directors, or the agreement of securities registration with the SET or the SET circulation letter, including the dispute or the prosecution waiting for the judgment.

#### Factors and Recruitment of Board of Director

1) The Company's Board of Directors comprises of at least 5 persons, with half of the Directors must have the residence in the kingdom. The Directors must be the person with the qualification required by law

2) The shareholders' meeting shall elect the company's directors under the basis and procedures as follows:

2.1 Each shareholder has 1 share per 1 vote

2.2 Each shareholder shall use the vote referred in 2.1 in the election of one person or persons to be director(s). In case of many persons have been elected, the votes cannot be shared to any one as much or less

2.3 The person(s) with ranking at the highest shall be elected as director(s) equal to the number of director(s) should have at the time of the election. In case that the person(s) with the rank next to the highest rank, has (have) the equal votes exceeding the number of director(s) should have at the time of the election, chairman of the meeting shall vote as the final decision

3) For each of annual general meeting, one-third of total directors at the time of meeting shall

be removed from the position. If the number of director cannot be divided into 3 fractions, the removal of directors will be the closest to one-third. The remove director(s) may be re-elected. In the first year and the second year after the registration of the Company, the director(s) shall draw the lots for the removal. In the later year, the removal shall be for the director(s) with the longest term in the position.

4) The Director(s) who would like to resign shall submit the resignation letter to the Company. And the resignation will be effective on the date of receiving the resignation letter by the Company

5) The shareholders' meeting may have the resolution to remove any director from the position prior to the term removal, with the votes of not less than  $\frac{3}{4}$  of total shareholders attending the meeting and have the right to vote, and with the total shares of not less than half of total shares held by the shareholders who attend the meeting and have the right to vote.

6) In case of the position of director is vacant, caused by other reason beside to the resignation in the term, the board of directors shall select the person; with the qualification and without the characteristic forbidden as per the public company law or law pertaining to the securities and stock exchange market; to be the replaced director(s) at the next meeting of the board, except for the term of such director(s) left less than 2 months. The person(s) selected as the replaced director(s) shall be in the position in equivalent to the term left of the removed director(s). The Board of Directors resolution in appointing the person(s) to be director (s) must have the vote of not less than  $\frac{3}{4}$  of total existing directors.

7) The Directors may or may not be the Company's shareholders

8) The board of directors shall select one director to be the chairman. The Board of Directors shall select, in case of the appropriated consideration, one director or many directors as vice chairman and managing director. The vice chairman has the duties assigned by chairman according to the regulations of the Company.

#### **Factors and Recruitment of Audit Committee**

1) The audit committee comprises of 3 independent directors. The Board of Directors shall select one of the audit committee to be chairman of audit committee.

2) Each of the audit committee must have the knowledge, competency, experiences, and expertise as appropriated to the missions assigned by the board of directors, including the knowledge and competency in the matter related to the performance of audit committee.

3) At least one of the audit committee must have knowledge and understanding or experiences in field of accounting or finance.

4) The audit committee appoints at least 1 secretary to the audit committee, to perform the duties concerning the preparation of meeting agenda information, recording the minutes of meeting, the preparation of activities report, and other tasks assigned by the audit committee.

#### **Qualifications of Independent Directors**

1. Hold the shares of not exceeding 1% of total shares with the voting right of the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or those who have the control power in the Company. The shares of the related person to the independent director will be counted.

2. The independent director must not be or never be the director taking part in managing, the employee, the consultant who has salary, or has the control power in the Company, the parent company, the affiliated company, the subsidiary company at same level, major shareholders, or those who have the

control power in the company. Except that such independent director has left from the above mentioned characteristic of not less than 2 years before submitting the request for permission to the SEC or on the appointing date. The above mentioned forbidden is not included the case that the independent director used to be the government officer or the consultant to the government organization which is the major shareholders or those who have the control power in the Company.

3. The independent director must not be the person with the relationship as blood lineage, or the legally registration as parents, spouse, brother/sister, and child, including child's spouse of the managements, major shareholders, the person with the control power, or the person to be proposed as the managements, or the person with the control power in the company or the subsidiary company.

4. The independent director must not have or used to have the business relationship with the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person who has the control power in the company, in the way that might obstruct to the adoption of independent judgment of the independent director.

5. The independent director must not be or used to be the advisor of the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with the control power of the company, and must not be the shareholders in significant, the person with the control power, or partner of audit firm in which the auditor of the company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with control power of the company attributed, except for the removal of not less than 2 years after the date of submitting for permission to the SEC or on the appointing date.

6. The independent director must not be or used to be the service provider of profession which includes legal advisor or financial consultant who receives service fee of more than 2 million baht/year from the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with the control power, and not be the shareholders in significant, the person with the control power, or partner of the service provider of profession, except for the removal of not less than 2 years before the date of submitting for permission to the SEC or on the appointing date.

7. The independent director must not be the director appointed to be the representative of the Company's directors, major shareholders, or the shareholders with the relationship with major shareholders.

8. The independent director must not operate the business with the same condition and compete as significant with the business of the Company or the subsidiary company, or must not be partner as significant in partnership company, or must not be the director taking part in managing, the employee, the advisor receiving salary, or hold the shares more than 1% of total shares with voting right of other Company operating business with the same condition and compete in significant with the company or the subsidiary company.

9. There not be other characteristic that has the impact to the disability of the independent director to independently express the opinion concerning the company's operation.

10. The independent director with the above mentioned qualifications, may has been assigned from the board of directors in making the decision about the operation of the Company, the parent company, the affiliated company, the subsidiary company at the same level, major shareholders, or the person with the control power, the decision may be in the form of collective decision.

### **Qualifications of Audit Committee**

The Company's audit committee must be the independent director of the Company, with the complete qualifications and not being the forbidden person as to the public company law and law pertaining to securities and stock exchange market, and other law related to company's business.

1. To be the director without taking part in managing, and not being the employee or the advisor having salary with the Company, the subsidiary company, the affiliated company, the related company, or the major shareholders of the company.

2. To be the director without the business or interests as direct or indirect in financial aspect and financial management in the company, the subsidiary company, the affiliated company, or the major shareholders of the company.

3. To be the director not being the related person or the closed cousin of the executive managements or major shareholders of the company.

4. To be the director without any appointment as representative in protecting business of the company's directors, major shareholders, or the shareholders with the relationship with major shareholders of the company.

5. To hold shares of not exceeding 1.0% of paid-up capitals of the company, the subsidiary company, the affiliated company, the related company. This includes the counting of shares held by the related persons (including the persons) with relationship by blood lineage, by the marriage, and by legal registration such as father, mother, spouse, child)

6. To be able to perform the duties, express the opinion or to report the performance as to the tasks assigned by the company's board of directors, not being under the control of the executive managements or major shareholders of the Company including the related person(s) (including the person(s) with the relationship with the company that affect to the ability in performing the duties independently or fluently such as: the clients, the creditors, the debtors, or the person(s) with the significant relationship to the Company's business) or the closed cousin of such person(s).

7. The audit committee must have the independence and able to express the opinion or to report freely as to the missions assigned, without concerning to any benefit relating to assets or position, and not being under the influence of any person or group of person, including of none situation obstructed audit committee in expressing opinion as it should be.

8. To devote with adequate time for the operation, and have the intention to enhance knowledge concerning the company's operation in continuous for the effectiveness.

9. The Audit Committee with the above mentioned qualifications is served a maximum of 9 years in the position

### **Factor and Qualification of Corporate Governance, Risk Management, Nomination and Compensation Committees (CGR Committee)**

1. CGR Committee is to be appointed by the Company's Board of Directors and has to comprise of at least 3 persons, more than one-half of the total number of The Committee must be independent directors and less than one-half of the total number of The Committee must be being the Company's President and Chief Executives Officer.

2. CGR Committee Chairman must be independent director appointed by The Committee's Meeting.

3. CGR Committee considers appointing The Committee's secretary of at least 1 person in order to operate the meeting items, meeting agenda, minutes meeting and others as assigned by The Committee.

#### **Factor and Nomination of Executive Committee**

The executive committee comprises of the Company's executive managements, the following positions are the company's executive committee:

- (1) President and Chief executive officer
- (2) Senior Vice Presidents
- (3) Vice Presidents
- (4) Chief officers

The executive committee can propose, in the meeting, the appropriated person to be executive committee in additional, the executive committee has the term in the position for 4 years in each period.

#### **Factor and Recruitment of President and Chief Executive Officer**

The executive committee shall propose the executive from the executive committee and present to the Company's Board of Directors in appointing the proposed executive to be president and chief executive officer with the term in the position for 4 years in each period.

## **4 Corporate Governance of the subsidiary company and the affiliated company**

The Company has appointed the person(s) to be the director(s) of the subsidiary company. The Company has determined the regulation in such proposing and voting, and must be approved from the Company's Board of Directors. The person(s) being appointed as director(s) in the subsidiary company perform the duties for the ultimate benefits of the subsidiary company. The transaction concerning the related transaction, the acquisition and the disposal of assets, or other significant transaction, will be under the measure pertaining to the disclosure and the transaction doing as same as the company's measure, including the governance of collecting the information and recording of the subsidiary company accounting in the form as same as of the Company, enable the Company in examining and preparing of consolidated financial statements on time.

## **5 Governance about the Adoption of Inside Information**

As for the governance about the adoption of inside information for the benefits of the managements, the Company has the strict policy in disclosing of the information about the company's action plan, including finance and accounting information. The Company persists strictly to the rules, regulations under the supervision of stock exchange market. The company's human resources are unable to bring inside

information disclosed to the outside persons, except for the writing permission.

The finance and accounting information are collected in computerized system. The access of the information shall be for the authorized person(s) only. The Company set the personal password, and not allow for the disclosure of such password. The summary of total information, and audited financial and accounting information, under the responsible of chief officer-finance, will be disclosed, after being examined and agreed by audit committee, to the Board of Directors at the same time or after the Company has informed and disclosed such information to the SET. All of the Company's executive management respect, persist, and perform as per rules, regulations of the SET. It has been found that there was no inside information being used for the benefits of the directors or managements.

The Company has informed to director and managements about the obligation in reporting the owning of securities of their own company, spouse, and child not reaching the legal age, including the disclosure of securities owned to the SEC as per provision 59 and 275 of the securities and stock exchange market act B.E. 2535.

The Company has its regulations for changing of important information of directors and management such as information of their relations being shareholders or directors in any other entity. Such person is required to notify the change of important information provided to the Secretary to the company within 7 days of the information changed. This is for the purpose of up-to-date information. The Secretary shall propose to the Chairman of the Board of Directors and Chairman of the Audit Committee for their acknowledgment within 7 days of notification. There is a regulation that the management should immediate notify the company for processing transactions with person related to the committee and management, which such transactions may be related transactions. The purpose is to let the Company Secretary to inform the Chairman and Chairman of the Audit Committee to follow relevant rules.

If the Company's directors, managements, or employees violate to the rules and regulations of the Company, the company will have the punishment as defined in the manual for employees of the Company.

#### **Change in the company's securities holdings of those directors and executive report**

The company's directors, managers and auditors shall reveal the report of their company's shares holding including their Spouses and immature child holdings of the company's securities. If the person changed the stake of the holdings, he or her shall report to the Securities and Exchange Commission of Thailand (SEC) due to the 59-2 form within 3 working days since the transaction day, and within 30 days since the person had been elected for the committee and board positions. The company will inform the person 7 days ahead via Electronics sources regard to the company's policy that the person shall not buy or sell the company's stock under 1 month before the declaration of the company's financial statement.

## **6 Auditor Fee**

### **1. Audit Revue Fee and Audit Fee**

The Company and its subsidiary have made the payment of audit fee for PricewaterhouseCoopers ABAS Limited in 2016 – 2018 as follows:





(Unit : Baht)

	2016	2017	2018
1. Annual audit fee			
1.1 CHO and consolidated financial statements	1,180,000	1,580,000	1,650,000
1.2 CTV-TMT	512,000	605,000	650,000
2. Fee for reviewing interim financial statements			
2.1 CHO and consolidated financial statements	570,000	765,000	750,000
2.2 CTV-TMT	0	0	0
<b>Total for CHO</b>	<b>2,262,000</b>	<b>2,950,000</b>	<b>3,050,000</b>
Total for CHO	1,750,000	2,345,000	2,400,000

**2. Non Audit Fee**

154,550 Baht

## 7 Implementation of the Principle of Good Governance for Listed Company in 2018

The Governance Committee, Risk Management Committee, Nomination and Compensation Committee had proposed the principle of Good Governance to the Company Board of Directors' meeting quarterly for their reviewing of CG Code implementation to suite with the business. In 2018, the committee had reviewed the following topics:

- In the quarter 1/2018, the Executive Committee's Meeting no. 1/2018 considered on the operation in 2017, and policy for the improvement of risk management in the quarter 1/2018
- In the quarter 2/2018, the Executive Committee's Meeting no. 5/2018 considered on 3 topics:
  1. The score of an assessment of the Annual General Meeting 2018 by Thai Investors Association.
  2. Reviewing on the Good Governance concerning Law issues
  3. Reviewing on management and risk management in the quarter 2/2018
- In the quarter 3/2018 the Executive Committee's meeting no 3/2018 considered on 2 topics:
  1. Considering on the Good Corporate Governance principle in the quarter 3/2018
  2. Considering on management and risk management in the quarter 3/2018

- In the quarter 4/2018 the Executive Committee's meeting no 3/2018 considered on 3 topics:
  1. Considering on adoption a recommendation from the evaluation of the sustainability of listed companies to improve guidelines for the sustainable operation.
  2. Considering on the self-assessment form of Chief Executive Officer, the company's Committee, Audit Committee for the assessment of 2018 performance.
  3. Considering on determining remunerations of Chief Executive Officer, the company's Committee, Sub-committee and Executive Committee for the year 2019.

## 8 Other treatment complied with Good Governance

In 2018, the Company has arranged for the company's directors meeting for sub-committee in corresponded with the principle of Good Governance with the details as follows:

### Statistical data of Company's Board of Directors attending the meeting in 2018

In 2018, there were 10 of the Company's Board of Directors Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending /Number of the meeting
1. Ms. Phenphimol Vejvarut	10/10
2. Mr. Suradech Taweesaengsakulthai	10/10
3. Mr. Anusorn Tamajai	10/10
4. Mr. Chatchawan Triamvicharnkul	10/10
5. Mr. Asa Prateepasen	10/10
6. Ms. Asana Taweesaengsakulthai	9/10
7. Mr. Siriwat Taveesangskulthai	7/10

### Statistical data of Audit Committee attending the meeting in 2018

In 2018, there were 9 of the Audit Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending /Number of the meeting
1. Mr. Anusorn Tamajai	9/9
2. Mr. Chatchawan Triamvicharnkul	9/9
3. Mr. Asa Prateepasen	9/9

Remark : In 2018, there were 4 times of the independent meeting between Audit Committee and PricewaterhouseCoopers ABAS Limited.

**Statistical data of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee attending the meeting in 2018**

In 2018, there were 5 of the CGR Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending /Number of the meeting
1. Mr. Chatchawan Triamvicharnkul	5/5
2. Mr. Asa Prateepasen	5/5
3. Mr. Siriwat Taveesangkulthai	4/5

**Statistical data of Executive Committee attending the meeting in 2018**

In 2018, there were 13 of the Executive Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending /Number of the meeting
1. Mr.Suradech Taweesaengsakulthai	7/13
2. Ms. Asana Taweesaengsakulthai	7/13
3. Mr. Siriwat Taveesangkulthai	3/13
4. Ms. Somnuk Sangin	12/13
5. Mr. Narong Ongartmaneerut	--
6. Mr. Nititorn Deeumpai	8/13
7. Mr. Prasobsuk Boonkwan	12/13
8. Mr. Sven Markus Gaber	10/13
9. Mr. Nopparat Sangsawang	12/13
10. Mr. Apichai Chumsri	13/13
11. Mr. Nirut Sumongkol	12/13
12. Mr. Padungdetch Euasookkul	1/13
13. Mr. Bamrung Chinsombat	9/13
14. Mr. Sakarin Unnim	11/13
15. Mr. Chatchai Kantawirut	10/13
16. Mr. Phard Pimrin	10/13

Remark : Mr.Suradech Taweesaengsakulthai participated 7 of 13 meeting as he were on duty  
 - Mr. Siriwat Taveesangkulthai participated 3 of 13 meeting as he were on duty  
 - Mr.Narong Ongartmaneerut does not participate the meeting in 2018 since his appointment as Executive Committee was on December 25, 2018  
 - Mr. Padungdetch Euasookkul participated only 1 of 13 meeting since he was sick

### Receipt of Complaint

CHO has a receipt of complaint policy for all groups of stakeholders by providing a receipt of complaint channel for both internal and external organization's stakeholders. The report of complaints will be investigated and recorded then passed through an internal auditor in order to report to CHO's independent audit committees to consider procedures to be undertaken by protecting and maintaining confidentiality of complainant and keeping confidential the name of complainant also prohibiting from disclosing such information in order to protect the complainant. Accordingly, the audit committees will make a report to the Board of Directors then CHO will consider investigating information relating to the complaint. In case of breach the code of business conduct by stakeholders, trading partners or customers, CHO will take corrective action without any compromise.

### Channel of Complaint for all stakeholders

<b>Receipt of Complaint Box</b>	For the convenience, CHO puts this box outstandingly
<b>Letter</b>	Manager of Internal Audit Cho Thavee Public Company Limited 265 Moo 4, Klangmuang Road, Muangkhao, Mungkhonkaen, Khon-Kaen 40000
<b>E-mail</b>	auditcom@cho.co.th
<b>Website</b>	www.cho.co.th
<b>Telephone</b>	043-043880-90 Extension 1235
<b>Facsimile</b>	043-043899

The company had monitored and reported to all complaint and opinions. In 2018, there was no any complaint.

## 9 Assessment Procedures of the Committee, Sub-Committee and Chief Executive Officer

In 2018, the management team cooperated with the Corporate Governance, Risk Management, Nomination and Compensation Committee for reviewing rules, procedures, and improving of operation results to suit the current business characteristic and to comply with the criteria of new CG Code published by the SEC. The CG Code is for an evaluation of the performance of Board of Directors, committees, and Chief Executive Officer, for committees and Chief Executive Officer reviewing the performance, problem, risk, and obstacle during the past years, and for using as a part of 2019 remunerations consideration. There were 3 types of self-assessment including a committee assessment, a self-assessment, and a cross-over assessment (assessor assess another Director). The assessment result will be summarized and proposed

to the company's Committee with the management team to set guidelines for an improvement of the performance of Committees, Chief Executive Officer, to update and set guidelines for the development, prevention and reduce the risk that may occur with the organization in the future in order to achieve concrete and to disclosure in the company's Annual Report.

### **Assessment Procedures**

1. The managements, Corporate Governance, Risk Management, Nomination and Compensation Committee do the assessment together, so the Committee can compare the assessments in each topic, or compare, and evaluate each year result. The meaning of the score shown as follows:

- 0 = Totally Disagree, or no action on such matter
- 1 = Disagree, or such matter has been done slightly
- 2 = Agree, or such matter has been done fairly
- 3 = Highly Agree, or such matter has been done very well
- 4 = Totally Agree, or such matter has been done excellently

There is a consideration of topics and contents to suit the company's current business, and to support the future expansion plans, in accordance with Corporate Governance policies and Good Practices. The assessment results will be used in determining strategies, and used for internal and external operational improvement, as well as the method to evaluate and the assessment process.

In 2018, there was an assignment of 3 independent directors to evaluate performance of the Chairman and Chief Executives of the company, then proposed to the Board of Directors for approval.

2. Secretary of the Corporate Governance Committee sends the assessment forms to the Board of Directors, Independent Directors, Audit Committee and Corporate Governance Committee.

3. The Board of Directors done the assessment and hand in it to the Corporate Governance Committee.

4. The Independent Committee done the assessment and share comments for the assessment of Chief Executive Officer, then hand in the result to the Secretary of the Corporate Governance Committee.

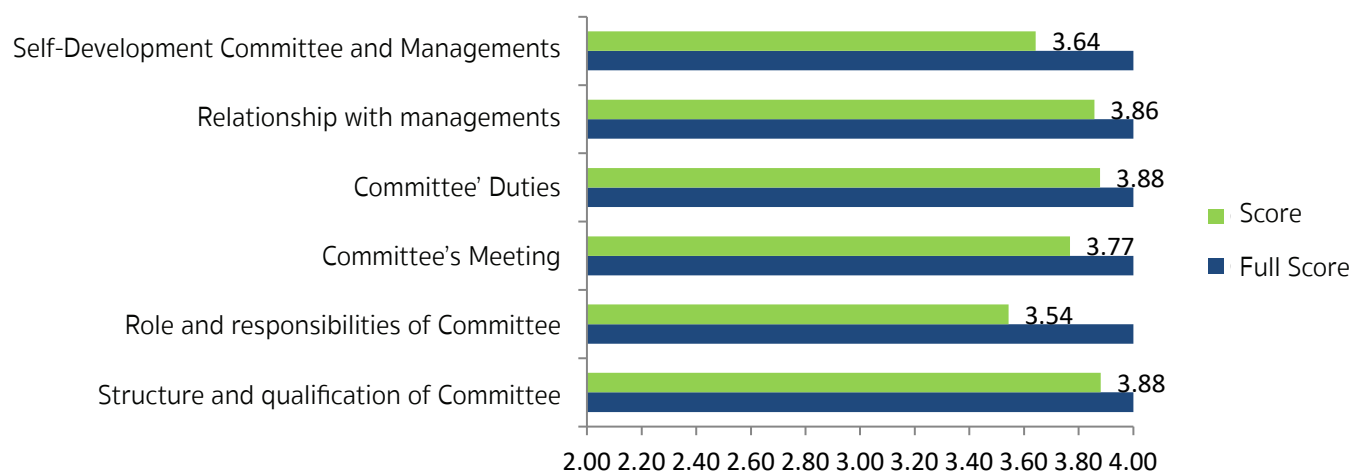
5. Secretary of the Corporate Governance Committee sum up the result of the Assessment, and report to the Board of Directors.

6. Secretary of the Corporate Governance Committee sums up for the assessment analysis and recommend of the Board of Directors to prepare a Strategic Plan and to improve the operation.

### **9.1 Assessment of Overall Board of Directors**

In 2018, assessment topics consisted of 6 topics 1) Structure and qualification of Committee 2) Role and responsibilities of Committees 3) Committee's Meeting 4) Self-improvement and executive management 5) relationship with managements 6) Self-Development and Managements. The assessors were 7 appointed committees.

Assessment results of committees yearly 2018



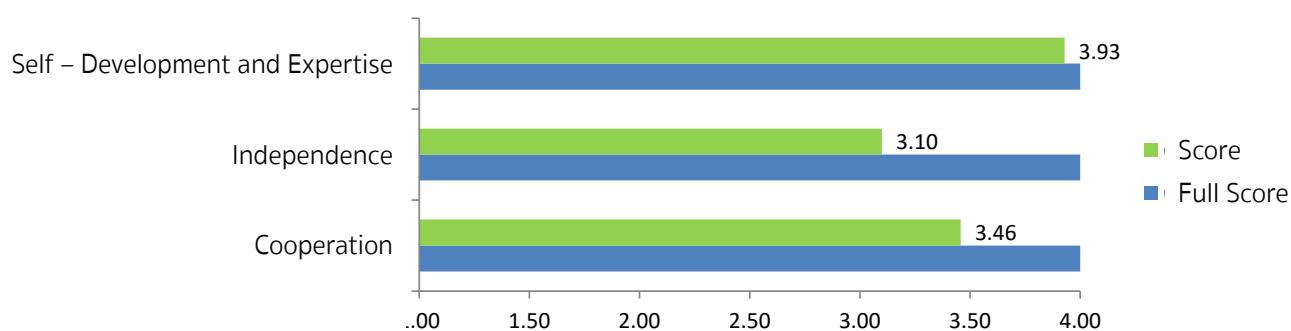
Summary of overall committee assessment

Average score of 3.76 or 94.04% (Full score: 4.00)

### 9.2 Crossover assessment of individual committee

In 2018, there were 3 main topics 1) Roles / Duties / Responsibilities of Committee 2) Independence 3) Self-improvement and Cooperation. The assessors were 7 committees done the assessment by evaluating other committee.

Result of individual crossover assessment yearly 2018



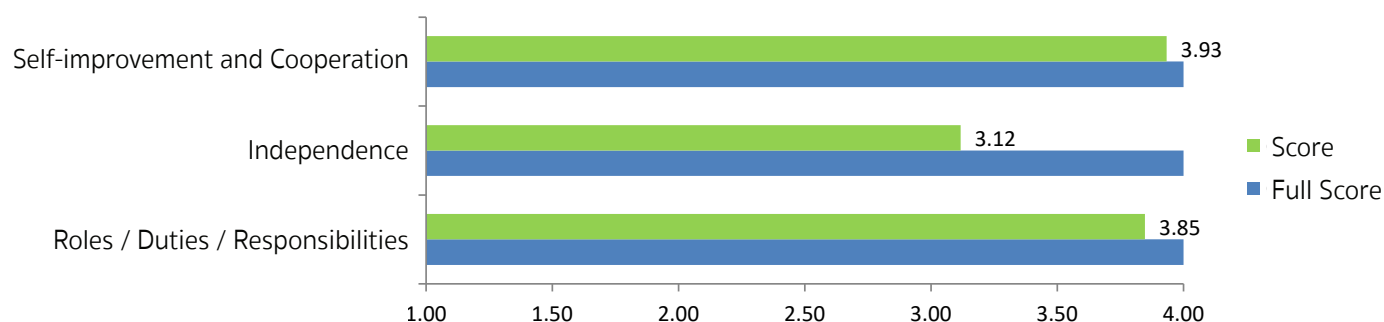
Summary of individual committee crossover assessment

Average score of 3.50 or 87.38% (Full score: 4.00)

### 9.3 Crossover assessment of individual committee

In 2018, there were 3 main topics including 1) Roles / Duties / Responsibilities of Committee 2) Independence 3) Self-improvement and Cooperation. The assessors were 6 committees done the assessment by evaluating other committee.

Result of individual crossover assessment yearly 2018



Summary of individual committee crossover assessment

Average score of 3.63 or 90.81% (Full score: 4.00)

#### 9.4 Assessment of President and Chief Executive Officer

In 2018, the Corporate Governance, Risk Management, Nomination and Compensation Committee assigned 3 Independence Committees to be assessor of President and Chief Executive Officer (CEO) as the following results.

Result of CEO assessment yearly 2018

Category no.	Topic	Full score	Score	Percent
1	<b>Competency</b>	700	566	80.86
2	<b>Main duty</b>			
2.1	Leadership skill	168	135	80.36
2.2	Strategic formulation	168	137	81.55
2.3	Strategic implementation	168	123	73.21
2.4	Financial planning and financial operating result	168	121	72.02
2.5	Relationship with committee	168	139	82.74
2.6	Relationship with external party	140	133	95.00
2.7	Management and relationship management	168	142	84.52
2.8	Succession	84	50	59.52
2.9	Knowledge on products and services	112	105	93.75
2.10	Personal Characteristics	168	147	87.50
	<b>Total score</b>	<b>1,512</b>	<b>1,232</b>	<b>81.48</b>



### **Assessment results**

#### Category 1 Competency

A full score of 100%, average score of 80.86%, this was due to the operating result in 2018 reported higher than the target, but the net profit in 2018 was lower than the target. There was a creation of new business for a combination of products supporting business expansion in the future.

#### Category 2 Main duty, evaluating the performance

A full score of 100%, assessment score 81.48%, a sub category to be improved are

1. Do the succession planning in objectivity
2. Normalizing financial ratios
3. Driving sales volume of product group for higher profit rate

#### Category 3 Improvement of Chief Executive Officer

Strange

1. Having a determination, dedicating time to his duty
2. Having knowledge, ability and patience for problem solving

### **Issues that need to be improved**

1. Scheduling for effective tasks monitoring
2. Maintaining standard for the sustainability of the organization

### **9.5 Result of Sub-Committee Self-Assessment**

#### **- Result of Audit Committees Self-Assessment yearly 2018 in conclusion as follows**

The Sub-Committee Self-Assessment criteria were distributed to 2 divisions as shown below.

#### Part 1 The overall performance of the Audit Committee

From the structure and composition assessment of the Audit Committee which resulted appropriateness and effectiveness to support the Audit Committee duties. Also, the general environment contributed to the functioning of the Audit Committee.

#### Part 2 Specific operation of the audit committee

The audit committee had completed all according to responsibilities in the article as shown below

Group 1 Reviewing the company's financial reports, in the past year, the company has no change on its accounting policy with significant impact. Items which are not regular with significant occurred, and the items in financial reports which should pay attention specially.

Group 2 Reviewing the internal control and internal audit with appropriateness and effectiveness, consider on the independent of the internal audit company and approve on consideration of appointment, relocate and lay-off the head or related department of internal audit. In the past year, the company has no employment on external company for internal audit service, and has no quality assessment by independent assessor for at least every 5 years.

Group 3 Reviewing the company's legal compliance of the Securities and Exchange Commission and related law. In the past year, the company has no issues on failure to comply with law, regulation, related conduct and rule. The company has no auditor notices about suspect behavior which may cause the corruption, and collection all issues about suspect behavior. The auditor checked and found that every internal audit issue was reported.

Group 4 Considering on selection, appointment and offer compensation for independent person to be company's auditor, to join an auditor meeting with no management joining. During a year, the company has no policy to accept other services which is not audit service with the same audit company.

Group 5 Considering on related or collided issues, which could cause the conflict of interest according to the Securities and Exchange Commission and related law to ensure the maximum benefit for the company. In the past year, the audit committee has no conflicts with company's committee.

Group 6 Preparing an audit committee report disclosing in the Annual Report signed by the chairman of the audit committee. It should contain at least conditions as SET specified the qualification and scope of work of the audit committee.

**- Result of The Corporate Governance, Risk Management, Nomination and Compensation Committees (CGR) Self-Assessment Yearly 2018 in conclusion as follows**

The Board of Directors has specified that there should be self-assessment annually by using SET assessment form as an example. Managements joining with the Corporate Governance, Risk Management, Nomination and Compensation have to improve topics, contents and prepare assessment form to suite with business of the company. The form will be proposed to the Board of Directors' meeting for approval. It is approved to use the assessment form as follows:

- 1) The overall performance of the Audit Committee
- 2) Individual Committee Self-Assessment
- 3) Sub-Committee Self-Assessment
  - 3.1 Audit Committee
  - 3.2 The Corporate Governance, Risk Management, Nomination and Compensation Committees
- 4) President, Chief Executive and the Board of Directors Assessment
- 5) Chief Executive Assessment

Summary of the 2018 CGR' assessment as follows:

**The Corporate Governance, Risk Management, Nomination and Compensation Committees**

Average score: 98.00 (Total Score: 100)

Score by each Topic

	Average (Percent)
1) Structure and qualification of the Committee	98%
2) Role / Duties / Responsibilities of Committee	100%
3) Committee's Meeting	100%

**- Result of the Executive Committee Self-Assessment Yearly 2018**

1. Main responsibility and quality development division (60%) achieved in an average score of 92.57
2. Key Performance Indicator (KPI) division (10%)  
The results form KPI as an score average 92.65
3. The company's teamwork, service mind, and quality system policy responding division (30%) achieved in an average score of 95.68

**Conclusion**

The results of 3 categories: the highest average score is 95.86 of the key performance indicator division, the lowest average score is 92.57 of the main responsibility division, the weighted average score of the Executive Committee is 93.57.

# General Information

## General Information as at December 31, 2018

<p>The company issuing stocks Symbol</p> <p>The company's registration number</p> <p>Business</p>	<p><b>Cho Thavee Public Company Limited</b> CHO (registered in The Mai Stock Market : “mai” )</p> <p>0107556000027</p> <p>Design, inventing and manufacturing commercial automotive engineering systems including rail technology and defense industry products for example trucks, trailers, buses, catering trucks, trains, fire rescue vehicles, armored vehicle, troop carriers and battle ships.</p>
<p>Authorized Capital</p>	<p>460,279,620.25 Baht (Four hundred and sixty million, two hundred and seventy-nine thousand six hundred twenty Baht and twenty five satang.)</p>
<p>Paid-up Capital</p>	<p>327,221,629.25 Baht (Three hundred and twenty-seven million, two hundred and twenty-one thousand six hundred and twenty-nine Baht and twenty five satang.)</p>
<p>Par value Preferred Stock</p>	<p>Common Stock, 0.25 Baht (Twenty-five satang) -None-</p>
<p>Telephone Number Facsimile Number</p>	<p>043-043-880-90 043-043-899</p>
<p>Location of branch office 1 (Bangkok)</p> <p>Telephone Number Facsimile Number</p>	<p>96/25 Vibhawadee Rangsit road, Talad Bangkhen, Laksi district, Bangkok 10210.</p> <p>0-2973-4382-4 0-2973-4385</p>

<b>Location of branch office 2 (Chonburi)</b>  <b>Telephone Number</b> <b>Facsimile Number</b>	66/5 Moo 2, Tambol Pong, Amphor Banglamung, Chonburi , 20150.  038-227-378 038-227-378
<b>Location of branch office 3 (Phra Nakhon Si Ayutthaya)</b>  <b>Telephone Number</b> <b>Facsimile Number</b>	62 Moo 2, Tambol Lamsai, Amphor Wangnoi, Phra Nakhon Si Ayutthaya 13170.  035-257-085 035-257-086
<b>Location of branch office 4 (Chonburi)</b>  <b>Telephone Number</b> <b>Facsimile Number</b>	37/30 Moo 1 Tambol Nong Kham, Amphor Si Racha ,Chonburi, 20230  033-005-131 033-005-132
<b>Website (URL)</b>	www.cho.co.th
<b>The subsidiary company</b> <b>The company registration number</b>  <b>Business characteristic</b>  <b>Head office and the plant location</b>  <b>Telephone Number</b> <b>Facsimile Number</b>	<b>1. Cho Thavee Thermotech Co., Ltd.</b> 0405548000302  Do the business of designing, manufacturing, assembling, and Installing of light-weighted fiberglass fresh box for truck.  265 Moo 4 Klang Muang Road, Muangkhaio, Muang Khon Kaen, Khon Kaen, 40000  043-043-880-90 043-043-899
<b>The subsidiary company</b> <b>The company registration number</b>  <b>Business characteristic</b>  <b>Head office and the plant location</b>  <b>Telephone Number</b>	<b>2. KLRT Company Limited (KLRT)</b> 0405560004886  Transportation, goods transportation and passenger 555/56 Moo 13 Kasikon Thung Sang Rd., Nai Muang, Muang Khon Kaen, Khon Kaen, 40000  061-8230318

<b>The subsidiary company</b> <b>The company registration number</b>  <b>Business characteristic</b>  <b>Head office and the plant location</b>  <b>Telephone Number</b>	<b>3. Amornrattanakosin Co., Ltd. (ARK)</b> 0105561186808  Management the Smart Bus Operation 96/25 Vibhawadee Rangsit road, Laksi district, Bangkok 10210.  0-2973-4382-84 / 0-2973-4385
<b>Investor Relation</b>  <b>Telephone Number</b> <b>Facsimile Number</b> <b>Email address</b>	043-043-888 extension 1120 043-043-899 ir@cho.co.th
<b>The registrar of stocks</b>  <b>Location of the office</b>  <b>Telephone Number</b> <b>Facsimile Number</b> <b>Website (URL)</b>	<b>Thailand Securities Depository Company Limited ("TSD")</b> 1 <sup>st</sup> Floor, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok, 10400  0-2-009-9999 0-2-009-9476 www.tsd.co.th
<b>The auditor company</b>  <b>The auditor</b>       <b>Location of the office</b>   <b>Telephone Number</b> <b>Facsimile Number</b> <b>Website (URL)</b>	<b>Pricewaterhouse Coopers ABAS Limited</b>  Mr. Sudwin Panyawongkhanti Registration No. 3534 Mr. Anutai Poomsurakul Registration No. 3873 Mr. Vichien Khingmontri Registration No. 3977  15 Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok, 10120 Thailand  0-2-344-1000 / 0-2-824-5000 0-2-286-5050 www.pwc.com/th

## Research and Development

The Company lends the significant to research and development especially in the development of technology and quality of products with the variety and modernization model satisfied to the customers' demand. The Company also develops for the rapid and much more precise of production process. The Company applies the computerized system and information system in the operation in accordance with each step of plan, starting from the drafting until the delivery of products to the customers, including the providing of advices and the repairing with remote service. So, even The Company's products are used outside the country, they can be repaired and maintenance by the Company's specialist directly.

The Company shall focus on the development of designing various models of body properly to the special type of transportation required by the customers, and to the chassis of truck, trailer/semi-trailer. The Company also develops the technology and engineering systems for the products to be conveniently used, with the strength and durability, to be able to load as much as the heaviest weights, easy to be controlled for the fluently of transportation in every road condition, to be properly and durably for the usage in every kind of weather condition of every country.

The Company never stops doing research and development of products or engineering system works. The Company's research and development team has continuously designed new model of products, and developed technologies. All of the designed and innovated products will be registered with The Department of Intellectual Property. The Company has developed many items of 97 sub-patent such as: mechanism in opening-closing side of the truck's wall, set of attaching the supplemented lever, set of enlarging the length of adjustable across lever, set of rope ladder to truck's roof, set of ladder to the van's roof, set of the vehicle's ladder. In addition, there are the innovation of new products for more than 17 items under the registration process for sub-patent or innovation patent/patent in designing products from the Department of Intellectual Property.

The Company, in cooperation with The Bureau of National Innovation (public company organization) (The Ministry of Science and Technology. The structure has been designed in the model of fabricate X-frame, by using high-tensile grade material which is strong and has light weight, enable for the adjusting of the structure's height level up to the maximum of 9 meters. There is also the adaptation of automatic controlling system for controlling the stability and the direction in fleeing of the catering in 6 directions, in order to facilitating and reducing the operation time. The Company has been supported from The Bureau of National Innovation (public company organization).

The Company has developed the quicker production process, making the time in production to be reduced, this came from the team of engineering department, production department and related parties in doing the research of Routine to Research (R2R) project which started since 2014. This project supported the employees to initiate and adapt the tools and equipment in order to help faster on work process, cost and time saving, increasing work efficiency and practicing of planning, preparing, and defining the step of work in much more systematic, including the alternating production process as appropriated, and help in reducing overall production process time. The Company can maintain the manufacturing standard, the inspection and quality control according to the basis of international standard certified i.e. ISO 9001, CE mark, IATA.

Beside to the significant of research and development in products and production process, the Company also lends the significant to personnel development in order to increase the potential and the effectiveness of human resources in each department by The Company's professional who have long term work experiences, skills and knowledge in all fields. The Company has handled in regular the course of training for human resources both inside the Company and outside the company from the professional or leading institutions in order to acquire a modern knowledge and skills for The Company's employees.

**Table of the research and development expenses in 2016-2018**

(unit: million baht)

Item	2016	2017	2018
The research and development expenses	3.05	0.018	0.59
Total	3.05	0.018	0.59

## Projects in the future

The Company has projects in the future coping with the plan to expand the revenues of the Company and the subsidiary company to continue growing in the future as follows:

Project	Capital Investment (estimated figure)	Period
<b>Projects in the future of CHO</b>		
1. Research and Development of Automation System - Robot for industrial work	15.00-20.00 Million Baht	2012-2019
2. " Sib Lor 24-hour by CHO " Center expansion to 8 Centers around Thailand. (1 service center started its operation at the beginning of 2017)	480 Million Baht	2017-2021
3. Khon Kaen City Development Project	600 Million Baht	2018-2021
4. Smart Bus management project	600 Million Baht	2019-2022



Project	Capital Investment (estimated figure)	Period
Project of subsidiary company		
1. Factory Nearby Bangkok	50.00 Million Baht	2018-2019
2. Building a Polyurethane foam (PU Foam) manufacturing plant	20.00 Million Baht	2019-2020

### **Projects in the future**

The Company has projects in the future coping with the plan to expand the revenues of the Company and the subsidiary company to continue growing in the future as follows:

#### **1. Research and Development of Automation System**

A robot assistant in the factory: the company has signed consulting agreement for R&D project of a robot prototype on 1st November 2012. It takes 5 years for the operation with the outcome as robot prototype, and being tested 5 years in the line of company product until the production of product, and being sold. The company expects that it will start the production as commercial within 2023. The main objective of the development of robot assistant in the factory is to coordinate in developing of production system in reaching the adoption of modern technology with economical costs, the increasing of production capacity and value added to the customers' products. The Company shall design the robot as simplicity and focus on the SMEs customers.

#### **2. Project of One Stop Services Center expansion around Thailand**

CHO invested in the Commercial Vehicle Service Center named “Sib Lor 24-hour by CHO” with the first branch in Chonburi province. It will be expanded more 7 branches nationwide within 2020 with a capital investment of 480 million Baht. The service center provides repair service, fully maintenance engine, body and electrical system. This project has continued from the previous service center started its operation since 2011 with satisfy performance. The survey of logistics business requirement reported there is a demand in this business. The company also plans to provide vehicle registration service, taxation service, insurance and sale spare parts and accessories. There are professional technician teams, new equipment and data record system which the data can be linked to each vehicle's repair history at any service center.



### 3. Khon Kaen City Development Project

The company has conducted bid in 2 projects.

3.1. The project of Khon Kaen City Development owned by Khon Kaen Transit System Company Limited (an Enterprise of 5 Municipalities of Khon Kaen Province): to Design and Build Contract for the Civil Works and Structures as well as Production and Installation of the Light Rail Transit Systems in the category of TRAM and Transit Oriented Development for the project Khon Kaen Smart City (Phase 1) with the period of 3 years or as their planning. The Company has made a bid in the name of CKKM. Joint Venture.

Name	CKKM Joint Venture Agreement
Contract parties/ Investment ratio	<p>Investment ratio as at the date of submission (December 22, 2017)</p> <ol style="list-style-type: none"> <li>1. Cho Thavee Public Company Limited : <b>49%</b></li> <li>2. KhonKaen Cho Thavee (1993) Company Limited : <b>45%</b> (Taweesaengsakulthai group is the major shareholder with the proportion of <b>97% shares</b>)</li> <li>3. Ktech Building Contractors Co., Ltd. : <b>6%</b> (Ktech Construction PLC. is the major shareholder with the proportion of <b>99.99% shares</b>)</li> <li>4. MCC Overseas Limited : <b>-not invested yet-</b> (China Metallurgical Corporation, a Chinese government-owned company, is the shareholder with the proportion of 100% shares)</li> </ol> <p>If awarded, the investment ratio will be changed as follows:</p> <ol style="list-style-type: none"> <li>1. Cho Thavee Public Co., Ltd. : <b>25%</b></li> <li>2. KhonKaen Cho Thavee (1993) Co., Ltd. : <b>23%</b></li> <li>3. Ktech Building Contractors Co., Ltd. : <b>3%</b></li> <li>4. MCC OVERSEAS LIMITED : <b>49%</b></li> </ol>
Date of establishment	December 19, 2017

3.2 The project of Operation, Maintenance and Services in the Light Rail Transit Systems in the category of TRAM and Transit Oriented Development for the project KhonKaen Smart City (Phase 1) with the period of 30 years, a project management with no right in property and revenue allocation with the project owner. The Company bided in the name of KLRTT Consortium.

<b>Name</b>	<b>KLRTT Consortium</b>
<b>Contract parties/Investment ratio</b>	<p>1. KLRT Company Limited A main company responsible for operation and management of the Light Rail Transit Systems with the proportion of <b>60% of the project value</b>. (CHO invested <b>49%</b> in KLRT Company Limited)</p> <p>2. Thep Nakhon KhonKaen Route Company Limited : <b>40% of the project value</b></p> <p>(KKTT Holding Company Limited is the major shareholder with the proportion of <b>96% shares</b>)</p>
<b>Date of establishment</b>	December 11, 2017

#### 4. Project of Smart Bus Management

CHO has a plan for investment in the Smart Transit System through Amornrattanakosin Company Limited (ARK) with a proportion of 51% or more than 50%, projected that the capital investment is around 600 million Baht. The ARK has a plan to manage public transportation through current Groups of private company joint bus cooperated with the BMTA (Bangkok Mass Transit Authority) in a modification of the old buses to have a smart bus system, planning to modify all buses within the year 2-4, in total 3 years. There are 3 shareholder groups as follows:

1. CHO
2. Groups of private company joint bus with the BMTA
3. Institutional Investors or Experienced investors to support the potential of ARK

Regarding to the investment, ARK will gain revenue as soon as it make an investment because it is an investment in the existing business operation, and CHO will Direct income volume from the development of smart equipment and maintenance services of the project. It is projected that the project initiation will be in the quarter 3 or 4 of 2019.

#### Future projects of the subsidiary company

1) Constructing and expanding of the production factories Project, due to The Company's subsidiary located within the Company. Although, at the present the production have increased as per the increment of purchase orders, because of the limited of area resulted limited capacity of production. The Company's subsidiary therefore considered searching the area in Bangkok and surrounding areas for constructing and expanding the factories in other areas in order to promptly response to the customer's needs.

## 2) Project of building a Polyurethane foam (PU Foam) manufacturing plant

As the cost structure development plan of Cho Thavee Thermotech Company Limited (TMT), which is a subsidiary company, there is a plan for investment in a foam manufacturing factory at the first phase valued approximately 20 million Baht from the budget of 30 million baht. Because the foam has a high cost proportion, if TMT could invest in foam manufacturing itself, will cause a decrease of cost, the time and plan of foam usage in production can be controlled as well. Moreover, the foam can be developed to meet various quality to suite TMT's products. It takes the Just-In-Time production, so the cost can be decreased. The plant expected to be built in the quarter 2/2019, and the foam manufacturing can be run in the quarter 3/2019 onwards.



# Business Operation

## 1 Overall Policy and Business Operation

Cho Thavee Public Company Limited (Formerly Cho Thavee Dollasien Public Company Limited), “CHO”, with the longtime of experiences and the specialties of the executives and team work in field of engineering and management, combine the world-class engineering technology with the professional management in reaching the capability to design, create and produce commercial vehicle and expanding the business to the project management business regarding inland transportation and rail transportation for special project pertaining to the logistics and other services dealing with the company products such as: the project of building offshore patrol vessel : OPV which the company has joined with Bangkok Dock(1957) Co., Ltd. in managing with modern technology in order to increase the capability of shipbuilding industry of Thailand to be competed in the regional level. The project of maintenance and fixing center of the trucks to Linfox Transport (Thailand) Co., Ltd. (“LIN-FOX”), and a project of Ek-Chai Distribution System Co., Ltd. (TESCO-LOTUS) with over 1,000 units of truck. As well as an expansion of 24-hour commercial vehicle repair service center under the project named Sib Lor 24-hour by CHO.

### Vision

#### CHO 2023 STRONG BRAVE DIFFERENT

The Company is aiming to become the leader in designing, creating, and manufacturing innovative world-class technology professional management and unique knowledge by using to reach the excellence, building customer’s confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company’s target is to proudly supply quality products under the name CHO as a world-class brand. And to create the happiness to the partners, as well as to enhance our competitiveness to become the leader of innovative technology for the sake of Thailand.

### Mission

- To build unique knowledge of CHO and personal development
- To increase recognition, awareness and confidence in the brand CHO.
- To produce a great variety of environmental friendly products with sustainability and safety
- To create happiness for our employees and stakeholders.
- To search and constantly develop new technology.
- To achieve excellence in finance and marketing.
- To achieve excellence in Total Quality Assurance and innovation
- To build the identity of “CHO” species.

### Unique

C = Creativity to drive innovative developments

H = High Performance Organization under Good Governance

O = One of a kind along with identity of “CHO” species

### Identity

“STRONG, BRAVE AND DIFFERENT”

Vision, Mission and Unique revision no. 17

## 2 History and the major developments

The family of Taweesaengsakulthai (or CHO Thavee group) by Mr. Cho Taweesaengsakulthai and Ms. Usa Taweesaengsakulthai was the founder of the transportation trucks in KhonKaen province. He was also the founder of the truck dealer since year 1968. He, then, has expanded to the business of manufacturing and assembling bus body. In 1980, he has expanded to the manufacturing and assembling of the body of trailer, semi-trailer, and various kinds of transport truck. Cho Thavee group has continuously developed the technology of trailer and commercial trucks. With the neat in designing of the body in various kinds suitably with the customer's truck chassis in order to produce the strength and the durable truck body to meet with types of transportation work using under every kind of road condition and weather condition.

In the second generation of Cho Thavee group leading by Mr. Suradech Taweesaengsakulthai, a son of Mr. Cho Taweesaengsakulthai and Ms. Usa Taweesaengsakulthai. They graduated in field of automobile engineering and business administration from Japan, viewing to the trend of demand in large logistics system by the large special trailer. He also viewed to the important of the innovation in assembling the truck body, which rely on the leading technology from abroad, will be increased in the industry of trailer, semi-trailer in the future. He, then, decided to establish Cho Thavee Dollasien Co., Ltd. (“The company” or “CHO”) on November 18, 1994 by joining the family company namely Khonkaen Cho Thavee (1993) Co., Ltd. (“CTV-1993”) with the leading manufacturer company of truck body and trailer from Germany namely Doll Fahrzeugbau AG (“DOLL”), in order to do the business of designing, manufacturing, assembling the body, and installing of engineering system pertaining to the truck body, the trailer and the truck for commercial. The registered capital was 10 million Baht, 74% of these to be held by the group of Thai shareholders and CTV-1993, and the rest of 26% to be held by DOLL.

CTV-1993 (formerly called “Cho Ruamthavee industry Co., Ltd.” and has been changed later on May 28, 1993). DOLL (previously called Emil Doll GmbH) who has the experience for long time in manufacturing and assembling of the truck body for commercial with the engineering development. Detail as follow:

- CTV-1993 started the business of manufacturing and assembling of the truck body, the bus body, and has developed the technology in logistics in Thailand since 1990. At the present, CTV-1993 do not do the business of manufacturing and assembling the truck body. Instead, CTV-1993 altering to do the business of selling the front part of the truck, all kinds of truck and offering the services of the truck hire purchasing.
- DOLL started the business of manufacturing and assembling of the truck body and

special types of trailer since 1922(after World War I). DOLL has the competency in manufacturing special trailer for loading materials with heavy weights and in large sizes, also with the materials with special length, by using the modern technology. In 2014, DOLL has changed its management team to be CMP financial group, so it focused on sales more than product developments. In 2016, the contract between CHO and DOLL expired with no contract renewal. Since then, CHO cooperate with business partners with the technology owner through MOU signing with companies that can make a technology transfer for CHO, for instance; Faymonville Company Limited, a Belgium company ranked the top three sale volume of the world, which has various trucks manufacturing technology: Siemens AG, a Germany company who has expertise in the electrical engineering and the world-class automation technology.

In addition, the company has joined with the French business man in 2005 in establishing Cho Thavee Thermotech Co., Ltd. ("CTV-TMT") with registered capital of 10 million Baht. CHO held in a portion of 80% of registered capital, and the French business man held in portion of 20% of registered capital. This company has the purpose of doing business in designing, manufacturing, assembling, and installing of the fiber glass fresh box for truck with light weight for using in the transportation of merchandises, fresh foods and dried foods. In order to maintain the quality of the products until the destinations, also with the physical shape and the temperature of the products to be kept in the same condition as prior to the transportation. At the present, CTV-TMT has its registered capital and paid-up capital of 20.00 million Baht. CHO held the shares in CTV-TMT for 99.99% of the registered capital.

The company has changed its shareholders group structure. Mr. Suradech Taweesaengsakulthai, founder of the company and currently the executive director and management, has invested in the company's common stocks wholly of CTV-1993 since 2002. At the present, the company's shareholders structure held by the group of Taweesaengsakulthai as major shareholder with the portion of 93.18% of registered capital prior to the initial public offering ("IPO") during May 2-7, 2013. The company has raised its registered capital and called for the additional paid-up capital for 50 million Baht, and the company's common stocks have been registered in the market of alternative investment (mai). The Company, later, has issued warrants to its existing shareholders without value on October 28, 2013 amounting to 360 million units, with the book closure date on December 27, 2013. (There were 8 exercises of the company's stock warrants CHO-W1 with the total stock warrants exercised of 355,575,489 units, or equaling to 98.77% of the total warrants sold.)

On January 9, 2018 the Extraordinary General Meeting resolved the company to allocate newly-issued ordinary shares for a specific objective, offered to a specific investor (Private Placement) which is Macquarie Bank Limited, in an amount of not exceeding 185,000,000 newly-issued ordinary shares, at the par value of 0.25 Baht per share. The Macquarie Bank Limited has reserved ordinary shares for 4 times until December 31, 2018 totaling 26,000,000 shares, remaining 159,000,000 shares reached 1 year due on January 8, 2019.

On April 23, 2018 the Board of Directors' Meeting resolved to allocate newly-issued ordinary shares under the General Mandate basis, offered to a specific investor (Private Placement) of not exceeding 118,294,177 newly-issued ordinary shares (not over 10 percent of the paid-up capital as



of the date of resolution), and/or offered to a specific investor of not exceeding 354,882,531 newly-issued ordinary shares (not over 30 percent of the paid-up capital as of the date of resolution) allocated to Mr. Marat Sae-lim of 69,944,744 newly-issued ordinary shares, and allocated to Mr. Papinwit Cherngchavano of 30,000,000 newly-issued ordinary shares, totaling 2 persons in an amount of 99,944,744 newly-issued ordinary shares. As of December 31, 2018, CHO has its registered capital of 460,279,620.25 Baht, with a paid-up capital of 327,221,629.25 Baht at 0.25 Baht par value per share.

In the past three years, the history and major developments of the company and its subsidiary can be summarized as follows:

Year	Major Developments
2016	<ul style="list-style-type: none"> <li>• On March 31, 2016, the company has registered the changes in capital on April 5, 2016 from THB 228,478,200 to THB 229,586,225 due to the 6th exercises of the company's stock warrants (CHO-W1) on March 31, 2016 for 4,432,100 units. Thus, the company received THB 2,216,050 for the working capital.</li> <li>• On April 5, 2016, The Company has signed a contract with SAP (Thailand) Co., Ltd. which is the ERP on Cloud software developer under the program named SAP Business By Design. The program will help to develop the company performance to reach the company goals. To set up a suitable system, the company appointed Netizen Co., Ltd. to be a consultant of ERP Implementation by using SAP Business By Design program. The purposes are to combine all data with the ERP system for the fast ability to reach data, the correction and the accuracy, to support the expansion of 8 places of One Stop Services Centers nationwide within 2018 including after sales services for the other product group so the company can provide after sales service in every area worldwide.</li> <li>• On May 9, 2016, the company joint with Le Kise Lighting Co., Ltd. and established a joint venture company Le Kise and Cho Thavee for doing a business of LED bulb installment.</li> <li>• On May 19, 2016, the company joint with KhonKaen Cho Thavee (1993) and established a joint venture company JVOPV for doing a business of production of Offshore Patrol Vessel's blocks.</li> <li>• On June 17, 2016, the company joint with East Innovation Co., Ltd. and established a joint venture company JVCE for doing a business of GPS tracking system installment for buses, then the company canceled the business registration on January 11, 2017.</li> </ul>

Year	Major Developments
2016	<ul style="list-style-type: none"> <li>On June 17, 2016, the company joint with KhonKaen Cho Thavee (1993) Co., Ltd. and established a joint venture company JVKK for doing a business of providing steel structure workshop for building the Offshore Patrol Vessel.</li> <li>On May 10, 2016, the company name has changed from Cho Thavee Dollasian Public Company Limited to be Cho Thavee Public Company Limited for easier to recognize.</li> <li>The company issued and sold debentures for institute investor and/or major investor.</li> <li>The debentures named “Debentures of Cho Thavee Public Company Limited No. 1/2016 Due 2018”, it is type of name-registered, unsubordinated, unsecured debenture and no debenture holders’ representative. There was a limitation of 300,000 units at the price of 1,000 Baht, the total value is not exceed 300,000,000 Baht. The issue date is June 16, 2016.</li> <li>On June 30, 2016, the company has registered the changes in capital on July 8, 2016 from THB 252,497,031.25 to THB 258,198,015 due to the 7th exercises of the company’s stock warrants (CHO-W1) on July 8, 2016 for 20,730,850 units. Thus, the company received THB 10,352,986.49 for the working capital.</li> <li>On October 27, 2016, the company has registered the changes in capital on November 2, 2016 from THB 258,198,015 to THB 295,735,443.25 due to the 8th exercises (last time) of the company’s stock warrants (CHO-W1) on October 27, 2016 for 136,499,739 units. Thus, the company received THB 68,167,969.70 for the working capital.</li> <li>The company signed a Memorandum of Understanding (MOU) with the leader company on national defense industrial.</li> </ul>
2017	<ul style="list-style-type: none"> <li>On May 5, 2017 the company has expanded its branch, a 24-hours service center in the name of “Sib Lor24-hour by CHO”, which is the first opening at Chonburi province, to provide truck maintenance service of engine, chassis, trailer, suspension system, electrical system and also sale spare parts.</li> <li>On April 27, 2017 the company has decreased its registered capital of THB 1,237,051.25 as selling of 4,948,205 ordinary shares at the value of THB 0.25, which is the remaining of 2015’s dividend and the remaining of exercises of Warrants to purchase of ordinary shares of The Company No.1 (CHO-W1)</li> </ul>

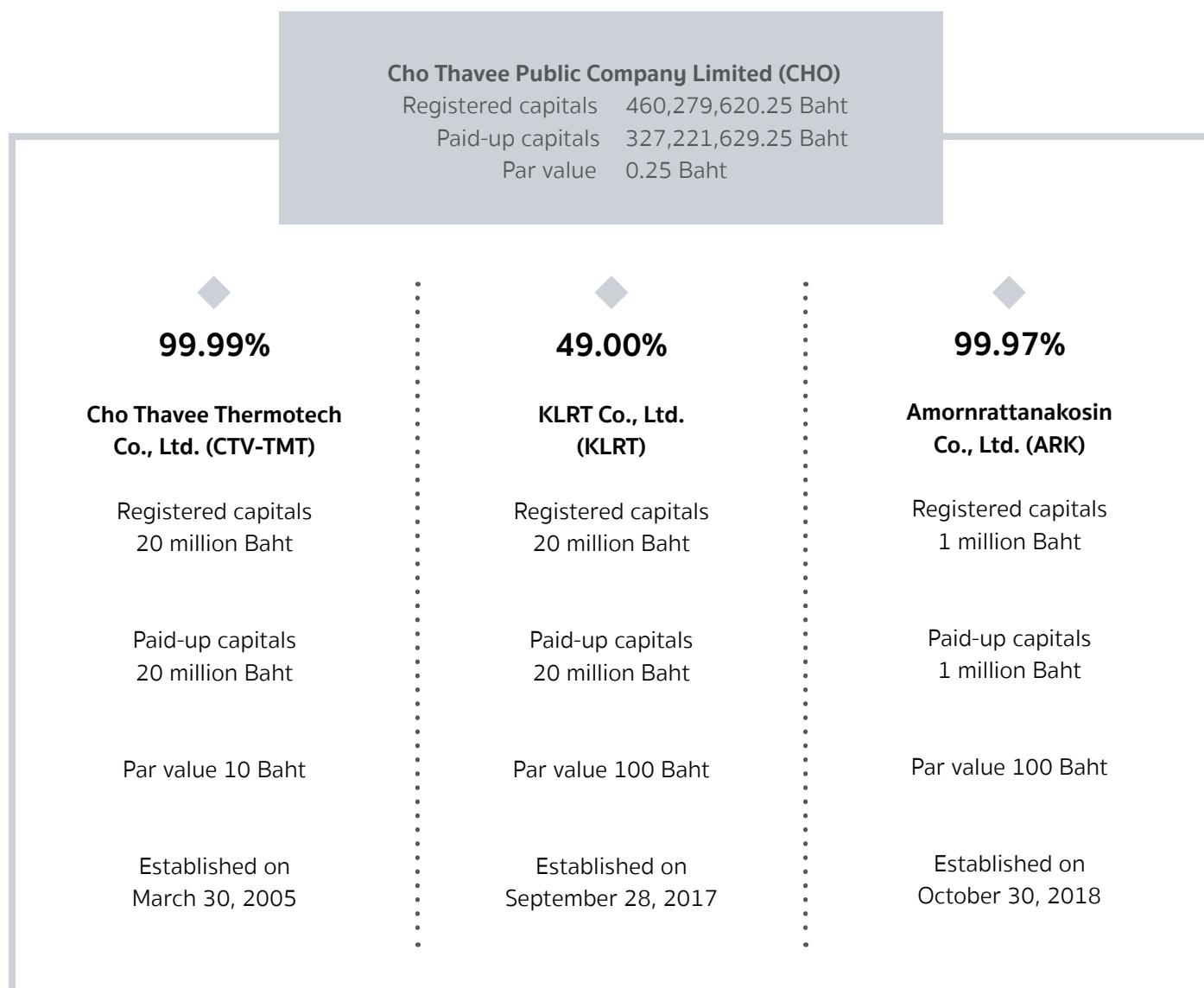
Year	Major Developments
2017	<ul style="list-style-type: none"> <li>On June 2, 2017 employees who have passed national skill standards test received certificates with 3-star mark from the Institute for hi-tech skill development, mid north-eastern region, section of logistics, mechatronics and automations program (Khon Kaen)</li> <li>On June 15, 2017 the company has signed a lease agreement with Bangkok Mass Transit Authority (BMTA) for lent out electronic ticket system with equipment (E-Ticket) on 2,600 buses. The company awarded the bidding with the project value of THB 1,665,000,000.</li> <li>On October 31, 2017 the company has signed a MOU with Krung Thai Bank (KTB), Khonkaen City Development Co., Ltd. (KKTT) and JUMPUP to create a project of financial management through KTB Digital Platform. The project is for information support and cooperation on financial management such as e-Money Card issuance for QR Code payment via smart device under the standard system of KTB.</li> <li>On December 19, 2017 the company has cooperated with Khonkaen City Development Co., Ltd. (KKTT) for participation in the Bidding of Khon Kaen City Development project, with a proportion of 49%.</li> <li>On September 28, 2017 the company has invested in KLRT Company Limited (a subsidiary company) to tender for 2 projects of Khon Kaen City Development with CKKM Joint Venture and KLRTT Consortium. It was during the waiting for auction result.</li> <li>On December 27, 2017 SCN-CHO Cooperation has signed a contract for NGV Bus Procurement and Maintenance provides for the Bangkok Mass Transit Authority (BMTA)</li> </ul>
2018	<ul style="list-style-type: none"> <li>On January 22, 2018 the company has signed an agreement for a reservation of shares offered to Macquarie Bank Limited, in a total amount of not exceeding 185,000,000 shares at the par value of 0.25 Baht per share.</li> <li>On January 25, 2018 the company has allocated ordinary shares of 2,000,000 shares to Macquarie Bank Limited. In this regard, Macquarie Bank Limited and CHO have registered for changing of the paid-up capital on January 26, 2018 from an amount of 295,735,443.25 Baht to be 296,235,443.25 Baht. CHO has received an increasing capital of 3,597,018.50 Baht used as working capital.</li> <li>On February 5, 2018 CHO has allocated ordinary shares of 2,000,000 shares to Macquarie Bank Limited. In this regard, Macquarie Bank Limited and</li> </ul>

Year	Major Developments
2018	<p>CHO have registered for changing of the paid-up capital on February 6, 2018, from an amount of 296,235,443.25 Baht to be 296,735,443.25 Baht. CHO has received an increasing capital of 3,473,750.00 Baht used as working capital.</p> <ul style="list-style-type: none"> <li>• On March 2, 2018 CHO has allocated ordinary shares of 10,000,000 shares to Macquarie Bank Limited. Macquarie Bank Limited and CHO have registered for changing of the paid-up capital on March 5, 2018 from an amount of 296,735,443.25 Baht to be 299,235,443.25 Baht. In this regard, CHO has received an increasing capital of 15,793,652.50 Baht used as a working capital.</li> <li>• On March 26, 2018 SCN-CHO Consortium has delivered NGV buses to the BMTA for the first batch of 100 units, the buses assigned to operate instantly resulted in the SCN-CHO Consortium recorded its service revenue of the quarter 1/2018</li> <li>• On April 10, 2018 the Central Administrative Court of Thailand has an instruction to respite the BMTA for not to do any action to comply with the 489 NGV buses procurement and maintenance service contract. As a result, the preparation for bus delivery of SCN-CHO Cooperation preparing for the BMTA under the contract, the batch 2 of 100 buses, has been suspended.</li> <li>• On May 8, 2018 the BMTA has filed a request for retrial to the Central Administrative Court in regard of an Interlocutory relief. On May 10, 2018 SCN-CHO Consortium has filed a request to the Central Administrative Court to be an interpleader as an injured person, and then it has been approved by the Court.</li> <li>• On June 5, 2018 SCN-CHO Consortium has filed an interlocutory appeal to the Supreme Court to restrain the Central Administrative Court's instruction. On November 7, 2018 the Supreme Court has an instruction to restrain the Central Court's instruction, so the company can perform according to the contract of 489 NGV buses procurement and maintenance service. The delivery of 300 buses was made on December 31, 2018, and the delivery of all 489 buses will be done within March 2019.</li> <li>• On August 15, 2018 there was a test on the E-ticket system of the BMTA's first 111 buses, the test continued and the installation of 2,600 buses will be completed within 2018.</li> </ul>

Year	Major Developments
2018	<ul style="list-style-type: none"> <li>• On October 30, 2018 the company notified for a formation of Amorn-rattanakosin Company Limited “ARK” (a subsidiary company), for doing a business of Smart Bus management.</li> <li>• On November 14, 2018 the company has invested in ALLS Holdings Company Limited for the investment in business related to vehicle production and manufacturing, public transportation service and support technology used for public transportation and other business related to public transportation.</li> <li>• On November 26, 2018 the company has allocated 12,000,000 ordinary shares to Macquarie Bank Limited, and registered for the change of paid-up capital on November 27, 2018 from an amount of 299,235,443.25 Baht to be 302,235,443.25 Baht. CHO has received an increasing capital of 16,996,761.00 Baht used as a working capital.</li> <li>• The company has allocated ordinary shares under the General Mandate basis, offered to specific person (Private Placement). There were 69,944,744 ordinary shares allocated to Mr.Marar Sae-lim on December 13, 2018, 30,000,000 ordinary shares allocated to Mr.Papinwit Cherngchavano on December 19, 2018, total 2 persons, amounting to 99,944,744 ordinary shares. CHO earned capital increase of 142,891,000.00 Baht used as a working capital. As of December 31, 2018 CHO has its remaining allocated shares of 18,349,433 shares.</li> </ul>

### 3 Shareholder Structure

As of December 31, 2018 the Company had 3 subsidiaries namely Cho Thavee Thermotech Co., Ltd., KLRT Co., Ltd., and Amornrattanakosin Co., Ltd. The structure of the group being shown below:



## The subsidiary company

1. Name	Cho Thavee Thermotech Co., Ltd. (CTV-TMT)		
Business characteristic	Do the business of designing, manufacturing, assembling, and Installing of light-weighted fiberglass fresh box for truck.		
Location of H.O. & factory	265 Moo 4, KlangMuang Rd., Tambol Muang Khao, Amphur Muang Khonkaen 40000.		
Telephone/Fax	0-4304-3877-78 / 0-4304-3879		
Location of Bangkok office	96/25 Vibhavadee Rangsit Rd., Bangkhen, Laksi district, Bangkok 10210		
Telephone/Fax	0-2973-4382-84 / 0-2973-4385		
Registered capitals	20 million Baht		
Paid-up registered capitals	20 million Baht		
Par value	10 Baht per share		
Amount of shares	2,000,000 shares		
List of directors	1) Mr. Suradech Thaweesaengsakulthai 2) Ms. Asana Taweesangsakulthai 3) Mr. Prasobsuk Boonkwan		
List of shareholders	1) Cho Thavee Public Company Limited                      1,999,995    shares 99.99 % 2) Other minor shareholders    5    shares    0.01 %  Total 2,000,000    shares 100.00%		
2. Name	KLRT Company Limited (KLRT)		
Business characteristic	Doing business of Transportation and business related to the transportation.		
Location of H.O. & factory	555/56 Moo 12, Kasikon Thung Sang Rd., Nai Mueang, Klang Muang Rd., Tambol Muang Khao, Amphur Muang Khonkaen 40000.		
Telephone/Fax	061-8230318		
Registered capitals	20 million Baht		



<b>Paid-up registered capitals</b>	20 million Baht		
<b>Par value</b>	100 Baht per share		
<b>Amount of shares</b>	200,000 shares		
<b>List of directors</b>	1) Mr. Suradech Thaweesaengsakulthai 2) Mr. Chokechai Khunwasi 3) Mr. Channarong Buristrakul 4) Mr. Thana Sirithananchai 5) Mr. Bordin Sereeyothin		
<b>List of shareholders</b>	1) KKTT Holding Company Limited	101,997 shares	50.9985 %
	2) Cho Thavee Public Company Limited	98,000 shares	49.00 %
	3) Other minor shareholders	3 shares	0.0015 %
	<b>Total</b>	<b>200,000 shares</b>	<b>100.00 %</b>
<b>3. Name</b>	<b>Amornrattanakosin Co., Ltd. (ARK)</b>		
<b>Business characteristic</b>	Provide Transportation service using Smart bus		
<b>Location of H.O. &amp; factory</b>	No. 96/25 Vibhavadee Rangsit Rd., Bangkhen, Laksi district, Bangkok		
<b>Telephone/Fax</b>	0-2973-4382 / 0-2973-4385		
<b>Registered capitals</b>	1.00 million Baht		
<b>Paid-up registered capitals</b>	1.00 million Baht		
<b>Par value</b>	100 Baht per share		
<b>Amount of shares</b>	10,000 shares		
<b>List of directors</b>	1) Mr. SuradechThaweesaengsakulthai 2) Mr. Prasobsuk Boonkwan 3) Mr. Nopparat Sangsawang		
<b>List of shareholders</b>	1) Cho Thavee Public Company Limited	9,997 shares	99.97 %
	2) Other minor shareholders	3 shares	00.03 %
	<b>Total</b>	<b>10,000 shares</b>	<b>100.00 %</b>

## Jointly-Control Entity

<b>Name</b>	<b>TSP-CTV Joint Venture</b>
<b>Business characteristic</b>	: Sale and installation of light bulb and electrical equipment
<b>Date of establishment</b>	: August 2, 2013
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>50%</b> TSP Energy Saving Lighting Company Limited : <b>50%</b>
<b>capitals</b>	: <b>20,252,500 Baht</b>

<b>Name</b>	<b>JVCC Joint Venture</b>
<b>Business characteristic</b>	: Manufacturing, assembly and maintenance for NGV Bus
<b>Date of joint venture agreement</b>	: June 25, 2013
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>50%</b> Khonkaen Cho Thavee (1993) Co., Ltd. : <b>50%</b>
<b>Registered capitals/Paid-up capitals</b>	: <b>-N/A-</b>

<b>Name</b>	<b>LeKise &amp; Cho Thavee Joint Venture</b>
<b>Business characteristic</b>	: Installing LED lighting system
<b>Date of joint venture agreement</b>	: May 9, 2016
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>10%</b> Lekise Lighting Co., Ltd. : <b>90%</b>
<b>Registered capitals/Paid-up capitals</b>	: <b>- N/A -</b>

<b>Name</b>	<b>JVCKK Joint Venture</b>
<b>Business characteristic</b>	: Providing steel structure workshop for building the Offshore Patrol Vessel
<b>Date of joint venture agreement</b>	: June 17, 2016
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>60%</b> Khonkaen Cho Thavee (1993) Co., Ltd. : <b>40%</b>
<b>Registered capitals/Paid-up capitals</b>	: <b>- N/A -</b>

<b>Name</b>	<b>JVOPV Joint Venture</b>
<b>Business characteristic</b>	: Producing blocks of the Offshore Patrol Vessel (OPV)
<b>Date of establishment</b>	: May 19, 2016
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>50%</b> Khonkaen Cho Thavee (1993) Co., Ltd. : <b>50%</b>
<b>Registered capitals/Paid-up capitals</b>	: <b>- N/A -</b>

<b>Name</b>	<b>KLRTT Joint Venture</b>
<b>Business characteristic</b>	: A Joint Venture for Project management for Maintenance and Service in the Light Rail Transit System in the category of Tram and Transit Oriented Development (including Operation, Maintenance and Service)
<b>Date of joint venture agreement</b>	: December 11, 2017
<b>Investment ratio</b>	: KLRT Company Limited : <b>60%</b> (a subsidiary) Thep Nakhon KhonKaen Route Company Limited : <b>40%</b>
<b>Registered capitals/Paid-up capitals</b>	: - <b>N/A</b> -

<b>Name</b>	<b>Joint Venture SCN-CHO</b>
<b>Business characteristic</b>	: Working on the project trade and maintenance for 489 units of NGV air-conditioned bus for the Bangkok Mass Transit Authority (BMTA)
<b>Date of joint venture agreement</b>	: December 7, 2017
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>50%</b> Scan Inter Public Company Limited : <b>50%</b>
<b>Registered capitals/Paid-up capitals</b>	: - <b>N/A</b> -

<b>Name</b>	<b>CKKM Joint Venture</b>
<b>Business characteristic</b>	: A Joint Venture for Design and Build Contract for Civil Works and Structures as well as Production and Installation of the Light Rail Transit System in the category of Tram and Transit Oriented Development
<b>Date of joint venture agreement</b>	: December 19, 2017
<b>Investment ratio</b>	: Cho Thavee Public Company Limited : <b>49%</b> Khonkaen Cho Thavee (1993) Co., Ltd. : <b>45%</b> K-TECH BUILDING CONTRACTORS COMPANY LIMITED : <b>6%</b>
<b>Registered capitals/Paid-up capitals</b>	: - <b>N/A</b> -

<b>Name</b>	<b>Consortium Agreement For BMTA E-Ticket Project</b>
<b>Business characteristic</b>	: Manufacturing, assembly and maintenance for NGV Bus
<b>Date of joint venture agreement</b>	: June 25, 2013
<b>Investment ratio</b>	: Cho Thavee Public Company Limited Jump Up Co., Ltd. MOL Payment Co., Ltd. Acentech (Thailand) Co., Ltd. Korea Smart Card Co., Ltd. (Investment ratio: N/A)
<b>Registered capitals/Paid-up capitals</b>	: - <b>N/A</b> -

## 4 Business Related of Main Shareholders

The Company is the creating and manufacturing of commercial body truck and other services. The Company buys and sales many brands of truck chassis and spare part included services to customers. The Company do others business that seem to be benefit and values added to the company. By the comparison of price as appropriate and complied with business of the main shareholder and director, detail and related as follows:

### The related companies

<b>Name</b>	<b>Alls Holdings Co., Ltd.</b>
<b>Business characteristic</b>	: Import vehicle, vehicle parts or engines for manufacturing, using for sale or for hire-purchase
<b>Date of establishment</b>	: November 23, 2018
<b>Registered capitals/ Paid-up capitals</b>	: 100 million Baht / 100 million Baht
<b>The relationship</b>	: The company holds 6.25% shares of registered capitals.
<b>Reason of not being classified in group</b>	: The Difference in Business Characteristic, however, there is an agreement of not to do the same competitive business to eliminate a conflict of interest

<b>Name</b>	<b>Khonkaen City Development Co., Ltd. (KKT)</b>
<b>Business characteristic</b>	: Raise funds for KhonKaen City development projects
<b>Date of establishment</b>	: January 8, 2015
<b>Registered capitals/ Paid-up capitals</b>	: 200 million Baht / 200 million Baht
<b>The relationship</b>	: One director of the company is the shareholder of The related company which is Mr. Suradech Taweesaengsakulthai holds 6.86% of Registered capitals. -There is one related director - Mr. Suradech Taweesaengsakulthai
<b>Reason of not being classified in group</b>	: The difference in business characteristic and it is The family business.

<b>Name</b>	<b>Khonkaen Cho Thavee (1993) Co., Ltd.</b> (Formerly known as "Cho Ruamthavee Industry Co., Ltd.)
<b>Business characteristic</b>	: Sell of the head of the truck, every type of trailer, and offer hire purchase loan for a truck.
<b>Date of establishment</b>	: May 4, 1990
<b>Registered capitals/ Paid-up capitals</b>	: 325 million Baht/325 million Baht
<b>The relationship</b>	: - Two directors of the company are the shareholders of the related company which are (1) Mr. Suradech Taweesaengsakulthai holds 97.38% of Registered capitals. (2) Ms. Asana Taweesaengsakulthai holds 0.69% of Registered capitals. - There is one related director-Mr. Suradech Taweesaengsakulthai
<b>Reason of not being classified in group</b>	: The difference in business characteristic. Anyway, there is an agreement with the company by not competing in order to get rid of the conflict of interest.

<b>Name</b>	<b>Volrep Truck and Bus Co., Ltd.</b>
<b>Business characteristic</b>	: Doing business of repair the engine and head of trucks, the company consists of 17 employees at the present.
<b>Date of establishment</b>	: September 8, 1992
<b>Registered capitals/ Paid-up capitals</b>	: 20 million Baht/ 20 million Baht
<b>The relationship</b>	: - One director of the company is the shareholder of The related company which is Ms. Asana Taweangsakulthai holds 0.50% of Registered capitals. - There is one related director - Ms. Asana Taweangsakulthai.
<b>Reason of not being classified in group</b>	: The difference in business characteristic Anyway, there is an agreement by not competing in order to get rid of the conflict of interest.
<hr/>	
<b>Name</b>	<b>Khonkaen Cho Thavee Limited Partnership</b>
<b>Business characteristic</b>	: Seller of cars, trucks, semi-trucks, other kinds of vehicles. : May 18, 1977
<b>Date of establishment</b>	: 3 million Baht/3 million Baht
<b>Registered capitals/Paid-up capitals</b>	: - Two directors of the company are the shareholders of The related company (1) Mr. Suradech Taweesaengsakulthai holds 13.33% of registered capitals. (2) Ms. Asana Taweangsakulthai holds 13.33% of registered capitals.
<b>The relationship</b>	- There is one related director-Mr. Suradech Taweesaengsakulthai.
<b>Reason of not being classified in group</b>	: Ceased the operation and under the process of collecting the debts from debtors. The business was wounded up.
<hr/>	
<b>Name</b>	<b>Ruamthavee Khonkaen Co., Ltd.</b>
<b>Business characteristic</b>	: To sell of cars, car's spare parts, and provide the Service of cars repaired. : October 6, 1955
<b>Date of establishment</b>	: 287 million Baht/287 million Baht
<b>Registered capitals/ Paid-up capitals</b>	
<b>The relationship</b>	: One director of the company is the shareholder of The related company which is Mr.Siriwat Taweangsakulthai holds 19.16% of Registered capitals. -There is one related director – Mr. Siriwat Taveesangakulthai
<b>Reason of not being classified in group</b>	: The difference in business characteristic and it is the family business.
<hr/>	
<b>Name</b>	<b>Tang Hua Sing NakhonPathom Limited Partnership</b>
<b>Business characteristic</b>	: Retailer of engine spare parts, and sale distributor of HINO truck's head. : August 15, 1967
<b>Date of establishment</b>	: 5 million Baht/5 million Baht
<b>Registered capitals /Paid-up capitals</b>	: One director of the company is a partner of the related company which is Mrs. PhenphimolVejvarut, Partner and Managing Partner
<b>The relationship</b>	
<b>Reason of not being classified in group</b>	: The difference in business characteristic
<hr/>	

<b>Name</b>	: <b>O J Development Co., Ltd.</b>
<b>Business characteristic</b>	: Rental retail area, real estate trading
<b>Date of establishment</b>	: July 9, 2009
<b>Registered capitals/ Paid-up capitals</b>	: 10 million Baht/ 10 million Baht
<b>The relationship</b>	: - One director of the company is a partner of the related company which is Ms. Asana Taweessangsakulthai holds 44.99% of registered capitals. - There is one related director - Ms. Asana Taweessangsakulthai.
<b>Reason of not being classified in group</b>	: The difference in business characteristic and it is the family business.

## Business Characteristic

The Company has continuously delivered the products and services, by concerning to the accuracy according to the standard basis as per the announcement of the land transportation department. The Company has been certified to the registration as the first level manufacturer of vehicles according to the announcement from the land transportation department subjected: The basis, procedure, and condition in approving the chassis and the body of vehicles for the transportation of animals or objects feature 6 (trucks) feature 7 (semi-trucks) and feature 8 (semi-trucks containing long materials) B.E. 2553. The Company products and services are accepted by domestic and foreign customers. The Company has the skillful engineers who thoroughly understand the products, and able to give the suggestion to the customers very well. The Company products are standardized products with the controls under every designing and production procedure as per the requirement of standard quality system ISO 9001, and have been certified for standard quality system ISO 9001: 2008 from Bureau TUV Nord, Germany. The Company products and services have also been certified international standard such as: The safety standard for products imported and produced for selling in the European Union (CE mark), the safety standard for the products as per the requirement of IATA. Furthermore, the Company never stops in doing the research and the development of products or engineering systems. The company's research and development team works have designed the new model of product innovation and developed various technologies continuously. All of the products or the innovations have been registered with the intellectual properties department. At the present, the Company has received many items of 97 sub-patents and under the request for the registration of sub-patents or invention patent, or the designing of products sub-patent, from the intellectual properties department of more than 17 items.

### 1 Income structure of the Company

Table of income structure (consolidated income statement) year 2016-2018

Type of income	year 2016		year 2017		year 2018	
	Million baht	%	Million baht	%	Million baht	%
Income as per contract	926.16	87.52	1,390.94	87.71	2,052.69	89.73
Income from sales and services <sup>/1</sup>	132.08	12.48	194.96	12.29	214.15	9.44
<b>Total incomes</b>	<b>1,058.24</b>	<b>100</b>	<b>1,585.90</b>	<b>100</b>	<b>2,266.84</b>	<b>100</b>
Other income <sup>/2</sup>	12.28	1.15	9.92	0.62	20.75	0.91
<b>Grand total incomes</b>	<b>1,070.52</b>		<b>1,595.82</b>		<b>2,287.59</b>	

Remark :

/1 - Income from sales comprising of selling of spare parts, selling of samples (prototype), selling of products in stocks.

/2 - Other income comprising of management income, rental income, interest income, and others.

## 2 Products and Services Characteristic

The Company's products and services can be characterized into 3 groups as standard product group, special designed product group, and project management and services group, with the details as follows:

### 1. Standard Product Group

Standard product group means trucks, trailers, semi-trailers which were bought by the customers for using in the transportation as per special requirement. There are the trucks for using only in the loading of products with no requirement for much more technology of engineering system, or the products ordered by the customers with the standardized production. The types of this group of product and its qualification according to the usage can be summarized as follows:

#### 1.1 Standard Truck : STD

Group of general standard trucks, trailers, semi-trailers with strength and durable, and can be loaded with heavy weights. The company has designed very well the structure of lower system in order for the capable of loading as heaviest enough as required by laws. Meanwhile, it is easy in controlling vehicles for trailers and semi-trailers manufactured by the company and sold to the clients suitably to the special purpose such as:

- 1) Truck chassis : Head of truck to be assembled to the body of truck or trailer.
- 2) Full Trailer : The trailer to be pulled by truck chassis by using the pulling arm. This kind of trailer can be designed and manufactured in many features such as plain-floored trailer, high stall trailer, trailer of container for dried cargo, trailer of chiller for frozen cargo, dumping trailer.
- 3) Semi-Trailer : Semi-trailer with the pulling in kind of using its head with the installed pulling plate. This kind of trailer can be manufactured in various features such as semi-trailer container, plain-floored semi-trailer, dumping semi-trailer, and semi-trailer for container.
- 4) Beverage Truck : The truck for the transportation of beverage. This kind of truck has special characteristic that it can contain much more merchandises, and can be open from the side by hydraulic system, make it easy for the fleeting and can be prevented from the rain and outside dust. The technology has been transferred by Hackney of U.S.A. who is the world big manufacturer of aluminum container.

Sample pictures of dumping truck, trailer, and semi-trailer



Dry Van Truck



Trailer Dump



Fiber Refrigerator Truck



Dry Van Fiber Full Trailer



Fiber Dry Van Semi-Trailer



Lowbed Semi-Trailer



### 1.2 The installation of NGV system (NGV Products : NGV)

The Company provides the installation of NGV engine and NGV body to trailer and every type of truck. This kind of product is the new alternative in consuming energy worthwhile to the higher oil price at the present. For example, the installation of 100% NGV, and the installation of NGV with jointed fuel. The is the manufacturer of NGV engine for public bus of The Bangkok Mass Transit Authority (BMTA), and the installation of tank containing NGV for PTT Public Company Limited.

Sample pictures of the installation of NGV system



### 1.3 Fabrication Works, others : FAB

The Company has the modern laser cutting machine and machine for folding and welding of metal enabled to do the work of forming, welding, and assembling of metal box such as aluminum box for the installation on chassis of truck or trailer, semi-trailer. The company can design and assemble of metal box suitably with chassis of every model of truck and every brand. The company can also design and develop the production of aluminum box with high strength, for the installation of communication equipment of the country's defensive for export.

Sample pictures of forming and assembling of metal



#### 1.4 Transferring of know how work (Know How)

The Company designs, invents, and develops various types of vehicle's body model. The company owns 97 items of the vehicle's body model which have derived the sub-patent from the intellectual properties department. The company is also under the process of register for many more than 17 items sub-patents, or invention patents, or patents for the designing of products from the intellectual properties department. Moreover, the company's working team is also the expert in assembling of the vehicle's body and the installation of engineering work of the truck, trailer, and semi-trailer. The company, then, offers for the right of using the production model, and provide the service of transferring some production technology such as: the container chassis model, the technology in assembling of light-weighted fiber glass box, to the customers who are the foreign manufacturers and the assemblers of the body of truck, trailer, and semi-trailer such as: India, Vietnam. The company will receive the payment of know how fee or royalty fee in accordance with the numbers of product being produced by Using the company's model or technology.

## **2. Special Design Product Group**

Special designed product group means truck, trailer/semi-trailer which required special design as per customer's requirement. The product required complex technology and precisely engineering system. This kind of product and its qualification can be classified as follows:

### 2.1 Ground Support Equipment : GSE

This kind of product is the special model vehicle used in the airport with special engineering designed and the complexity and the modernization of engineering system. This kind of product must have high quality and passed the tight international standard from the organization concerning aviation industry such as: ICAO, IATA, airport authority of each country. This kind of product can continuously generate income to the company in high proportion. The company's main product, especially for the catering hi-loaders truck, has been trusted from the customer in group of airline catering from both domestic and international countries. The followings are the product under this group of product:

1) Catering Hi-loaders Truck : This is the truck for loading of foods from airline catering (in-flight services) to the airplane for serving to the passengers. At the present, the company can develop the model structure of new product for old and new airplane. The company can also develop the technology of assembling the body and installing the engineering system by Thai engineers. The company's latest proud is the catering hi-loaders for airbus A380, which is the biggest airplane in the world and required the most precisely engineering system. The company first hi-loaders for airbus A380 has been delivered to Emirates Flight Catering in 2006.

The strength of the company's catering hi-loaders truck is that it is designed for every size of airplane ranging from small-medium-large. It is designed with the modernization and suitably to the usage such as: half cap hi-loaders, low cap hi-loaders, and normal cap hi-loaders, with the strength and durable, and can be designed suitably to the weather condition in each country such as: country in the middle-east. The catering hi-loaders truck must maintain the temperature and the hygiene of foods loaded. The company's catering hi-loaders truck has been trusted from the customer about the precision easy in cleaning. It can be adjusted as up and down as per the usage of each airplane's model which can be classified into three sizes as follows:

Model	Length (unit : meters)	Height (unit : meters)	Loading weight (unit : kgs.)	Airplane's model
a) X-Cat L	7.8	8	4,500	Airbus A380 <sup>/1</sup>
b) X-Cat M	6.5 - 7	6	4,500	1) Model with height of 6 meters such as A340, B777, B747, MD11, DC10, A310 2) Model with height of 5 meters such as B767, B757
c) X-Cat S	4.5	1.2 - 4	2,500	1) Model with height of 4 meters such as A321, A320 2) Model with height of 3 meters such as B727, B737, MD80 3) Model with height of 2 meters such as F100, AVRO RJ 70-RL100, SAAB SF 340, F27 4) Model with height of 1.2 meters such as HEIGHT IN METERS

Remark : /1 = On 5th October 2011, the company has been awarded for the best innovation from The Organization of National Innovation (public company), Ministry of Science and Technology for the production of catering hi-loaders truck, model X-CAT L for airbus A380.

Sample pictures of Catering Hi-loaders Truck



2) Passenger Stairway : It is the stairway for passenger in getting on-off airplane. This is the Company's product with high quality and passed tight international standard from the organization concerning the aviation industry.

Sample picture of passenger stairway



3) Rescue Stairs Vehicle : It is the rescue stairs vehicle using for getting on-off the airplane in case of emergency. The company has designed and manufactured rescue stairs vehicle for airbus A380 which is the world's biggest airplane at the airport.

Sample picture of rescue stairs vehicle



4) Other group support equipment : The products that company designs and manufactures for many airline such as: repair and maintenance truck, baggage loading truck, truck for patients, truck for waste cleaning, and water tank.

Sample pictures of other products



Maintenance  
Platform Truck



Baggage  
loading truck



Truck for  
patients



Mock-up driver  
training Catering

On 30<sup>th</sup> May 2012, the company has signed an agreement for business alliance with Hanaoka Sharyo Co., Ltd. from Japan, the company famous in producing and assembling of service truck for world-wide airline such as: the baggage cart, the baggage rickshaw, the truck for baggage fleet in airplane, for the manufacture and the marketing of ground support equipment

## 2.2 Fire Fighting Truck : FFT

This is the special model truck for fire fighting in both low rise and high rise. The company has been transferred the technology from the big European manufacturer. The company fire fighting truck has unique qualifications as follows:

1) High-rise fire fighting truck: The Company has designed and developed the technology for the truck with 53 meters height. The first production and delivery was on year 2010 to the municipal of Pak-kred, Nonthaburi.

2) Water pump and propeller: To be produced from alloy material with the resistance to every condition of water. It can be used for fresh water, salt water, and brackish water.

3) Power in absorbing water: The ability to adjust the pressure of absorbing as required.

From the above qualifications enabled to the company's products to be required by

Foreign customer such as: Bangladesh, Sri Lanka, and local customers from government and state enterprises such as EGAT and PTTEP.

Rescue truck: The truck for keeping rescue equipment, with the aluminum sliding door and water



resistant. There is the vertical and horizon sliding drawer inside. The down side of sliding door, next to the passenger room, can be open and turned to be stair. There is the installation of rescue equipment and live safe inside of the equipment box.

Sample pictures of fire fighting truck



Rescue Truck



Rescue Truck (Water&Foam)



53 M Ladder Truck

### 2.3 Military Products : MILITARY

This is the special model vehicle for using in the army, the air force, and the navy. The company can manufacture vehicle for the military properly to the specification as required. The company has been hired from the military in manufacturing and improving models of vehicle such as: light-weighted truck model 50 and model 51 (M1), 4 x 4 drive (canvas roof, metal roof, and fiber roof), improved the truck condition model MB17 and M31A2, fleet truck.

Sample pictures of military product



M817



M35A2



M1 4x4 For The Royal Thai Army

### 2.4 Rolling Stock Business : RSB

The group of the train being designed and improved by the company properly to the specification required. In 2005, the company has improved the train cabin from third-class-fanned cabin to second-class-air conditioned cabin in total of 20 cabins, and had already been delivered to The State Railway of Thailand.

Sample pictures of rolling stock business



### 2.5 Special Full Trailer/Semi-Trailer : SPC

The company can manufacture the special designed semi-trailer with size ranging from 5 axles, 6 axles, and the trailer with size of 14 axles and 16 axles, for the transportation of heavy machine and train bogie, or multi-purposed truck. The company has manufactured the special trailer with size 16 axles for BECL in loading finished concrete used in assembling of express way. This kind of trailer is the longest one in Asian region, with the length of more than 24 meters (excluded pulling arm), it can be loaded for the weights of 100-160 tones/unit. The operating system of 16 axles related to the radius of the turning of the trailer's head, and the big trailer can easily turn. In case of the radius of the turning is narrower or wider, it can be controlled remotely. With the hydraulic system, every wheel is separately independent. Furthermore, it can be adjusted for high and low of the floor between +/-300 millimeters.

Sample pictures of special semi-trailer



## **3 Project Management and Services**

Project management and services mean the group of special services that the company has done in integrating international engineering technology with professional management by the experiences and skillful of the managements and team work. The company, with the long experiences and skillful both engineering works and managements, is able to provide the service of large project management to the customers. At the present, the company provides the following services as:

### 3.1 The consultant to the project of Offshore Patrol Vessel : OPV



In 2009, the company and the related company (Khonkaen Cho Tawee (1993) Co., Ltd.) and Wallap Truck and Bus Co., Ltd. have joined in providing service of project management for building the heavy offshore patrol vessel: OPV from The Bangkok Dock Co., Ltd. The vessel's model adopted from BAE systems (United Kingdom). The company responsible as the consultant of work in improving vessel's model, work in improving vessel's electric power system from 440 volts to be reduced to 380

volts. The related company responsible for being an advisor to the procurement, financial service, warehouse, logistics, information technology, and repairing service. (see further detail of project OPV from [www.theopv.com](http://www.theopv.com)). This project took 4 years in implementing and had already been delivered in 2013. This is the first OPV built by Thai people. Nowadays, the Royal Thai Navy has been given the name of the OPV “HTMS Krabi”. In 2017, the company has been a part of project manager, and in production of block of the second OPV. It is expected that there will be a project management of the third OPV in 2020.

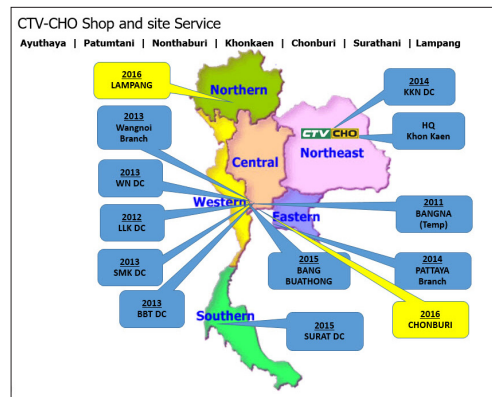
The Bangkok Dock Co., Ltd. has derived the right on the vessel’s model in building OPV for commercial from BAE systems for 4 years. So, the company has the opportunity for additional work if the navy or The Bangkok Dock Co., Ltd. has the project of building new OPV. It also includes the foreign customer of The Bangkok Co., Ltd. ordering for the OPV as per the above mentioned model. The related company has signed the agreement with the company by not competing in doing such business. The company will be the only project manager in case that there will be such kind of business in the future.

#### Project of Repair and Maintenance and Repairing Center for Linfox (Tesco-Lotus Project)



The Company has been trusted by Linfox Transport (Thailand) Co., Ltd. (“LINFOX”) and Ekkachai Distribution System Co., Ltd. (“TESCO-LOTUS”) as the product manager for the repair and maintenance work and repairing center for the truck, trailer/semi-trailer of all Tesco-Lotus projects. The company responsible for the maintaining of the capability of more than 2,000 trucks in the area of TESCO-LOTUS’s Distribution Center (DC). At the present, DC located in 5 centers which are Lam-lukka center, Wangnoi center, Samkok center, and Bangbuathong center and Khon Kaen Center. The

company, aiming at the opportunity of increasing income from repairing service, has rented 4 rai of land at Wangnoi, Ayudhya since 2013 being the repairing heavily center for the truck (in case of long period of repairing), and other repairing services for the company’s customers and others. This repairing center enabled to the company’s potential in taking much more cares to the company’s customers at Wangnoi center which is the location near Bangkok. It also increased the opportunity of providing more services to LINFOX and TESCO-LOTUS. At the present, there are many customers would like to do the Preventive Maintenance (PM) agreement with the company and are under the negotiation.



The Company has the agreement contract to increase the repairing center for Tesco-Lotus within the Distribution Center in order to have the repairing center sufficiently for the trucks.



### Project Management for local transportation within Khon Kaen University or KKU Smart Transit

KKU Smart Transit is a local transportation within Khon Kaen University area. The project uses the Smart Transit System through electronic devices, IT systems and Applications. Recently, the project of Smart Transit was a role model for many organizations in terms of the Smart Transportation operation system.

Sample of KKU Smart Transit bus



### Project of Electronic Ticket (E-Ticket) System with Equipment

On June 15th, 2017 the company has signed a rental contract with Bangkok Mass Transit Authority (BMTA) for installing and renting E-Ticket system and the equipment on 2,600 units of BMTA's bus for a rental period of 5-year.

As of January 2, 2019 the company was waiting for clarity from the BMTA, because the BMTA's Board of Directors requested the company to continue installation the Cashbox system instead of cancels the installation. This affects the company in the installation and the development of a Cashbox system to comply with the TOR. When there is clarity, it is projected that it will take about 3 months to install and deliver the Cashbox, after that, the company can recognize its revenue as the same in an amount of 1,655 million Baht within the period of 5-year.

Sample picture of E-Ticket system



### 3.2 Service Group

#### Truck Body Repairing Center

There are 3 branches of Truck Body Repairing Center including Khon Kaen, Wang Noi and Pattaya branches, which are truck service and maintenance center in addition to repairing service from the project of truck maintenance for Tesco-Lotus, customers in general and customers who brought trucks from the company.





#### One Stop Service Repairing Center

CHO invested in the Commercial Vehicle One Stop Service Center named **“Sib Lor 24-hour by CHO”** with the first branch in Chonburi province. It will be expanded more 7 branches nationwide within 2020 with a capital investment of 480 million Baht. The service center provides repair service, fully maintenance engine, body and electrical system. This project has continued from the previous service center started its operation since 2011 with satisfy performance. The survey of logistics business requirement reported there is a demand in this business. The company also plans to provide vehicle registration service, taxation service, insurance and sale spare parts and accessories. There are professional technician teams, new equipment and data record system which the data can be linked to each vehicle’s repair history at any service center.



#### NGV buses procurement for Bangkok Mass Transit Authority (BMTA) with Repairing and Maintenance Service for a period of 10-year

SCN-CHO Consortium, which has established together with Scan Inter Public Company Limited and Cho Thavee Public Company Limited, has signed a purchasing and hiring contract of 489 units of NGV bus procurement and maintenance service with the Bangkok Mass Transit Authority on December 27, 2017. The project valued 4,261 million Baht (VAT included) including bus procurement valued 1,891 million Baht (VAT included), repairing and maintenance service valued 2,370 million Baht (VAT included).

Details on delivery of NGV bus

Delivery No.	Amount (Unit)	Delivery Date	Details
1	100 units	April 26, 2018	Payment received on November 15, 2018
2	100 units	November 27, 2018	Payment received on December 7, 2018
3	100 units	December 17, 26, 2018	Payment received on January 15, 2019

Remark: The remaining 189 NGV buses are waiting for delivery in March 2019

Sample Picture of NGV bus



## 3 Marketing and Competition Situation

### 3.1 Marketing

#### 1) Product Strategy

The Company has its policy aiming at the development of the products to meet the international standard quality responded to the customers' requirements, especially for the commercial customers. In addition, the company looks forward to the research and development of products continuously. The company products have been certified for the international standard quality.

The Company provides a full range of services ranging from the stage of designing to after sales services. The Company lends the significant from the stage of designing as per customers' requirements which must be interviewed in detail by the sales department. The Company also has done

a research in order to save cost and meet the customers' needs for example designing and renovating the old container to look like 80% brand new by using only 60% of the cost. The Company designs delicately the vehicle's body to meet the customers' requirements. The procurement of every unit of equipment and parts must have quality which being passed the standard inspection and controlling ISO 9001:2015. The production is computerized operated in sending, collecting of information in each step starting from the draft of each job until the completion, and tested for the usage.

The Company also emphasizes on the after sale service to be corresponded with the Company service principle that "The wheeling is the important factor of your transportation, and we recognize to such importance. So, we emphasize on the after sale service specially, for every wheel of your truck always turn under every situation".

For the product that the Company has no expert in production or the incompetent of the required specification, the company will search for the business alliance with the expert and potential in production. This will be done under the business cooperation agreement or the establishing of new juristic person in form of joint venture. The joint venture, then, can define the invest portion, the objective of establishing, the authority and responsibility of each party, and the period of the operation.

## 2) Pricing Strategy

The Company has the policy in operating by concerning to the readiness of human resources and others before entering in getting the job. The Company has the pricing policy by considering of cost plus margin. The total costs of products and services comprising of material and equipment costs, component costs, the direct labor costs which computed from the estimated time of production, manufacturing costs, financial costs, and allocation costs, costs of reserved for material and equipment price, warehouse costs and guarantee and warranty cost. The engineering department and the production department work together in duplicating the product structure in detail, for being factor in calculating material and equipment quantity, and production time. In case of the purchase of material and equipment, or component from abroad, there will be the costs of reserved for currency exchange added in the costs computation. However, the price offered to the customers must be considered as competitive price and corresponded to the market situation.

In case of there is the order of purchasing or manufacturing between the company and Cho Thavee Thermotech Co., Ltd. (The subsidiary company), the pricing policy will be determined as related transaction price by considering the total costs of product or service plus 5%. In case the customers would like to buy light-weighted fiber glass chiller truck from the subsidiary company, but there must be the assembling and the installation of light-weighted fiber glass chiller connected to the chassis of truck or trailer/semi-trailer, the subsidiary company will issue the job order to the company in operating such job.

## 3) Channel of Distribution Strategy (Place)

The Company emphasizes on the direct sale applying pro-active and efficient marketing strategy through two channels which are the attendance of bidding and direct contact with the contractor. At the present, the company's sales department comprised of 3 domestic teams and 1 foreign team. Details are as follows:

## 1. Domestic Sales Team

1.1 Sales team for private customers : This is the sales team who sell the products directly to private customers in the country. There are 2 following types as:

- Selling to the entrepreneur doing the business of logistics or the business of manufacturing and selling of products. The entrepreneur can request the company for the procurement of truck's head. The entrepreneur can also buy truck's head directly from the dealers such as MAN, VOLVO, HINO, ISUZU, MITSUBISHI, and let the company do the job of manufacturing, assembling, and installing of the truck's body or various trailers connected to the chassis of truck's head.

- Selling through the dealers of pick-up truck. Sales team will contact directly with the dealer of pick-up truck for the manufacturing and installing of the body or the trailer. When the dealer's customers place order for the manufacturing and installing of the body or the trailer, the dealer will send the job to the Company.

1.2 Sales team to the government organization : The products sold are those for special purposes such as: the garbage truck, water tank truck, the truck for loading electric pole, and the truck for loading heavy machine.

1.3 Special Project sales team : Emphasize on the sale of special products such as the vehicle for the army, and state enterprises.

2. Foreign sales team : Emphasize on the sale of special designed products in the type of ground support equipment (GSE) used in the airport such as catering hi-loaders truck which are sold to the Asian countries, the southeast Asia, and the Oceania, as per the agreement with DOLL Fahrzeugbau GmbH, Germany. The Company will sell through the dealer, or sell directly to the foreign customers in some case. There is the agreement between the Company and the dealer that the dealer will be the coordinator in taking care of the repairing of the company's products sold abroad within the warranty period. The company does not responsible for the after sales service expenses. In case that the company does the marketing or enter into the bidding directly with the foreign customers, there will be higher after sales service costs than being sold through the dealer, and the company will add such costs to the computation of selling price. In 2018, the Company's most portion of sale in foreign countries was the special designed products as follows:

- Approximately 99.48% of sale in foreign countries derived from the customers in Asia, such as Singapore, Korea, Hong Kong, and Japan.
- Approximately 0.52% are Catering Truck sold to every country worldwide, such as New Zealand.

## 4) Promotional Strategy

1. The Company emphasizes on the after sales service as The Company's public relation, closely and building good relationship with the customers. Especially to the foreign customers, since it is the way to build the confidence and trust to the customers. For example, to give the advice and the repair & maintenance of engine by information technology through computerized system (remote service), and the advice to the usage and other after sales service, and to evaluate the performance in each 3 months.

2. The Company lends the significant to publicize the company's products directly to target customers. The company's public relation was made through many media such as magazines, trade fair exhibition, various electronic media, including the sending of information direct to the customers.

3. The Company has its group of products to be categorized and the classification of responsible team work comprised of: the group of domestic customers, foreign customers, customers from government organizations, and the customers of special project group. This enable to the company in taking care and providing, including the corresponding to the customers' demands as well.

### 3.2 Target Customers

The Company manufactures and sells its products to the customers both in the country and outside the country. Most of the customers are the entrepreneur doing the business of product transportation, the business of manufacturing and selling of products with many locations of distributing throughout the country, and governmental organization such as The Bangkok Metropolitan, the organization of rural administration. The Company manufactures the products as per the customers' order (made to order). The target customers of the company can be categorized in group as follows:

1. The group of domestic customers : The main group of domestic customer is the entrepreneur in the business of transportation and logistics, and retail sale. Most of the products sold are the standard products such as: trailer/semi-trailer, dumping trailer, dumping pick-up truck, rickshaw with low outskirts semi-trailer, fiber glass trailer, trailer with presentation X-lift, the truck for the transportation of gas with long tube, chiller (the subsidiary company's product).

2. The group of foreign customers : The main group of foreign customer is the entrepreneur in the business of transportation and logistics, airline catering, in-flight service, and aviation business. Most of the products sold are specialization designed products in type of ground support equipment (GSE) for using within the airport such as catering hi-loaders truck.

The company does not depend on each customer significantly. List of the well-known customers both domestic and foreign can be summarized as follows:

No.	Domestic customers	Products sold
1	Transportation Co., Ltd.	NGV Bus
2	Bangkok Mass Transit Authority (BMTA)	NGV Bus
3	Bangkok Air Catering Co., Ltd.	Catering hi-loaders truck
4	Mitr Phol Sugar Corp. Ltd.	Sugar cane sidedrump truck
5	Hino Motors Sales (Thailand) Ltd.	Semi-Trailer

No.	Foreign customers	Country	Products sold
1	AVIATION PRODUCTS AND MAINTENANCE JSC (VPM)	Vietnam	Catering hi-loaders truck
2	GATE GOURMET KOREA	Korea	Catering hi-loaders truck
3	MORITA CORPORATION	Japan	Catering hi-loaders truck and Recue Truck
4	Regal Motors Ltd.	Hong Kong	Catering hi-loaders truck
5	SATS Airport Service	Singapore	Catering hi-loaders truck

### 3.3 Industrial and Competition Situation

#### Industrial Situation

The Company's main products which were the best seller in the past 3 years comprised of the group of special designed products in type of ground support equipment (GSE) used in the airport such as catering hi-loaders truck, the group of standard products in type of truck, trailer/semi-trailer which being sold to most of the entrepreneurs doing the business of transportation and logistics. So, the industrial situation analysis will be divided into 2 industries which are the aviation business and logistics business, with details as follows:

#### 1. Airline Business

The International Air Transport Association (IATA) projected that, in 2019, airline business will gain an increased profit of nearly 10 percent, or 35,500 US Dollars, or 1.16 trillion Thai Baht, increased from 32,300 million US Dollars. This year, the IATA indicated that the profit of the world airlines business profit, which increases about 9.91 percent, was from a decreased fuel price and a growth of world business with the 10 consecutive years of growth.

The IATA projected that the profit is from an average Brent crude oil price per barrel, expected to be 65 US Dollar per barrel, decreased from 87.6 US Dollar per barrel this year.

In this regard, the expected airline business in 2019 of the IATA (which is a representative organization of 290 airlines worldwide, or 4 out of 5 of the entire airlines) was after the downgrading of profit forecasts in 2018, decreased from the forecast of 38,400 million US Dollars because of the rising oil prices at the beginning of the past year. (Source: International Air Transport Association: IATA)

#### 2. Logistics Business

An overview of logistics business in 2019 was expected that it would be "still expandable", but there is a possibility to decrease slightly due to a decrease in export sector and domestic consumption. However, considering the number of newly established entities of logistics and transportation business, it found that the growth was increasing steadily, especially the company that registered as Limited Partnership Companies and Limited Companies in Central region area (excluding



Bangkok), Bangkok and Eastern region area. The areas are significant business center with an expansion of economic value in high rate. As well as, the development of the transportation system of the Government that connects Thailand's economic cities with neighboring countries. The World Bank has prepared for an index to evaluate the effectiveness of international logistics (Logistics Performance Index: LPI). In 2018 Thailand ranked no. 32 out of 160 countries, with an improvement of 13 ranks, from 2016 ranked no. 45. The highest assessment points increased in 3 factors including timeliness, performance of the logistics providers in both government sector and private sector, and tracking with checking system. Therefore, it reflects the better potential of Thailand transportation system.

In 2019, transportation and warehouse services expected that would be “expandable in slower rate”, as a reflection from the GDP of carriage, warehouse, and public transportation sectors, expansion forecast was 5.8% YOY. The decreased forecast was from the previous year that expected expansion of 7.4% YOY, as a result of the private sector consumption, including export and tourism expecting to grow in a slower rate. However, the Eastern Economic Corridor (EEC) development plan and infrastructure investment for the connection of commercial areas in both domestic and overseas have more clarity. As a result of positive effects for the demand in transportation and warehouse storage service that are still expanding, especially the business that provide shipping service for the industry sector and express delivery service, as well as premium warehouse, cold storage, and new model warehouse that does not require a large space but focusing on the prompt management to support E-Commerce business growth. It was expected that in 2019 the expansion would be 6.6% YOY, with a value of 3.3 million Baht. However, fuel price and competition trend to be higher, so entrepreneurs may face with a high cost with no increased profitability ratios. (Source: Economics, Business, and Grassroots Economic Research Center, Government Saving Bank)

According to the annual transport statistics as at December 31, 2018 resulting the number of registered trucks (cumulative) nationwide was 59,271 units in total, decreased by 9.59%, YoY, mostly because of the decreased number of personal truck. The number of trucking operator licenses (cumulative) nationwide on December 31, 2018 was 381,456 issues decreased by 0.06%, YoY.

An annual transport statistics table showing the number of registered trucks (cumulative) nationwide as of December 31, 2017 and 2018

Type of Trucks	Units		Percentage change 2017/2018 [Increase, (decrease)]
	December 31, 2017	December 31, 2018	
<b>Total</b>	<b>65,556</b>	<b>59,271</b>	<b>(9.59)</b>
Divided by - Without routes	25,452	24,938	(2.02)
- Personal	40,104	34,333	(14.39)

(Source : Transport Statistics Sub-Division, Department of Land Transport [http://apps.dlt.go.th/statistics\\_web/newcar.html](http://apps.dlt.go.th/statistics_web/newcar.html))

An annual transport statistics table showing the number of trucking operator licenses and transport operators nationwide as of December 31, 2017 and 2018

Type of Trucks	Number of trucking operator licenses		Number of transportation entrepreneur	
	2017	2018	2017	2018
<b>Total</b>	<b>381,694</b>	<b>381,456</b>	<b>381,694</b>	<b>381,456</b>
Divided by - Without routes	24,922	26,395	24,922	26,395
- Personal	356,772	355,061	356,772	355,061

(Source : Transport Statistics Sub-Division, Department of Land Transport [http://apps.dlt.go.th/statistics\\_web/licence\\_other.htm](http://apps.dlt.go.th/statistics_web/licence_other.htm))

#### Competition

There are not much more competitors of the Company's standard products, since most of them are special designed which have been registered of the patent, and are under the process of the registration for innovation patent or product designing patent. The Company also applies the modern technology, and the installation of engineering system for creating the differentiation of the products. There are some local customers who manufacture and assemble the truck's body, trailer/ semi-trailer alike to the company's products. Most of the foreign competitors are those in the competing of special designed products group such as catering hi-loaders truck, ground support equipment, fire fighting truck. The domestic and foreign competitors are summarized as per type of product as follows:

The competitors	Country	Type of product
<b>Domestic</b>		
1. Panus Assembly Co., Ltd.	Thailand	Truck, trailer/semi-trailer
2. Sammitr Motors Manufacturing Public Company Limited.	Thailand	Truck, trailer/semi-trailer
3. RCK Rung Charoen Co., Ltd.	Thailand	Truck, trailer/semi-trailer
4. Chase Enterprises (Siam) Co., Ltd.	Thailand	Fire fighting truck



The competitors	Country	Type of product
Foreign		
1. Aero Mobiles Pte Ltd.	Singapore	Catering hi-loaders truck/Ground Service equipment
2. Mallaghan Engineering Ltd.	Ireland	Catering hi-loaders truck/Ground Service equipment
3. DOLL Fahrzeugbau GmbH	Germany	Catering hi-loaders truck/Ground Service equipment

## 4 Products and Services Procurement

### Production

The Company manufactures the products as per customers' requirement (made to order). The Company applies modern engineering technique and the skills of employees in designing, manufacturing, assembling, and installing engineering system for various types of truck. It takes about 120 days in average from agreement date until the delivery of product for the group of special designed products, depends on the timing of sending materials and equipment from the company's vendors, especially for the order sent from abroad. It is also depends on the complexity of the production.

The Company's factory locates on the land of 50 Rai at Khonkaen. The Company has the completely modern machines. In the process of production, there are the planning and the managing of effective production. The company applies the computer system in each process starting from drafting of job until the completion. The process of procurement and production being shown as follows:

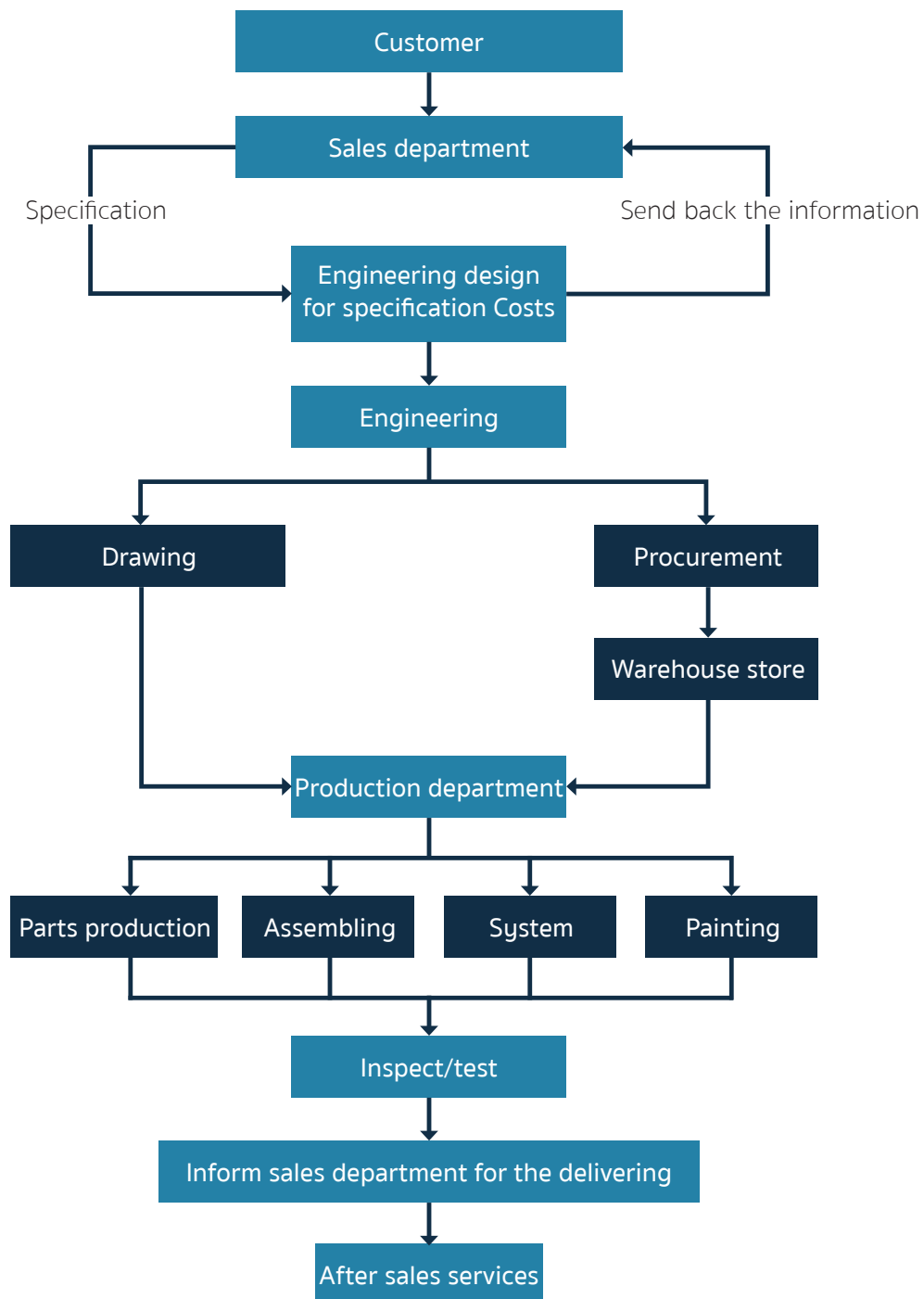
### Product Procurement Process:

- 1) When the customer place an order for the product, the sales department will forward the structural specification chosen by customer, or sale order check sheet, and product's detail to the designing engineer department for the duplicating, calculating of material quantity, and calculating of costs.
- 2) After finishing the first step, the designing engineer department will send the specification back to the sales department for determining price and informing customer.
- 3) Once the customer agrees on the specification, price, and conditions, the designing engineer department will inform and send the structural design of product to the production department.
- 4) The production department informs detail of materials required for production to the procurement department for purchasing of raw material and/or outsource of component job or service.
- 5) The production department draws the raw materials from warehouse for the production of parts/assembling of the body/installing of system work/sand painting/color waxing.

6) Once the production was finished, it must be inspected and tested before informing the sales department for making the appointment with the customer about the inspection and the delivering of the product.

7) The sales department delivers the product to the customer, and coordinates for after sales services.

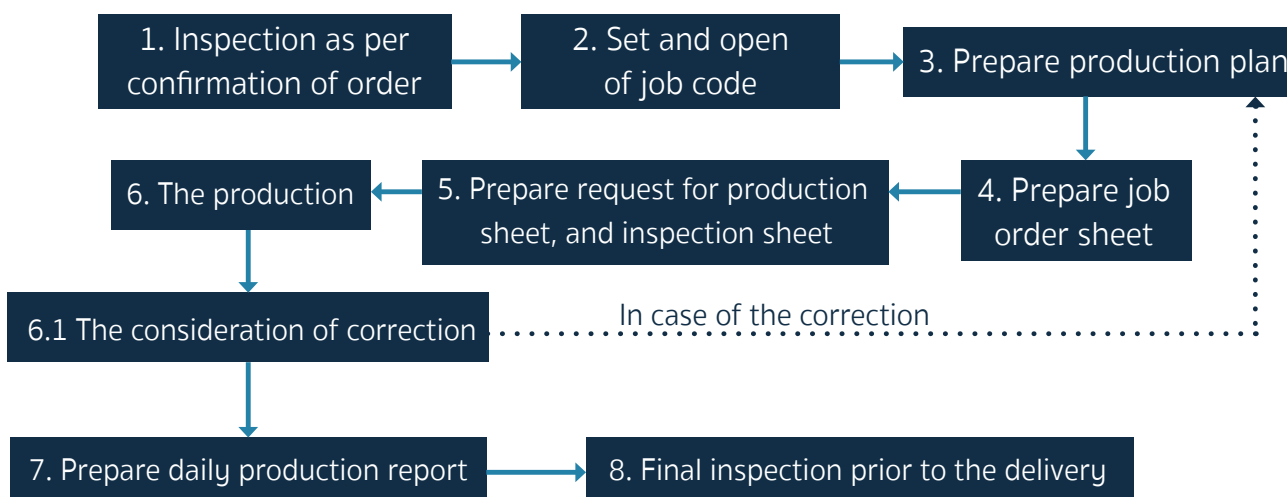
**The Procurement Process chart**



### The Production Process

- 1) Production manager and controlling engineer inspect the job description and other specifications needed for the production.
- 2) The administration officer set job code on the receipt of order and open job code in accounting system.
- 3) The controlling engineer does the production plan by referring to information from sale order check sheet.
- 4) The controlling engineer and the administration officer prepare the request for production sheet from engineer department, and job order sheet of the related section.
- 5) The controlling engineer manufactures in accordance with the planned process. In case of any correction, there must be the adjusting of plan once in twice weeks.
- 6) To prepare daily production report and/or non-conforming report, if any, and record the inspection on inspection sheet.
- 7) The final inspection prior to the delivery.

The Production Process chart



The Company will consider many factors before getting the job, in order to prevent the risks that may affect to the company's operation. The Company will evaluate the potential of customer from fundamental information such as financial position, the executive's faithful, and business operation history. There will be fewer risks from payment for the job from government sector, since the budget has been approved from the government. But there are fewer profits compared to job from private sector. There may be more risks from delayed payment of default of payment from the private sector's job, but the profits are as the company's policy. The company also considers to the readiness of the company such as the quantity of work under the operation and non-delivered job, number of human resources, tools and equipment, and working capitals, in order to ensure the customer that the operation will be finished complied with the contract's conditions.

### **Procurement Process**

At the present, the company has total 9 employees working on procurement including 8 domestic procurement employees and 1 international procurement employee. When the company purchases raw material, it will consider the information about material quantity used in production

from the costs designed engineering department. The information will be checked with the information in the warehouse whether to the availability of required material or the quantity of material enough for the production or not. The procurement department, then, will check the price from the vendors listed in the company's vendors list, for the conclusion of the procurement and delivery date.

The Company's vendors can be classified as domestic vendors and foreign vendors as follows:

- **Domestic vendors:** The Company will purchase materials and equipment from domestic vendors for the products that can be purchased within the country such as truck's head, chassis, metal, aluminum, wire, painting, supplies. The company will check raw material price with 3-5 vendors who have passed primary basis consideration, in each time of purchasing each type of material, such as branding of product (in case that required by customers), the quality of material, the quantity of the products. The price will be quoted and compared to the terms and conditions such as branding, quality, pricing, discounts, and delivery time, prior to the decision making and agree on the procurement.

The company will do the evaluation of the vendors in each 6 months by evaluating from the monthly-recorded delivery. The company sets its procurement policy in selecting new vendor into the vendor list in each month with 2 vendors for every group of material.

- **Foreign vendors:** The company purchases the special material from the foreign vendors. The company sets its policy in purchasing directly from the manufacturer or the distributor of each type of material.

Table showing value and portion of domestic procurement  
and foreign procurement in 2016-2018

Amount of purchase	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Domestic	510.00	71.11%	708.76	79.04	1,563.86	80.45
Foreign	207.22	28.89%	187.99	20.96	380.05	19.55
<b>Total</b>	<b>717.22</b>	<b>100.00%</b>	<b>896.75</b>	<b>100.00%</b>	<b>1,943.91</b>	<b>100.00%</b>

### Outsourcing of Job

The Company outsources the kind of job like metal lathing, metal cutting, and metal folding, for the component in size and design as required, or the job of sand/color painting. Most of these jobs required not much skillful. The objective is that the employees in the production department are able to operate the skillful and experienced production with effectiveness, and can also have the production process being done simultaneously for the reducing of the production time.

In case of necessary for the job outsourcing, the procurement department will contact 2-3 contractors who have passed primary basis consideration, in offering the services and quoting of price. The offering document will be compared on terms and conditions such as price, discounts, the

readiness of team work. The procurement department, then, will consider for the selection and agree on the outsourcing. The company will do the evaluation of the contractors continuously as same as doing with the vendors who sold material to the company.

#### Environmental Effect

Since 2010, the Company has not received any complaint concerning the environment from surrounding areas. The company concerns much to the effect from the production process. The company has determined the direction in managing the environment within the factory, such as the method in removing dust from the paint, in order to avoid the troubles to the neighbor and the environmental effect to the employees and the community around the factory. The company has also open for suggestions and advices offered from the channel of facebook

## 5 Product and Service Characteristic of the Subsidiary Company

Cho Thavee Thermotech Co., Ltd. ("CTV-TMT") does the business of designing, manufacturing, and installing of truck for loading light-weighted fiber glass chiller for both of dry container (without refrigerator) and cold container. This kind of truck is used for the transportation of fresh and dry cargo such as plant, vegetable, fruit, meat, sea animal, bakery, milk, ice. This kind of truck can be applied for the transportation of other goods such as flower, herbs, drugs, blood, and some kind of chemical substance. This kind of truck based on the principle that it must maintain the quality of product by controlling the temperature from beginning to the destination at the same condition. With the technology of sandwich GRP supported with fiber glass structure making the heat-resistant insulator working with full effectiveness, prevent of water leak, shape maintaining, to increase life of usage. The truck installed CTV-TMT chiller has the weight of 35%-40% less than that of the competitor's truck which used other material. CTV-TMT truck is stronger than that of the competitors, with special technology in supporting the strength inside, the components are also the standardization ones. The additional equipment can also be installed inside the chiller such as: double deck for separating pallets into 2 levels, jumbo box trailers to be installed on 2 axles and 3 axles chassis.

The Company has already bought the technology of sandwich GRP from the French owner of such technology. At the present, CTV-TMT is the only manufacturer in Southeast Asia who can manufacturers GRP with the continuous length at the maximum of 15 meters. The truck installed GRP has many types such as: pick-up truck, six-wheeled truck, eightwheeled truck, ten-wheeled truck, semi-trailer, trailer, and large fiber glass chiller truck.

Sample pictures of the subsidiary company's products



## 6 Marketing and Competition Strategy of the Subsidiary Company

### 6.1 Marketing

#### 1) Prooduct strategy (Product)

The subsidiary company emphasizes on the manufacture of quality and standard products responded to the customers' demands. The subsidiary company's products have the different qualifications with other manufacturers such as: the modernization, light-weighted, durable, and easy in repairing.

At the present, the subsidiary company is the only manufacturer in Southeast Asia who can manufacture sandwich GRP with the continuous length at the maximum of 15 meters.

#### 2) Pricing strategy (Price)

The subsidiary company quotes sale price by considering from price list as per model and specification in catalogue. Price in price list will be adjusted as the latest price referred to actual costs of production in each period. In case that the customers require for the installation of other special supplement of equipment, the price will be increased for such supplement equipment. The subsidiary company set the price as competitive price and corresponded to market situation.

#### 3) Channel of distribution strategy (Place)

The subsidiary company emphasizes on the three main channels of distribution as follows:

1. The direct sale: By implementing pro-active marketing strategy from sales team in reaching the customers directly.

2. Word of mouth from the subsidiary company's customers.

3. Word of mouth from the rickshaw distributors.

#### 4) Promotional Strategy (Promotional)

The subsidiary company lends the significant of its public relation activities as follows:

1. To provide the friendly services for good relationship with the customers, especially for the after sale services such as: to advice on the usage and repair & maintenance.

2. To promote the products through trade fair exhibition such as: THAIFEX world of food Asia 2012 at The Impact Muang Thong Thani.

3. The company has customer visit activities according to customer's activities and annual customer visit plan. The company also joint with customer's activities such as making merit and New Year party.

### 6.2 The target customers

The subsidiary company's target customers are mostly the customers likely to the company's customers. Since the customers who purchase the products are mostly the entrepreneurs in the

business of logistics requiring for the maintaining of quality. The subsidiary company's products are made as to the order from customers.

### 6.3 Industrial and competition situation

- Industrial situation

The subsidiary company's main products are the light-weighted fiber glass chiller for the truck, trailer/semi-trailer, which are the group of standard products of the company. Information about industrial situation can be considered from the information of the business group of container manufacturing for truck, and trailer/semi-trailer. In addition, most of the customers are the entrepreneurs of transportation and logistics group. So, the analysis of industrial situation of the subsidiary company will be divided into 2 industries which are the business of container manufacturing, and logistics business.

There was the production of 5,717 containers in 2018 decreased by 164 containers from 2017 or 2.79% of total production in previous year. The company's executive evaluates that the production of chiller in 2018 declined due to the economic slowdown and the Logistics business group seeking for opportunities in Thailand for the routes opening to connect neighboring countries.

Source: data from the Department of Land Transport, arranged by the company [http://apps.dlt.go.th/statistics\\_web/newcar.html](http://apps.dlt.go.th/statistics_web/newcar.html)

- Competition

The subsidiary company's competitors comprising of:

The competitors	Country	Type of product
1. Lumberet Asia Co., Ltd.	Thailand	Manufacturing and installing of GRP
2. Rujolarn Co., Ltd.	Thailand	Manufacturing and installing of stainless steel Wall chiller
3. Carryboy Marketing Co., Ltd.	Thailand	Manufacturing and installing of GRP

## 7 Products and Services Procurement of the Subsidiary Company

### **Production**

The subsidiary company's production is made as to the order of its customers, by applying the modern technology in manufacturing sandwich GRP with the supplementation of metal structure combine with fiber glass.

The subsidiary company locates in Khonkaen, on the same site of the company. The subsidiary company has the modern machine and is under the expansion of production capacity for one additional production line. There are the planning and the effective production management in each of production process. The subsidiary company also lends to the significant of the inspection and quality control of its products as to the company.

The procedures of products procurement and production process of the subsidiary company are as same as that of the company.

### **Product procurement**

The subsidiary company let the company do the domestic procurement. The subsidiary company has its own 1 employee in taking charge of foreign procurement. The subsidiary company's main raw material used in the production was purchased directly from most of the manufacturer and the distributor in the country. Anyway, the subsidiary company does not depend significantly on any vendor solely.

### **Outsourcing**

This is incurred under the case that there are the assembling and the installing of fiber glass chiller, bought from the subsidiary company, to be welded with the customer's truck chassis or of trailer, or trailer/semi-trailer; or purchases the finished truck with fiber glass chiller. The subsidiary will send job order request to the company for the assembling and installing.

### **Environmental Effect**

The subsidiary company lends much significant to the effect caused by the production which may cause the smell pollution, dust, and chemical substance residue. The subsidiary company's procedures in prevent the environmental effect are as follows:

(A) The smell pollution: The subsidiary company uses ventilator fan through water spray curtain.

(B) The dust pollution: To be collected through water spray curtain and sent to the sub-contractor for destroying.

(C) The chemical waste pollution : Collection companies and contractors to carry out the destruction.



## 8 Non-delivered Job (Back log)

The company and its subsidiary reported works under the production as at 31<sup>st</sup> December 2018 in total amount of 3,603.22 million Baht, comprising of 3,579.85 million Baht for the company, and 26.37 million Baht for the subsidiary company. The details of customer with the value exceeding 10% are as follows:

NO	Contractor	Project	Date of Agree-ment	Delivery date as per contract	Contract amount	Balance as at 31 <sup>st</sup> Decem-ber,2018
<b>Non-delivered job – The company:</b>						
1	Bangkok Mass Transit Authority (BMTA)	Electronic-Ticket system (E-Ticket) with equipment rental	15 Jun. 2017	10 Jun. 2017 <sup>-1</sup>	1,556.07	1,556.07
2	SCN-CHO Cooperation	Trade and maintenance of NGV Air-conditioned vehicle for BMTA	27 Dec. 2017	25 June 2018 <sup>-2</sup>	1,557.51	601.98
3	Thai Airways Public Company Limited	Catering Truck sales	24 Oct. 2017	23 Feb. 2019	181.44	181.44
4	Ordnance Department, Royal Thai Army	Light Gun restoration	24 Sep. 2018	12 Mar. 2021	429.61	409.61
<b>Non-delivered job – The subsidiary company:</b>						
1	Linfox Transport (Thailand) Ltd.		18 Oct. 2018	31 Jan. 2019	9.59	9.59

Remarks : -1 Waiting for contract amendment, expected that the delivery will be completed within 2018

-2 On proceeding, expected that the delivery will be completed within March 2019

# Securities and Shareholder Information

## 1 Securities

As at December 31, 2018, the company had its registered capital of 460,279,620.25 Baht (Four hundred sixty million two hundred seventy-nine thousand six hundred twenty Baht and twenty five Satang) with paid-up capital of 327,221,629.25 Baht (Three hundred twenty-seven million two hundred twenty-one thousand six hundred twenty-nine Baht and twenty five Satang) divided to common stock of 1,308,886,517 shares (One billion three hundred eight million eight hundred eighty-six thousand five hundred seventeen shares), at the par value of 0.25 baht (Twenty-five satang).

## 2. Shareholders

List of company's Major Shareholder of December 31, 2018 as follows:

Rank	Major Shareholder	Shares	% Shares
1.	Group of Mr. Suradech Taweesaengsakulthai 1.1 Mr. Suradech Taweesaengsakulthai 1.2 Mrs. Wadsana Taweesaengsakulthai	516,259,730 447,619,730 68,640,000	39.443 34.199 5.244
2.	Mr. Marat Sae-lim	71,494,844	5.462
3.	Thai NVDR Company Limited.	51,066,934	3.902
4.	THE BANK OF NEW YORK MELLON	40,000,000	3.056
5.	Ms. Asana Taweesaengsakulthai	39,541,700	3.021
6.	Mr. Thanong Suwachanagol	34,000,000	2.598
7.	Mr. Papinwit Cherngchavano	30,000,000	2.292
8.	Mr. Puttipat Vejvarut	26,061,975	1.991
9.	Mr. Surapol Thaveesangskulthai	22,336,000	1.706
10.	Mr. Sirichai Chuanangul	12,951,300	0.989

Rank	Major Shareholder	Shares	% Shares
11.	Mr. Kitimeth Vejvarut	11,957,200	0.914
12.	Mr. Sakon Suwatjanakorn	8,667,300	0.662
<b>Total major Shareholder for top 12</b>		<b>864,336,983</b>	<b>66.036</b>
	Minor Shareholders	5,755	
	Thai Nationality Shareholders	5,760	
	Foreign Nationality Shareholders	8	

Remarks : Thai NVDR Co., Ltd. (Thai NVDR) is a subsidiary owned by the Stock Exchange of Thailand (SET) and regarded as listed securities in the SET who is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors. The service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares (i.e. dividends, rights, and warrants) but there are no voting rights for NVDR holders. Further information regarding Thai NVDR Co., Ltd. can be found on [www.set.or.th](http://www.set.or.th).

### 3 Securities holding of Directors

The securities holding of Board of Directors and Executive Administrators report between years 2017-2018 detailed as follows:

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Re- marks
		As at 31 Dec 2017	%	As at 31 Dec 2018	%	
Committees						
1	Ms. Phenphimol Vejvarut	330,000	0.028	330,000	0.025	None
	Spouses and immature child	--	--	--	--	
2	Mr. Suradech Taweesaengsakulthai	447,619,730	37.840	447,619,730	34.199	None
	Spouses and immature child	68,640,000	5.802	68,640,000	5.244	None

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Re- marks
		As at 31 Dec 2017	%	As at 31 Dec 2018	%	
3	Ms. Asana Taweesaengsakulthai	39,344,360	3.326	39,541,700	3.021	None
	Spouses and immature child	--	--	--	--	
4	Mr. Siriwat Taweesaengsakulthai	--	--	--	--	
	Spouses and immature child	--	--	--	--	
5	Mr. Anusorn Tamajai	--	--	--	--	
	Spouses and immature child	--	--	--	--	
6	Mr. Asa Prateepasen	--	--	--	--	
	Spouses and immature child	--	--	--	--	
7	Mr. Chatchawan Triamvicharnkul	--	--	--	--	
	Spouses and immature child	--	--	--	--	
Directors						
1	Ms. Somnuk Sangin	71,720	0.006	71,720	0.005	None
	Spouses and immature child	--	--	--	--	
2	Mr.Narong Ongartmaneerut	--	--	--	--	
	Spouses and immature child	--	--	--	--	
3	Mr.Nititorn Deeumpai	7,150	0.0006	7,150	0.0005	None
	Spouses and immature child	--	--	--	--	
4	Mr. Prasobsuk Boonkwan	12,490	0.001	12,490	0.001	None
	Spouses and immature child	--	--	--	--	

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Re- marks
		As at 31 Dec 2017	%	As at 31 Dec 2018	%	
5	immature child	--	--	--	--	
	Spouses and immature child	--	--	--	--	
6	Mr. Nopparat Sangsawang	132,330	0.011	132,330	0.010	None
	Spouses and immature child	--	--	--	--	
7	Mr. Apichai Chumsri	54,360	0.005	54,360	0.004	None
	Spouses and immature child	--	--	--	--	
8	Mr. Nirut Sumongkol	182,820	0.015	182,820	0.014	None
	Spouses and immature child	38,610	0.003	38,610	0.003	None
9	Mr.Padungdetch Euasook- kul	6,710	0.0006	6,710	0.0005	None
	Spouses and immature child	330,000	0.028	330,000	0.025	None
10	Mr. Bamrung Chinsombat	--	--	--	--	
	Spouses and immature child	--	--	--	--	
11	Mr. Sakarin Unnim	120,560	0.010	120,560	0.009	None
	Spouses and immature child	--	--	--	--	
12	Mr. Chatchai Kantawirut	2,640	0.0002	2,640	0.0002	None
	Spouses and immature child	--	--	--	--	
13	Mr.Phard Pimrin	152,370	0.013	136,570	0.010	Sold in Stock Exchange
	Spouses and immature child	--	--	--	--	

## 4 Dividend Payment Policy

The Company has the policy to pay dividend each year at the rate of not less than 40% of the net profit deduction of all types of reserved fund as required in the Company's Articles of Association and as required by law. If unnecessary, the payment of such dividend shall not significantly affect the Company's normal business operation.

Nevertheless, the dividend payment policy may be changed, depending on investment plan, necessity, and other suitable factors in the future based on condition that the operation must yield highest benefit to shareholders, such as use the money as investment fund to expand Company's business, as reserve for loan repayment or there may be change of market condition which may adversely affect the Company's future cash flow. The Company's Board of Directors shall be empowered to consider the option. Moreover, the Board of Directors' resolution approving dividend payment shall be proposed for final approval with shareholders' meeting. Exemption is on interim dividend payment which the Company's Board of Directors shall be authorized to make decision and report the decision at the next shareholders' meeting.

In 2014, the Company has the policy to pay dividend each year at the rate of not less than 40% of the net profit before deduction of all expenses in accordance with the International Financial Reporting Standard No.2 (2014 edition) of Share based payment after deduction of all types of reserved fund as required in the Company's Articles of Association and as required by law. If unnecessary, the payment of such dividend shall not significantly affect the Company's normal business operation.

The dividend yield for 2015 was followed the company's dividend policy. However, it will be proposed to the shareholders for approval at the upcoming Shareholder's Meeting on April 28, 2015 in dividend stock and cash (The amount of cash dividend will be announce after the exercise of CHO-W1 warrants on March 31, 2016).

1. Cash dividend payment (Baht per share) : 0.0058
2. Ratio of stock dividend payment (existing share : stock dividend) as 10:1 and stock dividend payment rate (Baht per share) : 0.025
3. Total dividend payment (Baht per share) : 0.0308
4. Total amount : 28.28 million Baht

The dividend in 2016, the board of director has a resolution for non-dividend payment due to the 2016 separated financial statement reported a deficit.

The dividend in 2017, the board of director has a resolution for non-dividend payment due to the 2017 separated financial statement reported a deficit.

Regarding the dividend payment in 2018, the Board of Directors has a resolution for non-dividend payment due to the 2018 separated financial statement reported a deficit. In this regard, this will be effective when approved by the 2019 Annual General Meeting holding in April 24, 2019.

## Dividend Payment Historical Compared to net profit (Separate financial statements) 2014-2018

Detail	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Net Profit (Loss) after legal reserve deduction (Separate financial statements) (million Baht)	75.72	35.50	(69.99)	(27.67)	41.70
Dividend Payment (million Baht)	49.00	28.28 <sup>/1</sup>	0	0	0 <sup>/2</sup>
Dividend rate <sup>/1</sup> (%)	64.71	79.66	N/A	N/A	N/A

Remark : /1= Paid by cash of 5.32 million Baht, ordinary shares valued 22.96 million Baht

/2= The company cannot pay dividend due to the separated financial statement reported accumulated deficit of 15.72 million Baht

# Social Responsibilities

The company has been working continuously on Social Responsibilities, considering every stakeholder. The Company has its policy and aspiration aiming at the leader in designing, creating, and manufacturing, innovative designs world-class technologies with professional management integration with unique knowledge, in order to reach the excellence building the confident and the satisfaction to the customers with the consciousness in social responsibilities and environmental concern. The company has its target in offering the quality products under the brand “CHO” to the international level with the proud and the happiness to the stakeholders and to build the competition power in reaching to be the leader in technology innovations for Thailand, with 8 guidelines of social responsibilities as follows.

## Vision

### **CHO 2023 STRONG BRAVE DIFFERENT**

The Company is aiming to become the leader in designing, creating, and manufacturing innovative world-class technology professional management and unique knowledge by using to reach the excellence, building customer's confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company's target is to proudly supply quality products under the name CHO as a world-class brand. And to create the happiness to the partners, as well as to enhance our competitiveness to become the leader of innovative technology for the sake of Thailand.

## Mission

- To build unique knowledge of CHO and personal development
- To increase recognition, awareness and confidence in the brand CHO.
- To produce a great variety of environmental friendly products with sustainability and safety
- To create happiness for our employees and stakeholders.
- To search and constantly develop new technology.
- To achieve excellence in finance and marketing.
- To achieve excellence in Total Quality Assurance and innovation
- To build the identity of “CHO” species.

## Unique

- C = Creativity to drive innovative developments
- H = High Performance Organization under Good Governance
- O = One of a kind along with identity of “CHO” species



## Identity

### **“STRONG, BRAVE AND DIFFERENT”**

Vision, Mission and Unique revision no. 17

The Company has disclosed the policy and operation plans for social and environment responsibilities considering all the stakeholders on Sustainable Report 2018, also online at [www.cho.co.th](http://www.cho.co.th) The content for this report applied the materiality assessment of the international standard of Global Reporting Initiative : GRI Standard

# Internal Control and Risk Management

## Internal control

The Board of Directors of the Company and its subsidiaries have continuously emphasized on essential Internal Control that focusing on the adequacy of the internal control system in all activities and the business operations to increase efficient and effective effectiveness in operations. The Board of Directors are responsible for company's internal control system, taking into account of good corporate governance, risk management Internal control, and compliance with the rules and regulations. The Board of Directors has assigned auditors to review the adequacy of the internal control system, verify the accuracy and transparency of financial reports and maintain company compliance related by laws. As well as prevent the conflict of interest by related transaction and propose to Board of Directors for consideration. The internal audit department is independent from management section in order to review the performance of various departments of the Company and its subsidiaries and report directly to the Audit Committee to enhance the efficiency of internal control.

The Company and its subsidiaries have internal control system and risk management comply with the risk management framework throughout the organization. Refer to COSO-ERM International Standards (The Organization of Corporate Treadmills), which relate to the business and management processes of the company.

COSO-ERM Risk Management consists of 8 components including policy, management, operations, and risk management.

### 1) Internal Environment

The corporate environment is an important component in defining the risk of management framework contains many factors such as corporate culture, executive policy, Personnel Performance Guideline, information system, and regulations. The internal environment of an organization constitutes an important basis for defining the direction of the organization's risk management framework.

### 2) Objective Setting

Organizations must consider the objectives of risk management to be consistent with the strategies and risks acceptable with the organization in order to set clear and appropriate risk management targets for the organization.

### 3) Event Identification

This is a collection of situations that may occur with the agency. The internal and external risk factors, such as personnel management policies, financial operations, information systems, legal regulations, accounting systems, taxation, and etc. For executives to be able to formulate policies and guidelines for dealing with potential risks.

#### 4) Risk Assessment

Risk assessment identifies and prioritizes existing risks, likelihood and impact can be assessed by assessing both external risk factors and internal risk factors.

#### 5) Risk Response

It is implemented after the organization can identify the risk of the organization and risk assessment. Risk must be taken to respond appropriately to reduce loss or chance of impact to be an acceptable level.

#### 6) Control Activities

Define activities and other actions to reduce risks in order to achieve the objectives and goals of the organization, such as defining operational procedures related to risk management for personnel within the organization to ensure that the risk can be managed properly and to reach the target.

#### 7) Information and Communication

Organizations must have effective information and communication systems. It is important basis to consider the risk management framework and the organization's procedures.

#### 8) Monitoring

Organization must follow up and acknowledge whether the results are appropriate and able to manage the risk effectively.

### **Comments from Board of Directors' regarding to the adequacy of the Internal Control**

At the Board of Directors Meeting No. 3/2019 held on March 11, 2019, the Executive Committee evaluated the Company's internal control system by "Assessment of adequacy of internal control system" in accordance with the guidelines prescribed by the Office of the Securities and Exchange Commission. The Company has adequate internal controls to ensure that the Company operates in a satisfactory manner to achieve the objectives of internal control, the efficient and effective of operations. Including controls the consumption of resources, provide accurate, reliable and timely financial reports, compliance with the law, rules and policies of the company include those of the external regulatory agencies and organizations.

The Audit Committee and Board of Directors are agreed that the Company's internal control system in 2018 has sufficient internal control and appropriate according to the internal control system.

### **Risk Management**

The Company's Board of Directors appointed the Risk Management Vice President in order to supervise the organization risk management to ensure that the overall organization is achieved at acceptable level and to continue to track the risk management. The Company has organized risk and control self-assessment in order to assess risks, problems and difficulties also the uncertainty may affect the company's operation to achieve its goal. The internal and external risk factors may affect the company to loss business' opportunities. Once risks are defined to be difficult to achieve its goal, the Company must have the measurement of risk management.

The Company defined risk management policy for the executive and all employees to comply and adhere. The Company also educated the risk management as the organization culture by having the Risk Management Chief Officer to govern the Company's risk management by submitting a quarterly risk management report to the Executive Committees, the Corporate Governance, Risk Manage-

ment, Nomination and Compensation Committees, the Audit Committees and the Board of Directors for closely monitoring to ensure that its risk appetite is acceptable and the company is able to accomplish its goals. Please refer to the “Risk Factors” in section 3, which summarized the risk factors affecting the Company’s operation and finance.

Moreover, the Company assessed risks and difficulties that may affect the Company’s operation together with the sufficiency of internal control assessment in order to improve and ensure that risk management is more efficient and effective. The limit covered the administrative and management within the Company, so that the executive responsibilities in each department were assigned and to follow the risk management guideline and also the related parties shall comply and adhere the Company’s risk management system in order to enhance the operation to be more efficient and effective.

### **Internal Audit**

The Internal Auditor performs its duties independently and objectively and reports functionally and directly to the Audit Committee. The charter of audit work has been revised to be up-to-date to use as a benchmark in the same direction.

The Internal Auditor evaluates and improves the effectiveness of internal control, processes according to annual audit plan after consideration of the Risk Based Audit Approach. The Internal Audit Office also consults and advises to ensure that company performance follows its strategies and achieves its goal and objectives. Furthermore, the Internal Audit Office regularly performs monitoring activities to ensure the effective and continuous improvement of internal control, risk management, and governance processes.

In assessing the effectiveness of internal control, the Internal Auditor has developed an adequate evaluation questionnaire for each internal control process, which is used to review the performance of each operation to ensure that the Company’s objectives are achieved efficiently and effectively, rules and regulations are strictly adhered to and that financial reports are accurate and reliable.

Furthermore, the Internal Audit manager acts as the secretary to the Audit Committee to support the effective achievement of its responsibilities and ensure accountability, as assigned by the Board of Directors in the Audit Committee by monthly holding a meeting and to provide professional advice to the Company, concerning the Risk Management and the Information Security of the Company.

The Internal Auditor adheres to the Standard for the Professional Practice of Internal Auditing, COSO 2013 and ISO 9001: 2015 frameworks and to perform their duties independently objectively according to the code of ethics. The Company emphasized on the Individual Coaching Plan, also the professional program qualified at different level.

## **Internal Audit manager and Chief of Compliance**

### **1) internal audit Manager**

The company has the internal audit section, with Mrs. Apsorn Suriya being internal audit Manager, with the agreement from the audit committee No.1/2012 on November 14, 2012. The

audit committee agree that the internal audit manager has the educational background, experiences, training as sufficient to the performance of internal audit in all aspects according to the standard of internal audit and risk factor analysis, preparing of audit plan, preparing of internal audit report complied to standard, reviewing to the sufficiency completeness of the evidence referred in the report, proposing or suggesting of the methodology in correction, adding, or reducing of audited transaction, preparing of working paper in collecting audited information, and performing other assigned duty and understanding of the Company activities and operating.

However the audit committee authorizes to nominate, discharge, move and evaluate the performance of internal audit manager.

## **2) Chief of compliance**

The board of directors has appointed Mr. Nattaporn Muangchantra (Legal assistant manager) to be chief of compliance, and has agreed that chief of compliance unit has the educational background, experiences, training as sufficient to the performance of governing the company and the subsidiary company in performing complied to regulations, act, notice from related organization such as the SEC and the SET; corporate governance for the public company and private firm in the group; preparing of document and the registration of correction, amendment of rules and regulations, resolutions to government sector; coordinating of transaction, legal act, registration agreement concerning the company's assets, providing the advice relating to civil case and criminal case, monitoring of debt collection and the enforcement of case.

# Risk Factors

The Company aware of the importance of business risk management under the changing of internal and external factors that impact company performance. Risk management is an important tool in managing the business to achieve its goals efficiently and effectively. It is a part that strengthens the competition as well as an important element of Good Governance, so the Company has found a systematic risk management with monitoring and using measures to continue prevent risks. The board of directors has appointed the corporate governance, risk management, nomination and compensation committee to consider the adequacy and suitability of the policies. The management team has to take care of risk management during the working day instead of the committee as well as following up, evaluation and to prepare reports for the result of risk management and then submit it to the board of directors. Besides, the management team has to prepare quarterly reports of risk management, and also prepares risk management manual to be the guidance of operations. There should be usually following up, evaluation and review of risk, to comply with both internal and external situations. Also, there is an emergency plan in case of emergency cases to solve problems immediately, and coordinate related departments at any time. The significant risks which may impact the business goals are as follows.

## 1 Risk of business operating

### 1.1 The Risk of doing business operating according to operate the new projects under the contract with government sections and its policies

#### Project for sell and maintenance of 489 air-conditioned bus

The company has joint venture agreement (Joint Venture SCN-CHO or “JV”) with Scan Inter Public Company Limited (“SCN”) for operate project of buying 489 air-conditioned buses using natural gas (NGV) and provide maintenance for 10 years, the project value of 4,261 million baht to Bangkok Mass Transit Authority (BMTA).

The agreement is made on December 27, 2017 and on March 26, 2018, we have delivered the first lot with maintenance for 100 buses, according to the contract, the Company has to deliver second lot for 100 buses within April 26, 2018, third lot for 100 buses within May 26, 2018, and fourth lot for 189 buses within June 26, 2018, total of amount 489 buses.

Subsequently, the Central Administrative Court has order to moderate the compulsory to follow the resolution of the Board of Directors of BMTA. On April 20, 2018, the BMTA sent the letter BMTA 564/2561, to inform the SCN-CHO to delay the implementation according the contract and on November 7, 2018, the court has ordered to revoke this order. Therefore, the Company is able to deliver the NGV buses according to the contract. In the present, the company had delivered a total of 300 NGV buses and already get paid amount of 1,160.40 million baht from BMTA. The Company still have the remaining of 189 NGV buses value of 731.05 million baht that expected that will be able to deliver in March 2019.

According to the contract, the company still has the risk of deliver remaining 189 buses and maintenance for 10 years start from date that operated in each delivery lot.

For risk management, the company has created assembly plan and any processes of the delivery closely and has closely monitored various plans. Therefore, they confident that buses will be delivered as scheduled. Also created a clear maintenance system with government sections who is the project owner both operation level and management level. There are enough data sharing for each party to achieve a common understanding, and closely monitoring for changing of policy. There will be policy and plan reviews to suit each situation for reasonable and getting long term benefits, and they will affect the overall development of the country. Which the company expects it will be no problem in deliver the remaining of 189 NGV buses and still able to do maintenance project as usual.

#### Project of rental for electronic ticketing system (E-Ticket) with equipment for 2,600 buses

The company has received contract project for rental electronic ticketing system (E-Ticket) and Cash-Box with equipment by run business under the contract to install the E-ticketing system for Bangkok Mass Transit Authority (BMTA) with the contract value of 1,665 million baht.

The company has already completed the installation of all 2,600 E-Ticket devices and it is in the process of testing the system. However, the company has not been able to deliver the equipment as officially to BMTA because it does not has finalized conclusion from BMTA to installation of Cash-Box to that will continue proceed or not.

At present, the Company already installed systems and Cash-Box for 800 units from 2,600 units and due to lack of clarity policy of the organization about test methods and inspection methods of the committee that have other conditions in addition to the contract to Company to perform, expected that able to concluded by May 2019.

#### Risk management

1. The company estimates that it has low opportunity that contracts for project E-Ticket and Cash – Box will be terminated. Due to the Company has always worked with BMTA in order to revising the job that delivered, follow the opinion of the inspectors from BMTA. However, the Company has a backup plan with installation of such equipment in the mass transit management project. Which will be implemented in 2019 by subsidiary company name Amon Rattanakosin Co., Ltd. primary the company is expected that need to install all for 3,000 devices by at first will gradually install 1,500 devices, to cover all devices. Therefore, the company expected the contract termination of E-Ticket and Cash-box will be affect only opportunity cost and the cost of removing equipment to a new location only.

2. The Company has created a cooperation systems with government sections who is the project owner for both operation level and management level. There are enough data sharing for each party to achieve a common understanding, and closely monitoring for changing of policy. There will be policy and plan reviews to suit each situation for reasonable and getting long term benefits, and they will affect the overall development of the country.

Remark E -Ticket and Cash - box projects have not been recorded as income. In the present, the company recorded assets as “equipment” in the land, building and equipment section. Therefore, it does not has any effect to company financial until it is leased to use for service.



### 1.2 Uncertain of Revenues Risk

As the Company doing business of design products and provide services for both domestic and overseas customers. The main revenues are for standard products, special design product and project management, which may impacted by uncontrolled internal and external factors. For example, delay of drawing confirmation to start production, delay of materials delivery from suppliers, and these caused late delivery. In 2018, the Company will earn revenue from developed commercial vehicle service center, which may vary according to economic conditions in the country. Small repair shops are our competitors with delivery period as the Company takes production time more than them. As there are many uncontrolled factors, so revenues may differ from the expected strategic plan. This affects liquidity and payment ability commitment such as interest, the payment of loan that due, costs in the operation contract as well as opportunity to take new projects which are the Company has skilled but unable to take the job.

Risk management, the Company assigned operation team in each department to follow up the impact that may affect basic factor closely and adjust for the suitable strategic. Moreover, the Company can limit the impact that may arise from risk factors such as production costs, the distribution of production workflow to subcontractors, sourcing of materials various suppliers in both domestic and overseas, crated product that satisfy customers' need, variety of product and help to reduce the cost. Follow up preventive maintenance of new customers who applied the program in 8 service centers and 24-hour commercial vehicle service center. The Company also focuses on long term contracts to increase its revenues receiving from commercial development and increase the certainty of revenue.

### 1.3 Dependence on the Limited Industry Group Risk

The Company is doing business of design and produce products to both government sections and private sectors in both domestic and overseas. The total revenue from selling of product in 2018 separated to the revenue from standard product is 5.81%, special design product 84.75%, project management and service 9.44% of total revenue. Which the special design product has customer target in the aviation industry, special transportation and domestic commercial and government sections.

**Total revenues of the company and its subsidiary company**

Total revenue from standard product	131.62 million baht	equivalent to 5.81%
Total revenue from special design product	1,921.08 million baht	equivalent to 84.75%
Total revenue from project management and service	214.15 million baht	equivalent to 9.44%

Risk management, the Company assigned marketing team to work on site for follow up the operation of any projects also including the commercial vehicle service center that provide fully 24-hour service in 2018 which has the revenue from selling and serving amount of 214.15 million baht which increased 9.84% once comparing with 2017. Obviously, the customers have confidence on our service as the increase of number of vehicle, and expected that in 2019, will keep for the existing customers and increase the new logistics customers in the eastern area.

## 2 Management Risk

### **Skilled Labor Shortages Risk**

In 2018, the Company has delivered buses to the government sector and in the agreement after delivered, the Company must to provide 10-year maintenance. Therefore, the Company needs more for the technician that have maintenance skilled to service according to this agreement, but for training the technician to have skills must to take time. There will be a risk of shortage skill labor once the Company is unable to find a substitute person in time.

Risk management, the Company created on the Job training cooperated with the expert that own the technology of training program for the engine assembly, frame assembly, the modification in part of engine, electrical, suspension to build skilled to the technicians and can assign them to each service center that customers required promptly. Include additional benefits such as a lunch allowance, car maintenance, car maintenance for who use their own car for company business and also provide skills training program in CHO School to encourage employees to love the organization.

## 3 Financial Risk

### **3.1 Exchange Rate Fluctuation Risk**

The majority of products have the essential parts that the Company imported from abroad for 70% most of the quotations and payments were in Euro and US dollars, while 20% are sold to overseas and 80% are denominated in Thai Baht. Once selling price and service charge are agreed by customer, it cannot be changed if Euro or US dollar is appreciated. The Company cannot immediately adjust the price of goods to meet the rising cost. Therefore, the Company may be affected by fluctuations in exchange rates which this will affect the cost of production and gross profit of the Company.

Risk management, the Company and our chains have a policy to reduce the risk of entering into Forward Contract, which is in the consideration of management and in accordance with the policy approved by the Board committees. Furthermore, Exchange rate is closely monitored by company to assess the situation and trends in exchange rates to determine the selling prices reflecting with the exchange rate in each period. The exchange rate fluctuation has been minimized by planning order and delivery including setting selling prices to cover the risk of exchange rate fluctuations. That makes the Company is affected by the risk in the limited. Anywise, company and our chains have no policy to speculate on foreign exchange rates.

### **3.2 Interest Rate Risk**

CHO has a debt obligation to pay interest to the lender and plans to invest in several future projects. Therefore, it may be necessary to use huge amounts of long-term loans. Thus, interest may be the majority of the Company's expenses. Increasing in lending rates can affect the operation of the Company. When cost of loans is floating, the Company is exposed to interest rate risk in case of a fluctuation in interest rates.

Risk management, the structure of the loan is divided into floating rate and fixed interest rate. Including the plan to increase the registered capital or issue debentures in accordance with the economic situation. And Company's cash flow plans, taking into account future interest rates.

### 3.3 Delayed Payment Receipts Risk

CHO manufactures products according to customers' orders (Made to Order) and project management contract controlled. The delivery of goods and payment are following the conditions agreed by the contract or pre-billing services under agreed conditions. There is a delay payment risk from some customer or there may be a payment issue. This will affect the Company's financial liquidity as the Company has fixed monthly expenses. In 2018, the Company had overdue debtors equivalent to 535.40 million baht or 28% of total annual income. Most of debtors were from NGV489 project which at present the debt already paid.

Risk management, the Company and our chains are aware of such risks. Therefore, the Company has policy to evaluate the potential of the customer or the employer before accepting orders or agree to service. Private and government sections are required to pay a pre-paid deposit of 15% to 30% of the contract value, in case of contract manufacturing. And project owners are required to pay monthly or quarterly installments in accordance with the progress of the appropriate service. Department of Finance is responsible for summarizing the customer's payment. If any customer exceeds the payment due date, they will be tracked to make payment. If they do not pay, company reserves right to charge interest on late payments as stated in the sales contract or quotation. And will inform all relevant departments and senior management immediately also report to the Board Executive every month. By apparently communication, the Company is confident that we will eliminate the risk of delinquent repayment from customers.

### 3.4 Payment Ability Risk

The Company calculated and revealed related ratios as follows:

1. Interest Coverage Ratio (Cash Basis) calculated by cash flows from operations + income tax payments + interest from operations / (interest from operations, investment and financing funding). The ratio stated at (6.59), (9.08) and 17.62 times in the end of year 2018 2017 and 2016 consecutively.
2. Debt Coverage Ratio (Cash Basis) calculated by cash flows from operations / (debt payments + interest from operations and investment + investment expenses + purchasing assets + dividends). The ratio stated at 0.03, 0.01 and 0.00 times in the end of year 2018 2017 and 2016 consecutively.

Above ratio have some lists that resulted as deficit in 2017 and 3<sup>rd</sup> quarter in 2018, according to the Company has signed contract of the special project aside from our regular project with Bangkok Mass Transit Authority (BMTA) to purchase NGV bus 489 units. Afterward the Company received injection from Administrative Court to retard the delivery of NGV buses. Therefore the Company cannot billing to BMTA, which recorded the income refer to the completed job valued as 1,018 million baht affected to the increasing of debtor, at 30 September 2018 has debtor from this project for 947.69 million baht.

However, the Company has delivered 300 buses to BMTA in 4th quarter and received payment from BMTA for 1,160.40, affected the decreasing of company's debtors and increasing of cash flows from operations. The Company expected that would able to delivery of another 189 bus which valued as 731.05 million baht within March 2019 and expected that will receive the payment within 30 days after delivered buses which will influent to the Company's debtors decreases and return to normal level.

However, when considering for the credit line of company and subsidiary that had not use yet on December 31, 2018, found that had amount that able to use for 385.25 million baht (not included guarantee line) as well as had the remain products that able to sell for 200 million baht and land that preparing for expand business which value as capital price 81.57 million baht and the appraisal price that was appraised by Fanix Appraisal Co., Ltd on July 17, 2018 around 160 million baht. The Company expected that would able to sell soon in order to increase the Company and its subsidiary's liquidity and to be the reserve fund for the project development.

### Risk management

The Company has a policy that every department in the Company needs to evaluate the risks in related work on a monthly basis and report to the executive committee, including report to the board of directors at least quarterly, also do an overall risk assessment and receive an opinion from the independent committee to be implemented to continually improve, adjust the estimates to be consistent with monthly events. Which the board of directors and the executive committee have assessed that it is sufficient and can be managed according to the Company policy.

### **3.5 Risks due to the need to maintain interest-bearing debt to equity ratio not exceeding 3 to 1**

According to the Company has the risk due to maintaining of debt to equity ratio not exceeding 3.0:1, during the past period, the Company has managed debt by maintain this ratio lower than 3.0:1. Which on December 31, 2018, the Company has net debt to equity ratio equal 1.68:1.

For “The bond of Cho Thavee Public Company Limited No.1/2561 will mature in B.E. 2563”, the net debt to equity ratio as stated in the terms of rights and duties of issuer that shall maintain the interest-bearing debt to equity ratio not exceeding 3 to 1 at end of quarterly accounting period or the end of the fiscal year of the issuer.

*Interest-bearing debts are the debts that have interest according to (1) deduct by load that has borrowed for Bus NGV489 and E-ticket projects, interest-bearing debt to equity ratio (time) by calculated from interest-bearing debts which not included for loan that has borrowed for non-recurring project with a period beginning and ending occasionally divided by shareholders' equity, in accordance with the criteria specified in the terms of right for the Company's bond as ratio not exceeding 3 to 1.*

However, the company has increased capital in fourth quarter 2018 amount of 160 million baht, the details as follows:

November 26, 2018	Allocating capital increased in ordinary shares to Macquarie Bank Limited	Amount of 17 million baht
December 13, 2018	Allocating capital increased in ordinary shares to Mr. Marat Sae-lim	Amount of 100 million baht
December 19, 2018	Allocating capital increased in ordinary shares to Mr. Papinwit Cherngchavano	Amount of 43 million baht
The number of shareholder increased around 160 million baht		

As a result of this capital increased, the interest-bearing debt to equity ratio decreased which an the estimated at the end of 2018 equal 1.29 times and if the Company is able to sell the bond in full amount, the interest bearing debt will increase by 600 million baht, the interest-bearing debt to equity ratio changed to be 19.4 times which is still under the terms of bond, the details as following table:

	The end of 2018	First quarter of 2019
Issued bond		600 million baht
Interest-bearing debts (not included special project according to terms of bond)	1,200 million baht	1,800 million baht
Shareholders' equity, after capital increased	927 million baht	927 million baht
Interest-bearing debt to equity ratio	1.29 times	1.94 times

**The Company has a preventive approach and plan to maintain interest-bearing debt to equity ratio to be at the appropriate level**

1. The Company's purposes for the issuance of bond of this time are for additional investment in service center and funding for implementation cost of big project which has gradually paid. Therefore, during the period that has not used this amount yet, the Company will repay loans from financial institutions in order to maintain interest-bearing debt to equity ratio not to rise as planned.

2. The Company has the land that preparing for expand business which value as capital price 81.57 million baht and the appraisal price that was appraised by Fanix Appraisal Co., Ltd on July 17, 2018 around 160 million baht. The Company would able to sell soon in order to increase the Company's liquidity.

## 4 Legal Dispute Risk

### Legal issues

The lawsuit that Company filed and/or was filed to lawsuits proceedings of the Company and our chains are as follows:

(1) Black Lawsuit No. 262/2553 48/54 sued M1 modified car bills as a hospital van between companies (plaintiff) filed a lawsuit against Mr. Pinyo Kajanan (defendant). The court ruled that the amount of debt under the compromise agreement was Baht 300,000 and set up the enforcement officer to seize debtors to repay debts. Currently under investigation of the defendant.

(2) Black Lawsuit No. 913/2559 sued the trade debtor of Cho Thavee Thermotech Co.,Ltd (defendant), the debt from purchase order of cold storage tank equipped, litigation proceeds and the court has ruled in accordance with the compromise agreement and the defendant paid the plaintiff 850,000 baht. Currently, the defendant or debtor defaulted under the compromise agreement. The lawsuit filed with the court to order the enforcement officer proceed to seize the debtor.

There will be a risk of unpaid debt follows above information. In case (1), (2) is the usual business investment which already set for loan reserve as accounting policies.

(3) Plaintiff: JVCC (Joint venture agreement between Cho Thavee Public Co.,Ltd. and Khon kaen Cho Thavee (1993) Co., Ltd.)

Defendant: Bangkok Mass Transit Authority

The Administrative Court dispute between JVCC and the Bangkok Mass Transit Authority about the bidding for the purchase of 489 gas-fueled buses (NGVs) project, valued as 1,735.55 million baht which not included maintenance cost that will additional offer later under the name of JVCC, Joint venture agreement between Cho Thavee Public Co.,Ltd. and Khon kaen Cho Thavee (1993) Co., Ltd. which was chosen and announced as the winner of the auction at the price offered. The Company received the invitation letter no. 1414/2558 about signing of the contract on June 12, 2015 afterwards on December 2, 2015, the Bangkok Mass Transit Authority sent the notification letter to cancel that contract. JVCC by Cho Thavee Public Co.,Ltd. has sent the appeal letter to the department that issued this command and also to related department but failed. In the meeting of JVCC board of directors have the resolution to file the Bangkok Mass Transit Authority to revoke the command and claim the damage cost as Black Lawsuit No. 294/2559 at the Central Administrative Court on February 24, 2016 between JVCC (plaintiff) sued for the compensation with the Bangkok Mass Transit Authority (defendant case no. 1), the board of directors of Bangkok Mass Transit Authority (defendant case no. 2), the Director of Bangkok Mass Transit Authority (defendant case no. 3), the Committee of Electronic Parcel (defendant case no. 4) and Ministry of Finance (defendant case no. 5)

At the present on December 31, 2018, the case is in the process of case judge's consideration for evidence that both parties have submitted enough or not.

In case not enough, the case judge will require for the additional evidence which at this time did not receive this command yet

In case the evidence is enough, the case judge will summarize the case submit to tribunal and director of judgement party submits to litigant and specify the termination date for seek for the evidence, in order to plaintiff to state of end up and judge the case which at this time did not receive this command yet

The Company already recorded the risk that will not receive the job from this project by recorded for operation expenses and in case the Court dismisses, the Company shall not receive any compensation or in case the Court commands BMTA to pay compensation cost, the Company will do accounting record as company's income.

## 5 Financial Instrument Risk

### 5.1 Credit Risk

CHO The bond issuers are not in the list of credit rating. Credit risk is the risk in case that the issuer's business operation are not as expected or issuer's asset are not enough for payment, and issuer might be unable to pay interest or return principal or default of payment and the impacts that occurred from other default as stated in terms and condition (No. 11) of bond. If the issuer become bankrupt person or default of payment, the bondholders shall have the right to pay debt equivalent to creditor and do not have other collateral, so in case the issuer did not evaluate for credit risk, investors need to consider for issuer's financial statement and ability to pay its debt from the information in the prospectus and should be following up company's news continuously. The issuers are public company, so the investors are able to following up their news directly from ([www.cho.co.th](http://www.cho.co.th)) and able to request for related information about issuer's bond at The Thai Bond Market Association.

### 5.2 Price Risk

The risk that will occur once the bondholder prefers to sell bonds prior maturity date, the bond may be worth less than the par value or purchased value which is influence from the changing of market interest rate, stated that if the market interest rate is high, the bond value will decrease. Bonds with longer maturities generally have higher interest rate risk than bonds with shorter maturities.

### 5.3 Liquidity Risk

The risk that will occur once the bondholder prefers to sell bonds prior maturity date in the secondary market, bondholders might not be able to sell his or her bonds quickly due to a thin market with few buyers and sellers for the bond. In case the bond issuers are not able to trade in Bond Electronic Exchange (BEX) or other secondary market, however bond holders are able to trade bond in secondary market with dealers who have the permission for trading bond which most of them are commercial banks or securities companies, if any person want to buy bond from bondholder that want to sell their bond through dealers. Moreover, bondholders would not able to sell or transfer bond to any person in generally, it have limitation to sell or transfer bond only with institutional investors and/or high net worth investors according to limitations that bondholders had registered with SEC, referred to the Notification of the Securities and Exchange Commission Kor. Jor. 4/2560 on Determination of Definitions of Institutional Investors, Special High Net Worth Investors, and High Net Worth Investors, issued on February 8, 2017 (as additional amended or substitute used).





## Related Transactions

The Company and its subsidiary company has done the transactions with the person(s) which may have the conflict of interests, such transactions have been done with the Company's shareholders and the related person(s) according to provision 258. The transactions have been disclosed in the remark to financial statements and interim financial statements audited and reviewed by the auditor of the company. The audit committee has expressed the opinion about the appropriateness of such transactions that: the transactions were in corresponded with the Company's normal business, or with the reasonableness. The prices and other conditions were quoted complied to market price according to the fair and at arm's length price, the same as quoted to other person(s) or other business which have no relationship. There was no transaction of the benefits among the Company, the subsidiary company, and the person(s) which may have conflict of interest.

### 1 Related Transactions

The related transactions of the Company and the subsidiary company with the person(s) which may have conflict of interest for the accounting period of 2017-2018 ending 31st December 2017 and 31st December 2018 shown as follows:

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>1.Knon kaen Cho Thavee (1993) Co., Ltd.</b> - Mr. Suradech Taweesaengsakulthai (major shareholders/director) holds 97.385% and being the director of such company	The Company and the subsidiary company sale the products and services of repairing of truck's body, trailer/semi-trailer	77.92	345.21	The Company sales the products and spare parts and provide the services of repairing as normal trade with trade condition not differed from doing with the other	Being appropriate and complied to the market price and normal trade according to the fair and at arm's length price with the price closed to that of the others
	-The Company rented the office building space to Khon Kaen Cho Thavee (1993) Co., Ltd to be office	0.36	0.36	The company rents out headquarter area to Khon kaen Cho Thavee (1993) Co., Ltd. as an office at cost of 30,000 Baht/month, it is annual contract with the market rental rate	The determination of price as per net book value was appropriated, with the price evaluation in equivalent to market price
	-The Company provide legal consultant service	0.96	0.96	-Legal service and lawsuit consultant service	Being appropriate and according to the company policy
	-The company sales other tools	0.04	0.01	-Expenses Advance	
	The fee from using the security of Khon Kaen Cho Thavee (1993) Co., Ltd., for being pledged to the Company's credit line	0.58	0.60	The company has granted credit line from the bank by pledging the security of Khon kaen Cho Thavee (1993) Co., Ltd. At the beginning was gratuitous and to be clear, therefore charge a fee equal to other Securities Lending companies	Being the security of the related company to be pledged to credit line from bank for the operating of business of the company as necessary, and the fee equal to the fee of other financial institution

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>1.Knon kaen Cho Thavee (1993) Co., Ltd.</b> (continue)	Transportation fee and service fee by E-Ticket Project	1.22	1.45	The Company has used the transportation services and the E-ticket system for the rental of electronic ticketing system. Prices and terms of trade are in line with the market price.	The service rate is appropriate comparing with other person service rate
	The cost of land rent and building parking lots for KCU Smart Transit in Khon Kaen University	0.36	0.36	It is parking lots for KCU Smart Transit project in Khon Kaen University	
	The Company and the subsidiary company have the interest receivables	8.91	0.00	The interest receivable of Company and the subsidiary 7.5 percent per year	The interest rate according to the law stated
	-The Company and the subsidiary company have account receivables from such transaction at the ending of period	112.34	139.23	The Company has account receivables from sold the products and spare parts as normal business and expenses charged	Trade as to normal trade, the price was closed to that of other person from the trade in the past
	-The Company has other receivables from expenses charged	0.03	0.01		
	The Company and the subsidiary company have the interest receivable	8.91	0.00	The interest receivable (from overdue payment customers) of Company and the subsidiary 7.5 percent per year	The interest rate according to the law stated

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>1.Knon kaen Cho Thavee (1993) Co., Ltd.</b> (continue)	The Company has the lending for the advance money for fuel	0.78	0.00	The advance money to be charged	It is normal advance money
	-The Company has other account payable relating to such transaction at the end of period	0.41	0.24	The Company has granted credit terms as per normal trade	Condition is closed to other person, and there is no transection in 2012
	-The Company has other account payables relating to such transaction at the end of period	0.00	1.87		
<b>2. Volrep Truck and Bus Co., Ltd.</b> - Ms. Asana Taweasang-sakulthai (director) holds 0.50% and being the director of such company	-The Company sales products and services in repairing of the body of truck, trailer/semi-trailer	0.19	0.41	-The Company has sold the products and spare parts as normal business, with the comparison of price with other seller, the price and condition offered based on market price basis	Being appropriated as per normal business, the price and condition closed to that of other person
	-The Company has account receivables and advance from such transaction at the ending of period	1.33	0.26	-The Company has received the credit terms as per normal business	

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>2. Volrep Truck and Bus Co., Ltd.</b> (continue)	-The Company has the income from bus/ truck rental	0.14	0.14	-Rental service of bus/ truck for work	There was the comparison of price as appropriated and as per normal business, the price and condition closed to that of other person
	-The Company has bought the products, raw materials, and equipment.	2.38	2.73	-The Company has bought spare parts and equipment at the agreed price, and the price was closed to market price	
	-There was hiring a company to perform maintenance service for KKU Smart Transit project	3.66	3.65	-There was hiring a company to perform maintenance service for KKU Smart Transit project with the service center standard price	
	The Company and the subsidiary company have account payables from such transaction at the end of period	1.06	0.72	The Company has received the credit terms as per normal business	
	The Company has offered the managements service, accounting software, and paid the expenses in advanced	3.26	3.21	Volrep Truck and Bus Co., Ltd.; has no accounting software of its own, and has hired the company for the service of accounting software and others with the service fee of 80,000 baht/ month, there has the collection of statistical data of the usage in evaluation the frequency of the usage and being used as the computation of service fee which shall be compared with other business, the project has finished in July 2013	Being the appropriated service fee with the comparison with other person

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>2. Volrep Truck and Bus Co., Ltd.</b> (continue)	The subsidiary company rented car to serve the executive of company	0.25	0.25	Volrep Truck and Bus Co., Ltd. has the bus/truck rental service to the subsidiary company at cost of 21,000 Baht/month	Being the appropriated service fee
	The company others sales	0.00	0.03	Other expenses charged	Being appropriated as per normal business, the price and condition closed to that of other person
<b>3. Ruamthavee Khon kaen Co., Ltd.</b> - Mr. Siriwat Taveesangskulthai (director) holds 19.16% and being the director of such company	-The Company has sold the products and provided the services of repairing the truck's body, trailer/semi-trailer	0.00	0.004	-The Company has sold spare parts and provided the services of repairing as to normal trade with the comparison with other seller, the offered price and condition was under market price basis	-Being appropriated as to normal trade, the price closed to that of trading with other person
	-The Company has account receivables from such transaction at the end of period	0.00	0.005	-The Company has outstanding debts from selling products, spare parts and services as normal business	-Being appropriated as to normal trade, the price was closed to that of other person
	-The Company has bought raw materials and spare parts	8.47	97.38	-The company has bought raw materials and spare parts as to normal trade	-Being appropriated and the condition
	-The Company has trade account payables from such transaction at the end of accounting period.	2.38	35.35	Being trade condition as to normal trade of Ruamthavee Khon kaen Co., Ltd. which was the price closed to market price and received credit terms as to normal trade credit terms	Trade as to normal trade, the price was closed to that of other person from the trade in the past

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>3. Ruamthavee Khon kaen Co., Ltd.</b> (continue)	The Company has interest payables	0.29	0.00	The accrued interest payable according to delayed payment	Being appropriated according to business condition
<b>4. Tang Hua Sing Nakon Pathom Limited Partnership</b> - Mrs. Penphimol Vejvarut, major shareholder and managing partner	-The Company has sold the products and provided the service of repairing the truck's body, trailer/semi-trailer	0.02	0.17	-The Company has sold spare parts and provided repairing service as to normal trade, with the comparison of the price with other seller, the price and condition under market price basis	-Being appropriated as to normal trade, the price was closed to that of other person
	-The Company has bought the products, raw materials	46.41	167.38	-The company has bought raw materials and spare parts as to normal trade	
	-The Company has account receivables from such transaction at the end of period	0.00	30.61	- The Company has outstanding creditors from selling products, spare parts and services as normal business	-Being appropriated as to normal trade, the price was closed to that of other person
	The Company has account receivables from such transaction at the ending of period	0.00	0.09	-The Company has outstanding debts from selling products and services as normal business	
<b>5. TSP-CTV JOINT VENTURE.</b> The Company has signed the joint venture agreement with T.S energy saving lighting Co., Ltd. with joint responsibility	-The Company has realized revenues from management job.	1.43	1.67	-The company has charged for the management fee and the payment on behalf of Joint Venture as necessary, since the joint venture has no personal of its own in present the project under control of Ministry of Defense	Being appropriated and the necessity and the Company determination of price



Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
	<p>The Company has other account receivables from such transaction at the end of account period</p> <p>-The Company has account receivable from advance money at the end of account period</p>	<p>4.94</p> <p>0.02</p>	<p>3.49</p> <p>0.02</p>	<p>- The company has charged for the management fee and the payment on behalf of Joint Venture as necessary, since the joint venture has no personal of its own in present the project under control of Ministry of Defense</p>	<p>Being appropriated and the necessity and the Company determination of price</p>
<p><b>6. JVCC JOINT VENTURE.</b> The Company has signed joint venture agreement with Khon kaen Cho Thavee (1993) Co., Ltd. with joint responsibility</p>	<p>The Company has other account receivables from advance money at the end of account period</p>	<p>5.08</p>	<p>5.05</p>	<p>- The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and private sector with the condition in having the company's registered capitals of more than 270 million baht.</p>	<p>-Being appropriated and corresponded with short-term necessity, with not much amount as significant</p>
<p><b>7. JVOPV JOINT VENTURE</b> The Company has signed joint venture agreement with Khon kaen Cho Thavee (1993) Co., Ltd. with joint responsibility</p>	<p>The Company has other account receivables from advance money at the end of account period</p>	<p>0.06</p>	<p>0.03</p>	<p>The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and private sector</p>	<p>Being appropriated and corresponded with short-term necessity, with not much amount as significant</p>
<p><b>8. KHON KAEN City Development Co., Ltd.</b> Mr. Suradech Taweesaengsakulthai (director) holds 6.86% and being the director of such company</p>	<p>-The company has provided making video presentations and other tasks</p> <p>-The Company has outstanding debts from such transaction at the end of account period</p>	<p>0.17</p> <p>0.14</p>	<p>0.17</p> <p>0.14</p>	<p>-The company has provided making video presentations for the Khon Kaen Think Tank Co., Ltd. and billing to them</p> <p>- The company has provided accounting consultancy service</p>	<p>-Being appropriated as to the company's pricing policy</p> <p>- Being appropriated and corresponded with short-term necessity, with not much amount as significant</p>

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>9. Mr. Suradech Taweesaeng-sakulthai</b> - The majorshareholders of the company with the portion of 34.199% of paid-up registered capitals as at closing date on 31/12/2018  - Director - Chief Executive Officer - President and Chief Executive Officer	-Being the guarantor for the subsidiary company's credit line with bank	Guarantee line with 1 bank in total of 25.00 million baht	Guarantee line with 1 bank in total of 19.00 million baht	- The subsidiary company has the loans agreement with the bank with the condition that the director being guarantor to such credit line beside to other collateral, and the director did not charge any compensation for such guarantee	-The transaction was reasonable and benefited to the company business, and the company have to do as to the bank's condition
	-The Company has loan account payables at the end of account period	18.90	0.00	- The subsidiary company has the committee loan and has the accrued interest payable at 8 percent which the normal rate of business	-The transaction was appropriate and it is the normal rate of business according to the law
	-The Company has interest payable	0.21	0.00		
	Being the guarantor for the company that related with bank	Guarantee line with 1 bank in total of 39.00 million baht	-	Knong Kaen Cho Thavee (1993) Co., Ltd. has the loans agreement with the bank with the condition that the director being guarantor to such credit line beside to other collateral, and the director did not charge any compensation for such guarantee	The transaction was reasonable and benefited to the company business, and the company have to do as to the bank's condition
<b>10 .Ms. Asana Taweasang-sakulthai</b> - The Company's shareholder in the portion of 3.021% of paid-up capitals as at 31/12/2018 - Director -The executive committee -Senior Vice President	Being the guarantor for the subsidiary company's credit line with bank	Guarantee line with 1 bank in total of 25.00 million baht	Guarantee line with 1 banks in total of 19.00 million baht	The subsidiary company has the loans agreement with the bank with the condition that the director being guarantor to such credit line beside to other collateral, and the director did not charge any compensation for such guarantee	The transaction was reasonable and benefited to the company business, and the company have to do as to the bank's condition

Name of the related person/ relationship	Characteristic of related trans- actions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 <sup>st</sup> December 2018	31 <sup>st</sup> December 2017		
<b>10. Ms. Asana Taweessang-sakulthai</b> (continue)	-The Company has paid for rental fee at the Bangkok office  -The creditor from such transaction at the end of accounting period	1.20  0.20	1.20  0.20	The Company has rented the Bangkok office space at 100,000 baht per month	The transaction was reasonable and benefited to the company business, and the company have to do as to the market price condition
<b>11. OJ Development Co., Ltd.</b> - Ms. Asana Taweessang-sakulthai (director) holds 44.99% and being the director of such company	-The company has provided legal consultant service  -The Company has account receivables from such transaction at the ending of period	0.60  0.32	0.60  0.00	-Legal service and lawsuit consultant service  - The Company has outstanding debts from selling products and services as normal business	Being appropriated as to the company's pricing policy
<b>12. Joint Venture SCN-CHO</b> -The Company has signed the joint venture agreement with Scan Inter Public Co., Ltd. with joint responsibility	-The Company has sold the products and provided the service of repairing the NGV bus  -The Company has account Receivables included deposit from such transaction at the ending of period  -Loan from the payment for substitution expenses  -The retentions	1,159.54  293.56  117.91  102.46	0.00  0.00  0.00  0.00	-The Company has signed the sale and maintenance agreement of 489 NGV buses for 10 years  -The Company has outstanding debts from selling products and services as normal business  - The Company has borrowed 3.5 million for paid the consultant expense and 165.74 million for paid import Tax & VAT  - SCN-CHO has cash as collateral with BMTA recorded to responsible for 50%	-Being appropriated as to the company's pricing policy         -It is the joint venture agreement that was approved and appropriated

## 2 Audit committee's opinion

The audit committee's meeting No. 2/2019 on 25th February 2019 has considered and reviewed with company's managements, expressed the opinion that the related transactions with the person(s) or juristic person which may have the conflict of interest for the 2018 accounting period were reasonable, the determination of price or the condition of such transactions were fairness and compared with the appraised price by the independent appraiser, or the comparative market price whoever deem appropriated. So, it did not cause the disadvantage to the company.

## 3 Measure or the procedure in appraising related transactions

The Board of Directors' meeting No. 1/2013 on 4th January 2013 has approved in principles about the policy and procedure in doing related transaction, in order to have the transaction between person (s) or juristic person (s) which may have conflict of interest being transparency, and to save the company's benefits. Has review and consider transaction regularly quarter up until now.

In case of the related transaction of the company or the subsidiary company with person (s) which may have conflict of interest, with interest, or may have the conflict of interest in the future, the company shall prepare for the opinion expressed by the audit committee concerning the essential and the appropriate of such transaction. In case that the audit committee has no expertise in considering such related transaction, the company will let the independent expert or the auditor of the company in expressing the opinion, for the decision of the board or the shareholders. The company shall disclose related transaction in remark to the audited financial statements and in form 56-1.

## 4 Policy or trend in doing related transaction

In the future, the company may have the related transaction as deem appropriate under the normal trade condition and can be referred to the trade condition of the same business which the company operates with the outside person(s). The company shall act as to rule of law pertaining to securities and stock exchange market, and regulations, notices, orders, of the market for alternative investment (MAI), including the performance as to regulations and disclose the information of doing related transaction, and the acquisition or disposal of significant assets of the listed company and the subsidiary company corresponded with accounting standard defined by the council of accounting profession.

In case that there will be the related transaction, the company and the subsidiary company shall act as to the announcement about the regulation dealing with procurement. The company shall also act as to the procedure of approving the related transaction mentioned there must be the comparison of price and condition from the distributors or other contractors who are not the related persons, and must have the quotation which clearly defines the price and condition, and being brought together in submitting to the audit committee for the expressing of opinion about the necessary and the appropriate of such transaction, before being proposed for the approval as per the measure of doing related transaction.

## 5 Measure in the future for the prevent of Conflicts of Interest

For the firm that has or may have the opportunity to perform business related to the company or the subsidiary company, and meets the measure of being the firm related to the company from having the affiliated directors and/or shareholders under the related regulation of the SEC, the company has not adjusted the structure by combining such firm to be under controlling power of the company. In order for the transparency in management, and in corresponded with the direction under the regulation of securities and stock exchange market act B.E. 2535 relating to the protection of minor shareholders' interests, the company has signed the agreement with such firm in defining the scope in operating business of each company, in order to remove the opportunity of having conflict of interest with the company. The followings are the related company, including the substance of agreements:

1. Khon kaen Cho Thavee (1993) Co., Ltd. ("CTV-1993")	
<b>Group of shareholders/ person(s) with control power</b>	<u>The holding of shares</u> - Mr. Suradech Taweesaengsakulthai holds 97.38% of registered capitals <u>The director</u> - Mr. Suradech Taweesaengsakulthai
<b>Business model</b>	Selling of truck's head, every type of trailer, and leasing for truck
<b>Assets in ownership (Audited financial statements as at 31st December 2017)</b>	635.08 million baht
<b>Reason of not being in the group</b>	The difference in business model with the company
<b>Measure in protecting conflict of interest</b>	Agreement dated 15 <sup>th</sup> June 2011 with the major point as follows: 1. CTV-1993 will not do business in the same or like that of CHO 2. CHO and CTV-1993 agree and guarantee to each other that; any operation between both contractor under this agreement must complied to law, regulation, notice, including rules and regulations of the SEC and the SET 3. CHO and CTV-1993 agree and accept that each party is unable to utilize human resources and assets of the other party for the benefits of its own
<b>The binding time</b>	Start from date of signing agreement until the related contractor agree on the change

2. Volrep Truck and Bus Co., Ltd. (“Volrep”)	
<b>Assets in ownership</b>	<u>Holding of shares</u> -Ms. Asana Taweangsakulthai holds 0.50% of registered capitals <u>The directors</u> Ms. Asana Taweangsakulthai
<b>(Audited financial statements as at 31st December 2017)</b>	Selling of truck’s head, trailer, spare parts of truck, and engine repairing
<b>Reason of not being in the group</b>	135.02 million baht
<b>The binding time</b>	The difference in business model with the company
<b>Measure in protecting conflict of interest</b>	Agreement dated 15 <sup>th</sup> June 2011 with the major point as follows: 1. Volrep will not operate business in the same or like that of CHO 2. CHO and Volrep agree and guarantee to each other that; any operation between both contractor under this agreement must complied to law, regulation, notice, including rules and regulations of the SEC and the SET 3. CHO and Volrep agree and accept that each party is unable to utilize human resources and assets of the other party for the benefits of its own
<b>The binding time</b>	Start from date of signing agreement until the related contractor agree on the change

In case of the related transaction between the company or the subsidiary company with the above mentioned related company, including the amendment of contract or agreement, such transaction shall be treated as transaction with the person (s) which may have conflict, and must have the opinion from audit committee and presented to the company board of directors for the consideration. Any director with interest or may have conflict of interest in related transaction, is unable to involve in the consideration of approving the related transaction complied to the regulation of the SET concerning related transaction, and will be disclosed in remark to the financial statements FORM 56-1, and annual report.

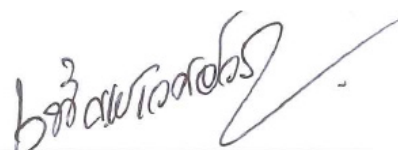
## Responsibilities of the directors for the consolidated and separate financial statements

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The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.



Ms. Phenphimol Vejvarut  
Chairman

# Financial Statement

## A) Auditor and summary of Auditor opinion

The auditor has audited financial reports of the company and its subsidiary company for the year 2016-2018 with the summary as follows:

<b>Audited</b>	:	accounting period for year 2016 ending 31st December 2016
<b>Auditor</b>	:	PricewaterhouseCoopers ABAS Limited by Mr. Sudwin Panyawongkhanti CPA Registration No.3534, the auditor with the permission from the SEC
<b>Auditor's Opinion</b>	:	Express the opinion without condition that the consolidated and company financial statement referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Public Co., Ltd. and its subsidiaries and of Cho Thavee Public Co., Ltd. as at 31 December 2016, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

<b>Audited</b>	:	accounting period for year 2017 ending 31st December 2017
<b>Auditor</b>	:	PricewaterhouseCoopers ABAS Limited by Mr. Sudwin Panyawongkhanti CPA Registration No.3534, the auditor with the permission from the SEC
<b>Auditor's Opinion</b>	:	Express the opinion without condition that the consolidated and company financial statement referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Public Co., Ltd. and its subsidiaries and of Cho Thavee Public Co., Ltd. as at 31 December 2017, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

<b>Audited</b>	:	accounting period for year 2018 ending 31st December 2018
<b>Auditor</b>	:	PricewaterhouseCoopers ABAS Limited by Mr. Sudwin Panyawongkhanti CPA Registration No.3534 the auditor with the permission from the SEC
<b>Auditor's Opinion</b>	:	Express the opinion without condition that the consolidated and company financial statement referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Public Co., Ltd. and its subsidiaries and of Cho Thavee Public Co., Ltd. as at 31 December 2018, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



## B) Statement of Financial Position (Consolidated financial statements)

**Cho Thavee Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

Unit: Million Baht

	Consolidated financial statements					
	31 December		31 December		31 December	
	2018	%	2017	%	2016	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	3.71	0.10	2.61	0.11	43.86	2.56
Trade and other accounts receivable (net)	1,288.06	35.38	766.85	32.94	373.64	21.85
Current portion of employee receivables under finance lease agreements (net)	0.19	0.01	0.19	0.01	0.19	0.01
Inventories (net)	765.18	21.02	360.13	15.47	335.11	19.59
Financial instrument assets	0.24	0.01	0.02	0.00	0.60	0.04
Value added tax	58.39	1.60	47.93	2.06	22.04	1.29
<b>Total current assets</b>	<b>2,115.77</b>	<b>58.11</b>	<b>1,177.73</b>	<b>50.58</b>	<b>775.43</b>	<b>45.34</b>
<b>Non-current assets</b>						
Restricted deposit at financial institution	41.40	1.14	37.00	1.59	37.00	2.16
Employee receivables under finance lease agreements (net)	0.15	0.00	0.34	0.01	0.53	0.03
Investments in securities held to maturities	-	-	-	-	1.00	0.06
Investments in associates	2.55	0.07	2.68	0.11	-	-
Investment property	81.58	2.24	81.58	3.50	81.58	4.77
Property, plant and equipment (net)	1,097.86	30.15	976.60	41.94	771.20	45.09
Intangible assets (net)	36.69	1.01	33.25	1.43	31.52	1.84
Deferred tax asset (net)	12.65	0.35	7.71	0.33	7.15	0.42
Income tax receivable	15.83	0.43	10.53	0.45	4.28	0.25
Refundable deposits	236.32	6.49	0.88	0.04	0.69	0.04
<b>Total non-current assets</b>	<b>1,525.04</b>	<b>41.89</b>	<b>1,150.56</b>	<b>49.42</b>	<b>934.94</b>	<b>54.66</b>
<b>Total assets</b>	<b>3,640.80</b>	<b>100.00</b>	<b>2,328.28</b>	<b>100.00</b>	<b>1,710.36</b>	<b>100.00</b>

**Cho Thavee Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

	Consolidated financial statements				Unit: Million Baht	
	31 December		31 December		31 December	
	2018	%	2017	%	2016	%
<b>Liabilities and Equity</b>						
<b>Current liabilities</b>						
Trade and other accounts payable	444.23	12.20	328.18	14.10	280.11	16.38
Bank overdrafts and short-term borrowings						
from financial institutions	1,077.80	29.60	966.17	41.50	358.58	20.96
Short-term loans from others	691.91	19.00	-	-	-	-
Short-term loans from related parties	77.85	2.14	-	-	-	-
Current portions of						
- long-term borrowings from financial institutions	0.77	0.02	0.92	0.04	0.92	0.05
- long-term borrowings from others	41.50	1.14	-	-	-	-
- liability under finance lease agreements (net)	10.91	0.30	10.64	0.46	10.14	0.59
- debenture (net)	125.85	3.46	299.40	12.86	-	-
Progress billings in excess of contract work						
in progress (net)	1.59	0.04	9.30	0.40	18.77	1.10
Provision for warranty	4.00	0.11	5.07	0.22	5.94	0.35
Accrued income tax	6.23	0.17	-	-	1.27	0.07
Other current liabilities	5.44	0.15	2.62	0.11	2.31	0.14
<b>Total current liabilities</b>	<b>2,488.07</b>	<b>68.34</b>	<b>1,622.31</b>	<b>69.68</b>	<b>678.03</b>	<b>39.64</b>
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	-	-	0.69	0.03	1.62	0.09
Long-term loan from other	24.90	0.68	-	-	-	-
Liability under finance lease agreements (net)	13.65	0.38	20.52	0.88	31.17	1.82
Debenture (net)	198.53	5.45	-	-	298.81	17.47
Employee benefit obligations	26.91	0.74	22.46	0.96	19.73	1.15
<b>Total non-current liabilities</b>	<b>263.99</b>	<b>7.25</b>	<b>43.67</b>	<b>1.88</b>	<b>351.33</b>	<b>20.54</b>
<b>Total liabilities</b>	<b>2,752.03</b>	<b>75.59</b>	<b>1,665.99</b>	<b>71.56</b>	<b>1,029.36</b>	<b>60.18</b>
<b>Equity</b>						
Share capital						
Authorised share capital	460.28		295.74		296.97	
Issued and paid-up share capital	327.22	8.99	295.74	12.70	295.74	17.29
Share premium	524.89	14.42	375.90	16.15	375.90	21.98
Share premium from share-based payment	29.01	0.80	29.01	1.25	29.01	1.70
Discount from increment of						
investments in subsidiary	(5.63)	(0.15)	(5.63)	(0.24)	(5.63)	(0.33)
Retained earnings (deficit)						
Appropriated - Legal reserve	6.82	0.19	6.82	0.29	6.82	0.40
Unappropriated	6.42	0.18	(39.55)	(1.70)	(20.84)	(1.22)
<b>Equity attributable to owners of the parent</b>	<b>888.74</b>	<b>24.41</b>	<b>622.29</b>	<b>28.45</b>	<b>681.00</b>	<b>39.82</b>
Non-controlling interests	0.0041	0.00	0.0036	0.00	0.0028	0.00
<b>Total equity</b>	<b>888.74</b>	<b>24.41</b>	<b>662.30</b>	<b>28.45</b>	<b>681.00</b>	<b>39.82</b>
<b>Total liabilities and equity</b>	<b>3,640.77</b>	<b>100.00</b>	<b>2,328.28</b>	<b>100.00</b>	<b>1,710.36</b>	<b>100.00</b>

**Cho Thavee Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2018, 2017, 2016 and 2015**

	Unit: Million Baht							
	Consolidated financial statements							
	2018	%	2017	%	2016	%	2015	%
<b>Revenues</b>								
Revenues from contract work	2,052.69	89.73	1,390.94	87.16	926.16	86.52	972.73	83.93
Revenues from sales and services	214.15	9.36	194.96	12.22	132.08	12.34	169.90	14.66
Other income	20.75	0.91	9.91	0.62	12.28	1.15	16.34	1.41
<b>Revenues</b>	<b>2,287.60</b>	<b>100.00</b>	<b>1,595.82</b>	<b>100.00</b>	<b>1,070.52</b>	<b>100.00</b>	<b>1,158.97</b>	<b>100.00</b>
Cost of contract work	(1,711.54)	91.16	(1,244.85)	89.25	(822.18)	89.61	(805.09)	90.21
Cost of sales and services	(165.89)	8.84	(150.01)	10.75	(95.32)	10.39	(87.34)	9.79
<b>Total Cost</b>	<b>(1,877.43)</b>	<b>100.00</b>	<b>(1,394.86)</b>	<b>100.00</b>	<b>(917.50)</b>	<b>100.00</b>	<b>(892.43)</b>	<b>100.00</b>
<b>Gross profit</b>	<b>389.41</b>	<b>17.02</b>	<b>191.04</b>	<b>11.97</b>	<b>140.74</b>	<b>13.15</b>	<b>250.20</b>	<b>21.59</b>
<b>Profit before expense</b>	<b>410.17</b>	<b>17.93</b>	<b>200.96</b>	<b>12.59</b>	<b>153.02</b>	<b>14.29</b>	<b>266.54</b>	<b>23.00</b>
Selling expenses	(39.85)	1.74	43.49	(2.73)	(40.77)	(3.81)	(57.88)	(4.99)
Administrative expenses	(178.71)	(7.81)	(130.16)	(8.16)	(175.27)	(16.37)	(137.19)	(11.84)
Other expense - gain (loss) on exchange rates	0.62	0.03	3.71	0.23	9.32	0.87	2.82	0.24
Other expense - gain (loss) on assets sales	(0.31)	(0.01)	(0.49)	(0.03)	(0.18)	(0.02)	(0.18)	(0.02)
Financial cost - interest expenses	(141.45)	(6.18)	(50.64)	(3.17)	(38.70)	(3.62)	(28.86)	(2.49)
Share of profit (loss) from investments in associates	(0.12)	(0.01)	(0.14)	(0.01)	-	-	-	-
<b>Profit (loss) before income tax</b>	<b>50.34</b>	<b>2.20</b>	<b>(20.12)</b>	<b>(1.26)</b>	<b>(92.58)</b>	<b>(8.65)</b>	<b>45.25</b>	<b>3.90</b>
Tax income (Income tax expense)	(4.87)	(0.21)	0.76	0.05	1.29	0.12	(9.51)	(0.82)
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>45.47</b>	<b>1.99</b>	<b>(19.36)</b>	<b>(1.21)</b>	<b>(91.29)</b>	<b>(8.53)</b>	<b>35.74</b>	<b>3.08</b>
<b>Other comprehensive income (expense)</b>								
Items that not reclassified to profit or loss								
• Remeasurements of post-employment benefit obligations	0.63	0.03	0.99	0.06	0.01	0.00	(0.03)	(0.00)
• Income tax on remeasurements of post-employment benefit obligations	(0.13)	(0.01)	(0.20)	(0.01)	(0.00)	(0.00)	0.01	0.00
<b>Profit (loss) for the year</b>	<b>0.50</b>	<b>0.02</b>	<b>0.79</b>	<b>0.05</b>	<b>0.01</b>	<b>0.00</b>	<b>(0.03)</b>	<b>(0.00)</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>45.97</b>	<b>2.01</b>	<b>(18.57)</b>	<b>(1.16)</b>	<b>(91.28)</b>	<b>(8.53)</b>	<b>35.71</b>	<b>3.08</b>
<b>Profit (loss) attributable to:</b>								
Owners of the parent	45.47	1.99	(19.50)	(1.22)	(91.29)	(8.53)	35.74	3.08
Non-controlling interests	0.0002	0.00	0.0008	0.00	(0.0022)	(0.00)	(0.0002)	(0.00)
	<b>45.47</b>	<b>1.99</b>	<b>(19.50)</b>	<b>(1.22)</b>	<b>(91.29)</b>	<b>(8.53)</b>	<b>35.74</b>	<b>3.08</b>
<b>Total comprehensive income expense attributable to:</b>								
Owners of the parent	45.97	2.01	(18.71)	(1.17)	(91.28)	(8.53)	35.71	3.08
Non-controlling interests	0.0002	0.00	0.0008	0.00	(0.0022)	(0.00)	(0.0002)	(0.00)
	<b>45.97</b>	<b>2.01</b>	<b>(18.71)</b>	<b>(1.17)</b>	<b>(91.28)</b>	<b>(8.53)</b>	<b>35.71</b>	<b>3.08</b>
<b>Profit (loss) per share</b>								
Basic profit (loss) per share (Baht)	0.0379		(0.0165)		(0.0875)		0.0404	

**Cho Thavee Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018, 2017, and 2016**

	Consolidated financial statements			Unit: Million Baht
	2018	2017	2016	
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	50.34	(20.26)	(92.58)	
Adjustments				
Depreciation expenses	48.93	45.43	34.02	
Amortisation charge	5.47	5.45	4.91	
Income from sales under finance lease agreements	-	0.14	-	
Share of loss from investments in associates	0.12	-	-	
Allowance for doubtful accounts	15.32	-	(1.21)	
Allowance for obsolete and slow moving inventories	5.90	1.12	(2.86)	
(Gain) Loss from write-off of property, plant and equipment	0.31	0.49	0.18	
Provision for warranty	(1.08)	(0.87)	(0.82)	
Unrealised (gain) loss from financial instrument	(0.24)	(0.02)	(0.60)	
Employee benefit obligations	5.54	4.41	3.62	
Interest income	(0.28)	(0.37)	(4.19)	
Income from late payment penalty from related parties	(8.91)	-	-	
Dividend income	-	(1.00)	-	
Interest income from financial lease agreement	(0.02)	(0.02)	(0.02)	
Bank fees	-	-	14.00	
Finance costs				
- Interest expenses for borrowings from finance institutions	76.82	48.18	36.02	
- Interest expenses for loan from related parties	0.21			
- Interest expenses for loans from others	53.17	-	-	
- Interest expenses under finance lease agreements	1.33	1.86	2.37	
- Amortisation of debenture	0.83	0.59	0.31	
- Front end fee	3.76	-	-	
- Other interest expenses	5.32	-	-	
	262.84	86.12	(6.84)	
Changes in operating assets and liabilities				
Trade and other accounts receivable	(527.61)	(393.23)	83.72	
Inventories	(410.94)	(30.42)	(38.48)	
Financial instrument	0.02	0.60	0.11	
Value added tax	(9.15)	(25.89)	(1.94)	
Refundable deposits	(235.44)	(0.19)	(39.00)	
Trade and other accounts payable	101.01	(32.34)	165.57	
Progress billings in excess of contract work in progress	(7.71)	(9.47)	18.77	
Other current liabilities	1.50	0.31	0.79	
Cash paid from operating before				
Interest income received, finance costs paid and income tax paid	(825.45)	(404.52)	221.09	
Interest income	0.25	0.40	3.84	
Cash received from receivables under finance lease agreements	0.21	0.21	0.21	
Cash paid for employee benefit	(0.47)	(0.69)	-	
Finance costs paid				
- Interest expenses for borrowings from finance institutions	(68.97)	(44.58)	(12.78)	
- Interest expenses for loans from others	(47.28)	-	-	
- Front end fee	(3.76)	-	-	
- Other interest expenses	(5.30)			
Income tax paid	(9.01)	(7.52)	(4.48)	
Net cash use in operating activities	(959.77)	(456.69)	(207.88)	

**Cho Thavee Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018, 2017, and 2016**

	Consolidated financial statements		Unit: Million Baht
	2018	2017	2016
<b>Cash flows from investing activities</b>			
Restricted deposit at finance institution	(4.40)	-	(35.00)
Cash paid for purchase of fixed assets	(167.05)	(168.23)	(136.38)
Cash paid for purchase of intangible assets	(3.03)	(7.18)	(8.97)
<b>Net cash use in investing activities</b>	<b>(174.48)</b>	<b>(175.42)</b>	<b>(180.34)</b>
<b>Cash flows from financing activities</b>			
Cash received from held-to-maturity investment	-	1.00	-
Cash paid for purchase of investments in associates	-	(2.82)	-
Short-term borrowings from financial institutions			
- proceeds	7,582.38	7,073.97	6,317.81
- repayments	(7,474.52)	(6,468.38)	(6,711.30)
Debtenture			
- proceeds	324.14	-	298.50
- repayments	(300.00)	-	-
Cash paid from debtenture issuance	-	-	-
Cash received from short-term loans from related parties	77.85	-	-
Cash received from short-term loans from third parties	1,465.21	-	-
Cash paid from short-term loans from third parties	(774.04)	-	-
Long-term borrowing from financial institutions			
- repayments	(0.85)	(0.92)	(0.92)
Cash paid for liabilities under finance lease agreements	(11.71)	(12.00)	(12.33)
Dividend payout	-	-	(5.33)
Cash received in advance from exercised warrants	-	-	80.60
Long-term loan from others			
- proceeds	83.00	-	-
- repayments	(16.60)	-	-
Cash received from share subscription	180.48	-	-
<b>Net cash from financing activities</b>	<b>1,135.35</b>	<b>590.85</b>	<b>(32.98)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1.10</b>	<b>(41.25)</b>	<b>(5.44)</b>
Cash and cash equivalents - opening balance	2.61	43.86	49.30
<b>Cash and cash equivalents - closing balance</b>	<b>3.71</b>	<b>2.61</b>	<b>43.86</b>
<b>Non-cash transactions:</b>			
An outstanding payable arising from purchases of fixed assets as at 31 December	84.25	80.91	-
An outstanding payable arising from purchases of intangible assets as at 31 December	5.89	-	2.54
Retention payable as at 31 December	0.29	3.95	3.51
An outstanding liability under order finance lease agreement arising from purchase of fixed assets as at 31 December	3.23	-	-
Inventories transfer to fixed assets	-	4.27	1.73



## (C) Summary of Major Financial Ratio

		Consolidated financial statements		
		2018	2017	2016
<b>Liquidity ratio :</b>				
Current ratio	(Time)	0.85	0.73	1.14
Quick ratio	(Time)	0.52	0.47	0.62
Cash flow liquidity ratio	(Time)	(0.47)	(0.40)	0.27
Account receivables turnover ratio	(Time)	2.21	2.78	2.51
Collection period	(Days)	163	129	143
Inventory turnover ratio	(Time)	3.34	4.01	2.91
Average day sales	(Days)	108	90	124
Account payables turnover ratio	(Time)	4.86	4.59	4.70
Payment period	(Days)	74.00	78	77.00
Cash cycle	(Days)	197.00	141	191
<b>Profitability ratio</b>				
Gross profits	(%)	17.18%	12.05%	13.30%
Operating profits	(%)	8.39%	1.91%	-5.03%
Other profits	(%)	0.91%	0.62%	1.15%
Cash to earning	(%)	-20.00%	-6.68%	-25.92%
Net profits	(%)	1.99%	-1.21%	-8.53%
Earning per share	(%)	5.86%	-2.88%	-13.25%
<b>Efficiency ratio</b>				
Return on assets	(%)	1.52%	-0.96%	-5.48%
Return on fixed assets	(%)	4.38%	-2.22%	-12.72%
Assets cycle	(Time)	0.77	0.79	0.64
<b>Financial policy ratio</b>				
Debts to equity ratio	(Time)	3.10	2.52	1.51
Interest bearing debt to total equity ratio	(Time)	1.68	1.96	1.03
Operating EBITDA margin	(Time)	0.53	0.53	(0.36)
Debt Service Coverage Ratio (DSCR)	(Time)	1.31	1.50	(1.47)
Cash Interest coverage ratio	(Time)	(6.59)	(9.08)	17.62
Interest coverage ratio	(Time)	1.87	1.89	(2.75)
Cash basis	(Time)	0.03	0.01	0.00
BE size to interest bearing debt ratio	(Time)	0.48	0.74	0.51
Debt with interest with 1 year due to debt with interest expenses ratio	(Time)	0.01	0.02	0.05
Loan from financial institutions to total debt ratio	(Time)	0.39	0.58	0.35
Dividend payout ratio	(%)	n.a.	n.a.	n.a.

**Note**

- 1) Interest bearing debt to total equity ratio (time), calculated by liabilities with interest expenses, but excluding loan used for projects and non recurring project, having starting and ending period in occasional, divided by equity according to criteria determined in conditions for the company's debenture of not exceeding 3 :1 time as of the date of fiscal year end.
- 2) Operating EBITDA Margin (time), calculated by net debts (means interest bearing debt) deducted by cash and/or cash equivalence and/or short term investment cash, divided by EBITDA.
- 3) DSCR, calculated by EBITDA divided by long term debt due in the coming year (excluding debenture) and interest expenses in both long term and short term.
- 4) Cash Interest Coverage Ratio, calculated by operating cash flow + income tax paid + operating interests expenses / interest expenses from operating, investment and financing.
- 5) Interest coverage ratio, calculated by EBITDA / interest expenses from operating, investment and financing.
- 6) Cash basis, calculated by EBITDA / debt expense + interest expenses from operating, investment, financing and asset purchase.

# Management's Discussion and Analysis

## 1 Performance

### 1.1 Overall Performance

In 2018, the company and its subsidiary reported total revenues of 2,287.60 million Baht which increased by 43.35% compared to last year. It increased from the income from special design products and maintenance services. While the annual profit was 45.47 million Baht which rose to 333.16% compared to last year, as the result of increasing the sales of special design products for assembling of large buses for public transportation and food loading truck for the airline business as well as an increase of the income from hi-loading truck and large buses maintenance services. In addition, the earnings before interest tax depreciation and amortization (EBITDA) was at 234.68 million baht, which an increase of 178.51% from the previous year, due to a rise proportionate to the revenue margin increase.

Items (unit:million)	2016	2017	% of change	2018	% of change
	Million Baht	Million Baht	Y-o-Y	Million Baht	Y-o-Y
Total Revenues	1,070.52	1,595.82	49.07%	2,287.60	43.35%
Profit for the period	(91.29)	(19.50)	-78.64%	45.47	331.15%
EBITDA	(35.09)	84.26	340.11%	234.68	178.51%
Earnings per Share (Baht)	(0.0875)	(0.0165)	81.14%	0.0379	329.40%

Remark: EBTDA refers to benefits before deduct financial Expenses, income tax, depreciation and amortization profit for the period refers to the profit for the period of major shareholders

### 1.2 Operating performance

Total revenues of the company and its subsidiary of in 2018 was 2,052.69 million Baht, which increased 47.58% of last year at the same period, from the operation expanding both domestic and overseas. The revenues of special design products for producing and assembling of Catering truck and large buses come from sales and services were 214.15 million Baht. The revenues from sales and maintenance services for truck and large buses follow the detail in the table below.

The table of revenues which divided by financial statements in 2016, 2017 and 2018

Type of revenues	2016		2017		% change	2018		% change
	Million	%	Million	%	Y-o-Y	Million	%	Y-o-Y
Revenues from contract	926.16	87.52%	1,390.94	87.71%	50.18%	2,052.69	90.55%	47.58%
Revenues from sales & Services	132.08	12.48%	194.96	12.29%	-47.61%	214.15	9.45%	9.84%
<b>Total</b>	<b>1,058.24</b>	<b>100.00%</b>	<b>1,585.90</b>	<b>100.00%</b>	<b>49.86%</b>	<b>2,266.85</b>	<b>100.00</b>	<b>42.94%</b>
Other revenues	12.28	1.15%	9.91	0.62%	-19.30%	20.75	0.91%	109.38%
<b>Grand total revenues</b>	<b>1,070.52</b>	<b>100.00%</b>	<b>1,585.82</b>	<b>100.00%</b>	<b>49.07%</b>	<b>2,287.60</b>	<b>100.00</b>	<b>43.35%</b>

The table of revenues which divided by product group in 2016, 2017 and 2018

Product group type	2016		2017		2018	
	million	%	million	%	million	%
1) Standard group	258.72	24.45%	572.80	36.12%	131.62	5.81%
2) Special group	667.44	63.07%	818.14	51.59%	1,921.08	84.75%
3) Project management and services group	132.08	12.48%	194.96	12.29%	214.15	9.45%
<b>Total</b>	<b>1,058.24</b>	<b>100.00%</b>	<b>1,585.90</b>	<b>100.00%</b>	<b>2,266.85</b>	<b>100.00</b>

The table of revenues classified by countries in 2016, 2017 and 2018

Country	2016		2017		2018	
	Million	%	Million	%	Million	%
Thailand	620.18	58.60%	1,358.63	85.67%	1,986.66	87.64%
Singapore	11.40	1.08%	21.81	1.37%	77.64	3.42%
Korea	42.01	3.97%	10.98	0.69%	32.04	1.41%
Japan	33.28	3.14%	28.75	1.81%	55.75	2.46%
Hong Kong	36.64	3.46%	58.53	3.69%	27.94	1.23%
Malaysia	-	0.00%	50.27	3.17%	-	0.00%
Other countries	314.73	29.74%	56.94	3.59%	86.83	3.83%
<b>Total</b>	<b>1,058.24</b>	<b>100.00%</b>	<b>1,585.90</b>	<b>100.00%</b>	<b>2,266.85</b>	<b>100.00</b>



**Cost:**

In 2018, the total cost of the company and its subsidiary was 1,877.43 million Baht, which was an increase of 34.60% from the previous year, a rise proportionate to the revenue increase.

**Gross profit:**

In 2018, the gross profit of the company and its subsidiary was 389.41 million Baht, which was an increase of 103.83% from the previous year, an escalation proportionate to the revenues increase of special products and project management and services.

**Expenses of sales:**

In 2018, the expense of sales of the company and its subsidiary was 39.85 million Baht, which was a decrease of 8.37% from previous year. It was related of the remuneration set up for the sales that receives remuneration.

**Expense of management:**

In 2018, the expense of management of the company and its subsidiary was 178.71 million Baht, which was an increase of 37.29% from previous year, a rise of setting up for account reserve, deteriorated product reserve, and overdue receivable reserve according to account policy.

**Financial cost:**

In 2018, the financial cost of the company and its subsidiary was 141.45 million Baht, which was an increase of 179.36% from previous year, a rise from interests and expenses for financing loans as the consequences from the central administrative court's ordered to slow down the project of selling 489 buses to Bangkok mass transit authority, BMTA which delayed from due date about 8 months. As the result, the company had an additional cost burden from delayed payment for the buses which occurred only the impacted period (non- recurring item). When the administrative court ordered to strike the case out of the case-list in November 2018, the project was able to move forward and completely delivered the buses as per contract on March 12, 2019 and the payment of selling buses will be received within May 2019. The company will repay the loan and all creditors of goods in related to the selling buses project. This will reduce the financial cost within the second quarter of 2019.

**Corporate Income Tax**

In 2018, the corporate income of income tax of the company and its subsidiary was 4.87 million Baht, which was a decrease of 743.57% from the previous year as per the calculation of the accumulated loss deducted with the yearly profits.

**Net profit and net profit margin**

In 2018, the profit of the major companies of the company and its subsidiary was 4.87 million Baht, which was an increase of 333.16 %. The net profit margin was 1.99 % which was an escalation of 3.20% from last year, a rise proportionate of income from increased in high margin products.

## 2 Financial status

**Asset**

The company and its subsidiary have stable financial structure. The report of the total assets as of December 31, 2018 was 3,640.80 million Baht which was an increase of 56.37% from previous year, the major assets of the company and its subsidiary consist of land, Building and equipments which accounted for 30.15 % and current assets was 58.11% of the total assets.

The current asset as at December 31, 2018 was 2,115.77 million baht which was a crease of 79.65% from previous year. It consisted of trade receivables 35.38% and inventory 21.02% which had set up overdue receivable reserve and deteriorated product reserve regarding to account policy of the company.

#### **Liability and shareholder's equity**

The total liability as at December 31, 2018 of the company and its subsidiary was 2,752.06 million Baht which was an escalation of 65.19% from last year. As the result of the company have invest in the projects of production, assembly, selling 489 NGV buses for BMTA which managed working capital from loans from individuals and other businesses to be used in the projects. Additionally, there was a rise of trade account payable due to an import of parts for assembly the buses according to the delivery contract. This increasing particularly occurred during the period from produce to delivery process which will complete within May 2019, as a result the financial cost increased only the period of project operation. During the year, new debentures were issued 198.53 million baht and there were 299.40 million Baht of the original debentures that have due date of redemption.

Net debt status, the interest bearing debt, as of December 31, 2018 was 2,263.67 million Baht, which was an increase of 71.44 % from previous year, an interest-bearing debt ratio per shareholder's equity to 1.68 times.

Shareholder's equity as of December 31, 2018 of the company and its subsidiary was 888.74 million Baht, which a rise of 34.19% from previous year. It was a result of increase additional common stocks 26,000,000 shares for Macquarie Bank Limited and 69,944,744 shares for limited individuals with share premium and increased from net profit for the period by 45.47 million baht.

## **3 Important financial ratios**

As of December 31, 2018 of the company and its subsidiary had a liquidity ratio at 0.85 times, which was a rise of 0.12 times from previous year; debt to shareholders equity ratio at 3.10 times; interest bearing debt as deducted debt which used for selling and maintenance NGV buses, per shareholders' equity at 1.68 times; and debt service coverage ratio (DSCR) at 1.31 times (decreased 0.19 times).

#### **Financial ratio requirements**

The company and its subsidiary received a credit line from the bank which required maintaining the debt to equity ratio (D/E Ratio) by not more than 3 times and retaining the debt service coverage ratio (DSCR) by not less than 1.2 times of consolidate financial statement. In regard to during the year the company was in the process of investing in the bidding project for an assembly production, selling 489 NGV buses; as the result, a list of liabilities from borrowing to invest in the project and trade creditors in related to the project were rose in this particularly period. The company has made an official letter which requests to grant an exemption of financial ratio conditions with the bank in this particular project operation period. Besides, the company had issued new debenture with the condition of the interest bearing debt as deducted debt which used for selling and maintenance NGV buses per shareholders' equity to maintain the ratio which is more than 3 times. As of December 31, 2018, the company and its subsidiary stood at 1.68 times.

**CHO THAVEE PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**



## Independent Auditor's Report

To the shareholders and the board of directors of Cho Thavee Public Company Limited

### My opinion

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

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Revenue recognition on construction contracts. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition on construction contracts</b></p> <p><i>Refer to Note 2.8 Accounting policy Construction contracts and Note 10 Contract work in progress, to the consolidated and separate financial statements.</i></p> <p><i>The Group had revenues from contract work, which represented 90.55% of the Group's total revenues, by using the percentage of completion method. The revenue from contract work was from manufacturing and assembling of trailers and vehicles.</i></p> <p>Percentage of completion is determined by using the Cost to Cost method, the proportion of contract costs incurred for work performed to date against the estimated total contract cost. This estimation required the Group management's judgement and included an updating the estimated contract costs until delivery of each project as appropriate.</p> <p>I focussed on this area because it required significant judgement and experience from the Group management involved in estimating the estimated contract cost and the percentage of completion. The accuracy of the revenues from contract work was directly affected by the percentage of completion.</p>	<p>My procedures in relation to the Group management's assessment of revenue recognition on construction contracts included:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the internal controls the Group management designed and implemented over its process to record contract costs, contract revenue and the calculation of percentage of completion.</li> <li>• inspecting the supporting documents of costs incurred and testing cut-off on costs incurred to check the appropriateness of contract costs.</li> <li>• assessing the reasonableness of the estimated total contract costs of outstanding projects at year end by comparing a sample set to similar projects completed in the past and investigating significant differences.</li> <li>• assessing the appropriateness of the estimated total contract costs of outstanding projects at year end by checking the reconciliation between contract cost incurred and cost to complete on a sample basis.</li> <li>• comparing the appropriateness of percentage of completion determined by <ul style="list-style-type: none"> <li>• Cost to Cost method, to</li> <li>• the percentage of completion from production department determined by survey of work performed ("Engineering Estimate method"), and</li> </ul> </li> <li>• examining supporting documents for the projects that were completed subsequently to evaluate the accuracy of estimated total contract cost incurred.</li> </ul> <p>Based on my procedures performed above, I viewed that the Group management's assessment of revenue recognition on construction contracts was reasonable. I found no material exception.</p>

**Other information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

**Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Sudwin Panyawongkhanti**

Certified Public Accountant (Thailand) No. 3534

Bangkok

25 February 2019



**Cho Thavee Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	3,711,907	2,611,063	3,631,313	2,378,646
Trade and other accounts receivable (net)	8	1,288,061,833	766,845,131	1,203,610,391	695,334,801
Current portion of employee receivables under finance lease agreements (net)	9	185,595	185,595	185,595	185,595
Short-term loans to subsidiary	39 c)	-	-	82,869,889	87,922,357
Inventories (net)	11	765,175,325	360,133,541	710,358,709	319,355,327
Financial instrument assets	40 a)	235,886	23,764	235,886	15,301
Value added tax	12	58,394,654	47,926,711	58,068,999	47,879,080
<b>Total current assets</b>		<b>2,115,765,200</b>	<b>1,177,725,805</b>	<b>2,058,960,782</b>	<b>1,153,071,107</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution	13	41,400,000	37,000,000	38,400,000	34,000,000
Employee receivables under finance lease agreements (net)	9	154,662	340,257	154,662	340,257
Investments in associates	14	2,552,018	2,675,660	2,817,500	2,817,500
Investments in subsidiary	15	-	-	23,599,650	22,599,950
Investment property	17	81,577,261	81,577,261	81,577,261	81,577,261
Property, plant and equipment (net)	18	1,097,864,128	976,595,405	1,038,440,118	912,051,288
Intangible assets (net)	19	36,689,894	33,245,283	36,648,878	33,171,245
Deferred tax asset (net)	20	12,652,997	7,713,243	11,823,918	6,590,590
Income tax receivable		15,826,433	10,528,792	15,721,858	10,445,350
Refundable deposits	21	236,317,696	880,232	236,317,696	880,232
<b>Total non-current assets</b>		<b>1,525,035,089</b>	<b>1,150,556,133</b>	<b>1,485,501,541</b>	<b>1,104,473,673</b>
<b>Total assets</b>		<b>3,640,800,289</b>	<b>2,328,281,938</b>	<b>3,544,462,323</b>	<b>2,257,544,780</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

**Cho Thavee Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	22	1,077,795,578	966,165,265	1,046,897,434	928,475,408
Trade and other accounts payable	23	444,225,796	328,177,052	419,354,290	314,483,958
Short-term loans from others	24	691,912,623	-	691,912,623	-
Short-term loans from related parties	39 d)	77,854,220	-	58,954,220	-
Current portions of					
- long-term borrowings from financial institutions	25	767,333	924,000	-	-
- long-term borrowings from others	26	41,500,000	-	41,500,000	-
- liability under finance lease agreements (net)	27	10,911,438	10,643,617	10,911,438	10,643,617
- debenture (net)	29	125,850,367	299,403,916	125,850,367	299,403,916
Progress billings in excess of contract work					
in progress (net)	10 b)	1,590,200	9,301,297	1,435,674	9,301,297
Provision for warranty		3,995,263	5,073,914	3,595,677	3,595,677
Accrued income tax		6,226,312	-	6,226,312	-
Value added tax	12	1,318,881	-	1,318,881	-
Other current liabilities	28	4,119,264	2,621,620	3,538,536	2,115,613
<b>Total current liabilities</b>		<b>2,488,067,275</b>	<b>1,622,310,681</b>	<b>2,411,495,452</b>	<b>1,568,019,486</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	25	-	694,879	-	-
Long-term loan from other	26	24,900,000	-	24,900,000	-
Liability under finance lease agreements (net)	27	13,654,248	20,522,023	13,654,248	20,522,023
Debenture (net)	29	198,525,199	-	198,525,199	-
Employee benefit obligations	30	26,909,912	22,457,833	25,602,312	21,353,716
<b>Total non-current liabilities</b>		<b>263,989,359</b>	<b>43,674,735</b>	<b>262,681,759</b>	<b>41,875,739</b>
<b>Total liabilities</b>		<b>2,752,056,634</b>	<b>1,665,985,416</b>	<b>2,674,177,211</b>	<b>1,609,895,225</b>

**Cho Thavee Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2018**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and Equity (Cont'd)					
Equity					
Share capital	31				
Authorised share capital					
1,841,118,481 ordinary shares					
of Baht 0.25 each		460,279,620		460,279,620	
1,182,941,773 ordinary shares					
of Baht 0.25 each			295,735,443		295,735,443
Issued and paid-up share capital					
1,308,886,517 ordinary shares					
of Baht 0.25 each		327,221,629	-	327,221,629	-
1,182,941,773 ordinary shares					
of Baht 0.25 each		-	295,735,443	-	295,735,443
Share premium	31	524,894,559	375,903,848	524,894,559	375,903,848
Share premium from share-based payment	41	29,013,488	29,013,488	27,067,992	27,067,992
Discount from increment of investments in subsidiary		(5,633,115)	(5,633,115)	-	-
Retained earnings (deficit)					
Appropriated - Legal reserve	32	6,820,000	6,820,000	6,820,000	6,820,000
Unappropriated		6,423,002	(39,546,706)	(15,719,068)	(57,877,728)
Equity attributable to owners of the parent		888,739,563	662,292,958	870,285,112	647,649,555
Non-controlling interests	33	4,092	3,564	-	-
Total equity		888,743,655	662,296,522	870,285,112	647,649,555
Total liabilities and equity		3,640,800,289	2,328,281,938	3,544,462,323	2,257,544,780

**Cho Thavee Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Revenues</b>					
Revenues from contract work		2,052,691,085	1,390,940,104	1,963,185,748	1,060,873,813
Revenues from sales and services		214,154,062	194,964,372	230,493,512	429,450,537
Cost of contract work		(1,711,544,469)	(1,244,849,907)	(1,648,710,236)	(955,963,418)
Cost of sales and services		(165,887,592)	(150,011,128)	(179,401,590)	(371,871,794)
<b>Gross profit</b>		389,413,086	191,043,441	365,567,434	162,489,138
Other income	34	20,753,989	9,912,022	30,435,293	22,450,074
Gain on exchange rates		617,203	3,709,103	801,619	3,583,826
<b>Profit before expense</b>		410,784,278	204,664,566	396,804,346	188,523,038
Selling expenses		(39,849,949)	(43,490,255)	(35,625,702)	(38,711,520)
Administrative expenses		(178,708,694)	(130,164,066)	(175,187,883)	(127,631,737)
Net loss on write-off fixed asset		(310,945)	(491,012)	(310,945)	(491,012)
Finance costs	35	(141,452,162)	(50,635,168)	(139,390,692)	(49,770,952)
Share of profit from investments in associates	14	(123,642)	(141,840)	-	-
<b>Profit (loss) before income tax</b>		50,338,886	(20,257,775)	46,289,124	(28,082,183)
Tax income (Income tax expense)	37	(4,870,130)	756,732	(4,587,574)	414,938
<b>Profit (loss) for the year</b>		45,468,756	(19,501,043)	41,701,550	(27,667,245)
<b>Other comprehensive income (expense)</b>					
Items that not reclassified to profit or loss					
• Remeasurements of post-employment benefit obligations		626,475	992,108	571,387	1,186,682
• Income tax on remeasurements of post-employment benefit obligations		(125,295)	(198,421)	(114,277)	(237,336)
<b>Other comprehensive income (expense) for the year, net of tax</b>		501,180	793,687	457,110	949,346
<b>Total comprehensive income (expense) for the year</b>		45,969,936	(18,707,356)	42,158,660	(26,717,899)
<b>Profit (loss) attributable to:</b>					
Owners of the parent		45,468,533	(19,501,818)	41,701,550	(27,667,245)
Non-controlling interests		223	775	-	-
		45,468,756	(19,501,043)	41,701,550	(27,667,245)
<b>Total comprehensive income expense attributable to:</b>					
Owners of the parent		45,969,708	(18,708,116)	42,158,660	(26,717,899)
Non-controlling interests		228	760	-	-
		45,969,936	(18,707,356)	42,158,660	(26,717,899)
<b>Profit (loss) per share</b>					
Basic profit (loss) per share (Baht)	38	0.0379	(0.0165)	0.0347	(0.0234)



## Separate financial statements

Notes	Authorised, issued and fully paid-up share capital	Baht	Share premium	Share premium	Share premium	Share premium	Share premium	Share premium from			Retained earnings			Total equity Baht		
								share-based premium	share-based premium	share-based premium	share-based premium	Appropriated - legal reserve	Baht		Unappropriated	Baht
Opening balance as at 1 January 2017																
Changes in equity for the year 2017																

**Cho Thavee Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		50,338,886	(20,257,775)	46,289,124	(28,082,183)
Adjustments					
Depreciation expenses	18	48,925,450	45,425,408	43,724,477	39,148,768
Amortisation charge	19	5,469,212	5,453,535	5,436,190	5,420,513
Share of loss from investments in associates		123,642	141,840	-	-
Non-controlling interests		300	-	-	-
Allowance for doubtful accounts	8	15,324,247	-	15,324,247	-
Allowance for obsolete and slow moving inventories	11	5,900,513	1,120,693	6,406,671	246,550
Provision for warranty		(1,078,651)	(867,674)	-	(2,106,030)
Loss from write-off of property, plant and equipment		310,945	491,012	310,945	491,012
Unrealised (gain) loss from financial instrument		(235,886)	(23,764)	(235,886)	(15,301)
Employee benefit obligations	30	5,543,552	4,405,778	5,284,984	4,191,898
Interest income from others	34	(276,186)	(371,898)	(249,104)	(344,692)
Interest income from related parties	34	-	-	(7,196,743)	(5,429,593)
Dividend income		-	(9,421)	-	(9,421)
Interest income from financial lease agreement	34	(22,785)	(22,785)	(22,785)	(22,785)
Income from late payment penalty from related parties	34	(8,908,385)	-	(5,840,360)	-
Finance costs					
- Interest expenses for borrowings from finance institutions	35	76,819,761	48,183,601	74,991,723	47,319,385
- Interest expenses for loan from related parties	35	213,896	-	-	-
- Interest expenses for loans from others	35	53,173,803	-	53,173,803	-
- Interest expenses under finance lease agreements	35	1,334,139	1,858,519	1,334,139	1,858,519
- Amortisation of debenture	35	831,183	593,048	831,183	593,048
- Front end fee	35	3,763,400	-	3,763,400	-
- Other interest expenses	35	5,315,980	-	5,296,444	-
		262,867,016	86,120,117	248,622,452	63,259,688
<b>Changes in operating assets and liabilities</b>					
Trade and other accounts receivable		(527,610,992)	(393,230,931)	(518,956,123)	(320,336,777)
Inventories		(410,942,297)	(30,418,207)	(397,410,053)	(25,708,252)
Financial instrument		23,764	599,019	15,301	599,019
Value added tax		(9,149,062)	(25,891,335)	(8,871,038)	(25,753,813)
Refundable deposits		(235,437,464)	(194,500)	(235,437,464)	(194,500)
Trade and other accounts payable		101,009,533	(32,343,613)	89,894,786	(42,224,152)
Progress billings in excess of contract work in progress		(7,711,097)	(9,466,100)	(7,865,623)	(9,466,100)
Other current liabilities		1,497,644	309,468	1,422,923	(91,743)

**Statement of Cash Flows****For the year ended 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Notes					
Cash paid from operating before					
Interest income received, finance costs paid and					
income tax paid		(825,452,955)	(404,516,082)	(828,584,839)	(359,916,630)
Interest income		254,614	399,044	227,532	371,839
Interest income from related parties		-	-	8,414,961	4,211,374
Cash received from receivables under finance lease					
agreements		208,380	208,380	208,380	208,380
Cash paid for employee benefit	30	(465,000)	(687,583)	(465,000)	(687,583)
Finance costs paid					
- Interest expenses for borrowings from finance institutions		(68,968,791)	(44,575,799)	(67,140,756)	(43,711,583)
- Interest expenses for loans from others		(47,278,457)	-	(47,278,457)	-
- Front end fee		(3,763,400)	-	(3,763,400)	-
- Other interest expenses		(5,296,444)	-	(5,296,444)	-
Income tax paid		(9,006,508)	(7,515,011)	(8,985,375)	(7,499,682)
Net cash use in operating activities		(959,768,561)	(456,687,051)	(952,663,398)	(407,023,885)
<b>Cash flows from investing activities</b>					
Restricted deposit at finance institution		(4,400,000)	-	(4,400,000)	-
Short-term loans to related companies					
- proceeds	39 c)	-	-	75,859,459	72,701,940
- payments	39 c)	-	-	(70,806,991)	(89,700,000)
Cash paid for purchase of fixed assets		(167,048,395)	(168,233,015)	(166,797,762)	(166,892,601)
Cash paid for purchase of intangible assets		(3,027,333)	(7,183,078)	(3,027,333)	(7,183,078)
Net cash use in investing activities		(174,475,728)	(175,416,093)	(169,172,627)	(191,073,739)



**Cho Thavee Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Notes					
<b>Cash flows from financing activities</b>					
		-	1,000,000	-	1,000,000
Cash received from held-to-maturity investment		-		-	
Cash paid for purchase of investments in subsidiaries	15 b)	-	-	(999,700)	-
Cash paid for purchase of investments in associates	14 b)	-	(2,817,500)	-	(2,817,500)
Short-term borrowings from financial institutions					
- proceeds	22	7,582,383,316	7,073,970,743	7,362,521,232	6,537,359,011
- repayments	22	(7,474,519,901)	(6,468,378,018)	(7,247,866,104)	(5,966,135,973)
Cash received from short-term loans from related parties		77,854,220	-	58,954,220	-
Cash received from short-term loans from third parties	24	1,465,214,325	-	1,465,214,325	-
Cash paid from short-term loans from third parties	24	(774,041,996)	-	(774,041,996)	-
Debenture					
- proceeds	29	324,140,467	-	324,140,467	-
- repayments	29	(300,000,000)	-	(300,000,000)	-
Long-term borrowing from financial institutions					
- repayments	25	(851,546)	(924,000)	-	-
Long-term loan from others					
- proceeds	26	83,000,000	-	83,000,000	-
- repayments	26	(16,600,000)	-	(16,600,000)	-
Cash paid for liabilities under finance lease agreements		(11,710,649)	(11,997,041)	(11,710,649)	(11,997,041)
Cash received from share subscription	31.2	180,476,897	-	180,476,897	-
Net cash from financing activities		1,135,345,133	590,854,184	1,123,088,692	557,408,497
<b>Net increase (decrease) in cash and cash equivalents</b>					
		1,100,844	(41,248,960)	1,252,667	(40,689,127)
Cash and cash equivalents - opening balance		2,611,063	43,860,023	2,378,646	43,067,773
Cash and cash equivalents - closing balance		3,711,907	2,611,063	3,631,313	2,378,646
<b>Non-cash transactions:</b>					
An outstanding payable arising from purchases of fixed assets as at 31 December		84,252,790	80,909,788	84,252,790	80,740,021
An outstanding payable arising from purchases of intangible assets as at 31 December		5,886,490	-	5,886,490	-
Retention payable as at 31 December		289,694	3,952,529	289,694	3,952,529
Inventories transfer to fixed assets		-	4,270,810	-	4,270,810
An outstanding liability under order finance lease agreement arising from purchase of fixed assets as at 31 December		3,234,909	-	3,234,909	-

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## **1 General information**

Cho Thavee Public Company Limited ("the Company") is incorporated in Thailand on 18 November 1994. The Company registered the legal transformation of juristic person from being limited company to limited public company with the Ministry of Commerce on 2 January 2013.

The Company was listed on the Stock Exchange of Thailand in the Market for Alternative Investment (MAI) on 13 May 2013.

The registered offices are as follows:

Head office : 265 Moo 4, Klang Muang Road, Tambol Muang Khao, Amphur Muang, Khon Kaen  
 Branch 1 : 96/25 Moo 3, Vibhavadi Rangsit Road, Talat Bang Khen, Laksi, Bangkok  
 Branch 2 : 66/5 Moo 2, Tambol Pong, Amphur Bang Lamung, Chonburi  
 Branch 3 : 62 Moo 2, Tambol Lam Sai, Amphur Wang Noi, Phra Nakhon Si Ayutthaya  
 Branch 4 : 37/30 Moo 1, Tambol Nongkham, Amphur Sriracha, chonburi

The principal business operations of the Company and subsidiary are engaged in manufacturing, selling and providing service of trailer assembly, vehicles and special equipments.

For reporting purposes, the Company and its subsidiary are referred to as "the Group".

These consolidated and separate financial statements have been approved by the Board of Directors on 25 February 2019.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E.2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except disclosed be other in accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## **2 Accounting policies**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

**2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

**2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)**

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

**2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.**

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

## **2 Accounting policies (Cont'd)**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for the Group's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the Group is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the Group's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. The Group can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.

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**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for the Group's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Group always accounts for expected credit losses which involves a three stage approach. The stage dictates how the Group measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of the Group's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which the Group has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how the Group should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the Group issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The Group shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

## **2 Accounting policies (Cont'd)**

### **2.3 Group Accounting - Investments in subsidiaries and associates and in joint arrangements**

#### **a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's subsidiaries is set out in Note 15.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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**2 Accounting policies (Cont'd)**

**2.3 Group Accounting - Investments in subsidiaries and associates and in joint arrangements (Cont'd)**

**b) Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the carrying value of net assets of the subsidiary and gains or losses on disposals to non-controlling interests are recorded in equity.

**c) Disposal of subsidiaries**

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting in consolidated statements.

A list of the Group's associates is set out in Note 14.

**e) Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has right to the assets, and obligation for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby to Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

The Group has assessed the nature of its joint arrangements and determined them to be joint operations.



## **2 Accounting policies (Cont'd)**

### **2.3 Group Accounting - Investments in subsidiaries and associates and in joint arrangements (Cont'd)**

#### **f) Accounting under equity method**

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and in joint ventures is recognised in profit or loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associates, together with any long-term interests that, in substance, form part of the entity's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **g) Separate financial statement**

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

### **2.4 Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

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**2 Accounting policies (Cont'd)**

**2.5 Cash and cash equivalents**

Cash comprises cash on hand, deposit held at call with banks but exclude deposits with banks that are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

In the consolidated and separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

**2.6 Trade accounts receivable**

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within administrative expenses.

**2.7 Inventories**

Inventories are presented in the statement of financial position at the lower of cost or net realisable value. Cost is determined on the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebate. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving, defective and excessive inventories.

**2.8 Construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group determined the stage of completion of a contract by using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade and other accounts receivable.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

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**2 Accounting policies (Cont'd)**

**2.9 Held-to-maturity investment**

Investment other than investments in subsidiaries is classified into the held-to-maturity investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

Held-to-maturity investment is initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Held-to-maturity investment is carried at amortised cost using the effective yield method less impairment loss.

**2.10 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

The investment property of the Group is land for capital appreciation.

Investment property is measured initially at its cost less provision for impairment, including related transaction costs. Land is not depreciated.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

**2.11 Property, plant and equipment**

Property, plant and equipments are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land has not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset to their residual value over the estimate useful lives as follows:

Land improvements	5 Years
Buildings	20 Years
Buildings improvements	20 Years
Furniture, fixtures and office equipment	5 Years
Computer equipment	5 Years
Motor vehicles	5 - 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses, respectively.

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**2 Accounting policies (Cont'd)**

**2.12 Intangible assets**

**2.12.1 Research and development - Patents**

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 10 years.

**2.12.2 Trademarks and licences**

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

**2.12.3 Computer software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

**2.12.4 Know-how**

Expenditure on acquired Know-how which consists of consulting fee for expertise in production of FRP-PU sandwich panels and technical and engineering assistance is capitalised and amortised using the straight line basis over their useful lives, generally over 10 years.

**2.13 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## **2 Accounting policies (Cont'd)**

### **2.14 Leases**

#### **2.14.1 Where a Group Company is the lessee**

##### Finance leases

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to principal and to finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset or lease term.

##### Operating leases

Leases where the lessor has substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### **2.14.2 Where a group company is the lessor**

##### Finance leases

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

##### Operating leases

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

### **2.15 Borrowings**

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

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## **2 Accounting policies (Cont'd)**

### **2.16 Current and deferred taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investment in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.17 Employee benefits**

#### Retirement benefits

The Group operate various retirement benefit schemes. The Group has both defined benefit and defined contribution plans.

- A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
- A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

## **2 Accounting policies (Cont'd)**

### **2.18 Share-based payment**

The group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for options of the Group (or its shareholders). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the statement of comprehensive income and other reserve in the shareholder's equity. The total amount to be expensed is determined by reference to the fair value of the options on the date that the Group (or its shareholders) expresses their desires.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### **2.19 Financial assets and financial liabilities**

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts receivable and other accounts receivable, short-term loans to other company, associate, and related person, certain parts of other current assets and restricted deposits at financial institutions and other non-current assets. Financial liabilities carried on the statement of financial position include short-term loans from financial institutions, trade accounts payable and other accounts payable certain parts of other current liabilities, long-term loans from financial institutions and liability under finance lease agreements. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

### **2.20 Provisions - general**

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.21 Share capital**

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **2.22 Revenue recognition**

Revenue comprises the fair value for consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts. Revenue from sale of goods is recognised when significant risks and rewards of ownership of goods are transferred to the buyer, services income is recognised as revenue in the period in which they are rendered.

Revenue from contract is based on the stage of completion determined by reference to service performed to date as a percentage of total service to be performed. See accounting policy 2.8 on construction contracts.

Other revenues earned by the Company are recognised on the following basis:

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.



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**2 Accounting policies (Cont'd)**

**2.23 Finance costs**

Finance costs comprise interest expense from bank loans and liabilities under finance lease contracts.

**2.24 Dividends**

Dividends payment to the Company's shareholders is recognised as a liability in the consolidated and company's financial statements in the period in which they are approved by the Board of Directors.

**2.25 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

**3 Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

**3.1.1 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain goods from overseas.

**3.1.2 Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets.

**3.1.3 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to one financial institution.

**3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.



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**3 Financial risk management (Cont'd)**

**3.2 Fair value estimation**

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial assets which are cash and cash equivalents, trade accounts receivables and other receivables, derivative assets, restricted deposit at financial institution and financial liabilities which are trade accounts payable and other payables, bank overdrafts and short-term borrowings are approximately to the carrying amounts due to their short maturities.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value as at 31 December 2018 and 2017.

Consolidated financial statements								
31 December 2018				31 December 2017				
Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht	
<b>Assets</b>								
<b>Financial assets</b>								
Financial instrument assets	-	235,886	-	235,886	-	23,764	-	23,764
<b>Total assets</b>	-	235,886	-	235,886	-	23,764	-	23,764
<b>Liabilities</b>								
<b>Financial liabilities</b>								
Financial instrument liabilities	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-	-	-
<b>Separate financial statements</b>								
31 December 2018				31 December 2017				
Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht	
<b>Assets</b>								
<b>Financial assets</b>								
Financial instrument assets	-	235,886	-	235,886	-	15,301	-	15,301
<b>Total assets</b>	-	235,886	-	235,886	-	15,301	-	15,301
<b>Liabilities</b>								
<b>Financial liabilities</b>								
Financial instrument liabilities	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-	-	-

The fair value of foreign exchange forward contracts is determined by using rates quoted by group's counterparties to terminate the contracts at 31 December 2018 and 2017 and are within level 2 of fair value hierarchy.

There were no changes in valuation techniques during the periods.

**The valuation processes**

The Group's Finance Department performs the valuations of financial assets required for financial reporting purposes and reports directly to the Financial Executive every quarter.

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#### **4 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. The Group determined the stage of completion of a contract by using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(b) Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

(c) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 30.

#### **5 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

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**6 Segment information**

To assess the Group's operation, the Group considers the gross profit from the revenue transactions comprising revenues from contract work, revenues from sales, revenues from services and revenues from joint operations. Intercompany sales were already eliminated. Gross profit was determined by subtracting cost of contract work, cost of sales and services and cost from joint operations.

	Consolidated statements of comprehensive income			
	For the year ended 31 December 2018			
	Revenues from contract work Baht	Revenues from sales Baht	Revenues from services Baht	Total Baht
Revenue	2,052,691,085	12,920,878	201,233,184	2,266,845,147
Gross profit	341,146,616	6,802,405	41,464,065	389,413,086
Unallocated selling and administrative expenses and finance costs				(360,010,805)
Unallocated other income				20,753,989
Unallocated gain on exchange rate				617,203
Unallocated loss on write-off of fixed asset				(310,945)
Unallocated share of loss from investments in associates				(123,642)
Unallocated income tax				(4,870,130)
Unallocated other comprehensive income				501,180
Total comprehensive income for the year				45,969,936
<u>Less</u> Non-controlling interest				(228)
Total comprehensive income - equity holders of the parent				45,969,708

Consolidated statements of comprehensive income				
For the year ended 31 December 2017				
	Revenues from contract work Baht	Revenues from sales Baht	Revenues from services Baht	Total Baht
Revenue	1,390,940,104	22,840,040	172,124,332	1,585,904,476
Gross profit	146,090,197	11,382,572	33,570,672	191,043,441
Unallocated selling and administrative expenses and finance costs				(224,289,489)
Unallocated other income				9,912,022
Unallocated gain on exchange rate				3,709,103
Unallocated loss on write-off of fixed asset				(491,012)
Unallocated share of loss from investments in associates				(141,840)
Unallocated income tax				756,732
Unallocated other comprehensive income				793,687
Total comprehensive expense for the year				(18,707,356)
<u>Less</u> Non-controlling interest				(760)
Total comprehensive expense - equity holders of the parent				(18,708,116)

The group does not allocated its assets by business segment.

The group's revenue from major customers for the year ended 31 December 2018 and 2017 were Baht 1,210.61 million and Baht 196.34 million, respectively.

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**6 Segment information (Cont'd)**

The group's segment revenues based on the geographic location of customers for the year ended 31 December 2018 and 2017 are as followings:

	<b>2018 Thousand Baht</b>	<b>2017 Thousand Baht</b>
Thailand	1,986,658	1,358,629
Singapore	77,637	21,806
Japan	55,745	28,745
Korea	32,044	10,982
Hong Kong	27,936	58,527
Malaysia	-	50,271
Others	86,825	56,944
Total	<u>2,266,845</u>	<u>1,585,904</u>

**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cash on hand	320,667	315,080	292,551	270,678
Cash at banks - current accounts	3,280,850	2,214,566	3,246,476	2,035,664
- savings accounts	72,168	61,129	72,168	61,129
- fixed deposits	15,000	11,000	15,000	11,000
Interest of fixed deposits at bank pledged as collateral	23,222	9,288	5,118	175
	<u>3,711,907</u>	<u>2,611,063</u>	<u>3,631,313</u>	<u>2,378,646</u>

As at 31 December 2018, savings accounts and fixed deposits which represent 3-month fixed deposit carrying interest at the rates of 0.37% - 0.50% per annum and 0.80% - 0.90% per annum, respectively (31 December 2017 : 0.37% - 0.65% per annum and 0.80% - 0.90% per annum, respectively)

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**8 Trade and other accounts receivable (net)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Trade accounts receivable				
- other	319,986,694	193,361,927	314,892,771	185,893,802
- related parties (Note 39 b))	259,221,259	139,556,735	198,334,411	79,630,722
	579,207,953	332,918,662	513,227,182	265,524,524
<u>Less</u> Allowance for doubtful accounts				
- trade accounts receivable - other	(18,604,772)	(3,280,525)	(17,628,272)	(2,304,025)
	560,603,181	329,638,137	495,598,910	263,220,499
Contract work in progress in excess of progress billings (net) (Note 10 a))	567,804,812	420,507,606	552,010,382	415,809,923
Other accounts receivable				
- other	3,616,885	2,620,211	3,616,885	2,620,211
- related parties (Note 39 b))	4,192,339	1,931,228	4,555,582	1,931,228
Retention receivable				
- other	58,841,000	549,000	58,841,000	549,000
- related parties (Note 39 b))	51,228,053	-	51,228,053	-
Unearned revenue	3,036,521	-	3,036,521	-
Advance payment				
- other	14,458,753	1,901,616	13,896,752	1,740,501
- related parties (Note 39 b))	4,788,779	10,950	5,015,459	10,950
Interest receivable				
- other	339,071	317,499	339,071	317,499
- related parties (Note 39 b))	-	-	-	1,218,218
Receivable from late payment penalty				
- related parties (Note 39 b))	8,908,385	-	5,840,359	-
Prepaid expenses	10,225,054	9,358,084	9,612,417	7,905,972
Loans receivable to employee	19,000	10,800	19,000	10,800
	<u>1,288,061,833</u>	<u>766,845,131</u>	<u>1,203,610,391</u>	<u>695,334,801</u>

Trade accounts receivable classified by aging are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Accounts receivable not overdue	390,492,376	52,494,864	389,215,708	38,718,038
Overdue				
1 - 30 days	22,532,571	73,386,696	20,980,926	36,751,305
31 - 60 days	26,721,369	79,935,782	25,784,691	65,780,110
61 - 90 days	3,581,506	92,397,039	1,267,604	92,397,039
91 - 180 days	43,804,233	25,458,263	11,229,050	23,608,514
181 - 365 days	37,659,430	5,580,723	16,782,461	5,580,723
Over 365 days	54,416,468	3,665,295	47,966,742	2,688,795
	<u>579,207,953</u>	<u>332,918,662</u>	<u>513,227,182</u>	<u>265,524,524</u>

Trade accounts receivable from related parties classified by aging are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Account receivable - related companies not overdue	145,681,999	17,282,573	145,985,613	6,370,732
Overdue				
1 - 30 days	1,214,985	33,191,406	1,263,803	182,655
31 - 60 days	58,859	14,155,672	58,859	-
61 - 90 days	2,328,102	73,077,335	14,200	73,077,335
91 - 180 days	38,659,952	1,849,749	6,084,769	-
181 - 365 days	28,662,167	-	7,785,198	-
Over 365 days	42,615,195	-	37,141,969	-
	<u>259,221,259</u>	<u>139,556,735</u>	<u>198,334,411</u>	<u>79,630,722</u>

**9 Employee receivables under finance lease agreements (net)**

As at 31 December 2018 and 2017, the average contract period of employee receivables under finance lease agreements are 5 years with interest charged at the fixed rate as specified in the contracts. The remaining receivables under finance lease agreements classified by due date are as follows:

Consolidated and Separate financial statements						
Amounts due under contracts						
	Less than 1 year		1 - 5 year		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Employee receivables under finance lease agreements	208,380	208,380	173,650	382,030	382,030	590,410
Unearned interest income	(22,785)	(22,785)	(18,988)	(41,773)	(41,773)	(64,558)
	185,595	185,595	154,662	340,257	340,257	525,852
Less Allowance for doubtful accounts	-	-	-	-	-	-
	185,595	185,595	154,662	340,257	340,257	525,852

As at 31 December 2018 and 2017, the Group had no overdue amount for the purchase receivables.

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**10 Contract work in progress**

**a) Contract work in progress in excess of progress billings (net)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Contract work in progress	1,462,865,757	552,521,796	1,449,748,441	548,399,602
Attributable profit	229,056,060	89,643,799	226,378,946	88,358,022
Attributable loss	-	(2,541,477)	-	(2,541,477)
	1,691,921,817	639,624,118	1,676,127,387	634,216,147
<u>Less</u> Progress billings	(1,124,117,005)	(219,116,512)	(1,124,117,005)	(218,406,224)
	567,804,812	420,507,606	552,010,382	415,809,923
<u>Less</u> Provision for project loss	-	-	-	-
	<u>567,804,812</u>	<u>420,507,606</u>	<u>552,010,382</u>	<u>415,809,923</u>

**b) Progress billings in excess of contract work in progress (net)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Contract work in progress	3,356,201	10,561,148	3,328,965	10,561,148
Attributable profit	1,486,891	3,157,391	1,468,725	3,157,391
	4,843,092	13,718,539	4,797,690	13,718,539
<u>Less</u> Progress billings	(6,433,292)	(23,019,836)	(6,233,364)	(23,019,836)
	<u>(1,590,200)</u>	<u>(9,301,297)</u>	<u>(1,435,674)</u>	<u>(9,301,297)</u>

**11 Inventories (net)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Finished goods	23,341,471	40,633,564	23,249,108	38,966,496
Work in progress	89,360,591	72,959,955	78,835,984	62,875,302
Raw materials	376,801,615	220,516,530	331,893,094	190,426,707
Spare parts and supplies	16,471,780	14,561,768	15,860,586	13,798,871
<u>Less</u> Allowance for obsolete and slow-moving inventories	(11,143,742)	(5,243,229)	(9,823,673)	(3,417,002)
	494,831,715	343,428,588	440,015,099	302,650,374
Deposits for purchase of raw materials	268,353,686	16,703,903	268,353,686	16,703,903
Raw materials in transit	1,989,924	1,050	1,989,924	1,050
	<u>765,175,325</u>	<u>360,133,541</u>	<u>710,358,709</u>	<u>319,355,327</u>

**Cho Thavee Public Company Limited**  
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**12 Value added tax**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Value added tax refundable	43,724,779	43,009,046	43,399,124	42,716,395
Undue input tax	15,288,240	5,868,211	15,288,240	5,783,100
Value added tax payable	(1,318,881)	(330,132)	(1,318,881)	-
Undue output tax	(618,365)	(620,414)	(618,365)	(620,415)
	<b>57,075,773</b>	<b>47,926,711</b>	<b>56,750,118</b>	<b>47,879,080</b>

Value added tax present by net tax taxable entities as at 31 December 2018 and 31 December 2017 comprises the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Value added tax (assets)	58,394,654	47,926,711	58,068,999	47,879,080
Value added tax (liabilities)	(1,318,881)	-	(1,318,881)	-
	<b>57,075,773</b>	<b>47,926,711</b>	<b>56,750,118</b>	<b>47,879,080</b>



13 Restricted deposits at financial institution

As at 31 December 2018 and 2017, restricted deposits at financial institutions comprise the followings:

	Consolidated financial statements			Separate financial statements		
	2018		2017	2018		2017
	Interest rate %	Baht	Interest rate %	Interest rate %	Baht	Interest rate %
<b>Collateral against</b>						
Deposits at financial Institution represent 3 - 12 months	0.64 - 0.90	37,000,000	0.65 - 0.90	0.64 - 0.90	34,000,000	0.64
Savings accounts	0.13	4,400,000	-	0.13	4,400,000	-
		<u>41,400,000</u>			<u>38,400,000</u>	
					<u>37,000,000</u>	
					<u>34,000,000</u>	
					<u>34,000,000</u>	

The interest earned is allowed to be spent for the operation.

14 Investment in associates

- a) As at 31 December 2018 and 2017, investments in associates comprise the following:

Company name	Type of business	Incorporated in	Percentage of shareholding		Paid-up share capital (amount)		Consolidate financial statements		Separate financial statements		Share of profit (loss)	
			2018	2017	2018	2017	Equity method	Cost method	2018	2017	2018	2017
			%	%	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
KLRT Co., Ltd.	Transportation, goods transportation and passenger	Thailand	49.00	49.00	5,750,000	5,750,000	2,552,018	2,675,660	2,817,500	2,817,500	(123,642)	(141,840)

At the Board of Directors Meeting on 22 December 2017, the board of directors approved to established associate of KLRT Co., Ltd. The associate registered share capital by Baht 20,000,000. The associate has cash received for registered shares with amounting to Baht 490,000 on 19 December 2017 and Baht 2,327,500 on 20 December 2017, total amounting to Baht 2,817,500 from Cho Thavee Public Company Limited and has 49% shareholding in the associate.

KLRT Company Limited is a private Company and there is no quoted market price available for its shares; the country of registration is also their principle place of business.

There are no contingent liabilities relating to the Group's interest in the associates.

As at 31 December 2018 and 2017, the associate, which in the opinion of the directors, is immaterial to the Group. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group.

**Cho Thavee Public Company Limited**  
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**14 Investment in associates (Cont'd)**

- b) The movements in book value of investment in associates for the year ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value	2,675,660	-	2,817,500	-
Additional investment	-	2,817,500	-	2,817,500
Share of loss - post-tax results	(123,642)	(141,840)	-	-
Closing net book value	<u>2,552,018</u>	<u>2,675,660</u>	<u>2,817,500</u>	<u>2,817,500</u>

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**15 Investments in subsidiaries**

- a) As at 31 December 2018 and 2017, investment in subsidiary comprise the following:

Company name	Type of business	Incorporated in	Percentage of shareholding		Paid-up share capital (amount)		Separate financial statements	
			2018 %	2017 %	2018 Baht	2017 Baht	Cost method	2017 Baht
Cho Thavee Thermo Tech Co., Ltd.	Manufacturing, fabrication, assembly for panel and container	Thailand	99.99	99.99	19,999,950	19,999,950	22,599,950	22,599,950
Amornrattanakosin Co., Ltd.	Transport via other buses, net elsewhere classified	Thailand	99.97	-	1,000,000	-	999,700	-
							<u>23,599,650</u>	<u>22,599,950</u>

At the Board of Directors Meeting on 30 October 2018, the Board of directors approved the establishment of subsidiary of Amornrattanakosin Co., Ltd. The subsidiary has registered capital of Baht 1,000,000, and received paid-up share capital of Baht 999,700 on 30 October 2018, from Cho Thavee Public Company Limited, which has 99.97% shareholding in subsidiary.

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**15 Investments in subsidiaries (Cont'd)**

- b) The movement in book value of investment in subsidiaries for the years ended 31 December 2018 and 2017, comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value	-	-	22,599,950	22,599,950
Addition (Payment) investment	-	-	999,700	-
Closing net book value	-	-	23,599,650	22,599,950

**16 Joint operations**

The information related to joint operations is as follows:

	<b>The joint operations is Business</b>	<b>Country of Incorporation</b>	<b>% Ownership Interest</b>	
			<b>2018</b>	<b>2017</b>
Joint Venture TSP-CTV	Propose to install electric System and LED lighting In building under supervision of Ministry of Defence Project	Thailand	50	50
Joint Venture SCN-CHO	Producing NGV bus	Thailand	50	50

The Group has 50% interest in a "Joint Venture TSP-CTV" and "Joint Venture SCN-CHO". The following amounts represent the group's share of the assets, liabilities and sales and result of Joint Ventures are included in the statement of financial position and statements of comprehensive income.

	<b>Joint Venture TSP-CTV as of 31 December</b>		<b>Joint Venture SCN-CHO as of 31 December</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current assets	1,122,757	1,122,634	748,301,852	-
Current liabilities	(6,683,371)	(5,057,919)	(1,099,743,831)	-
Net current assets	5,560,614	(3,935,285)	(351,441,979)	-
Revenue	-	-	657,018,335	-
Expenses	(815,415)	(1,068,635)	(607,342,441)	-

**Joint Venture TSP - CTV**

On 2 August 2013, the Company entered into an agreement with another company to establish "Joint Venture TSP-CTV" (Joint operation) for propose to install electric system and LED lighting in buildings under supervision of Ministry of Defence Project. Under the term of the agreement, the Company shares 50% profit or loss of the joint venture. The agreement is valid for five years ending in August 2018, and renewable for another one year.

The registered office address of the Joint venture is located at 96/25 Moo 3, Vibhavadi Rangsit Road, Talat Bang Khen, Lakso Bangkok.

On 25 December 2013, the "Joint Venture TSP-CTV" entered into an agreement for the project to sell and install electric system and LED lighting in buildings under the supervision of Ministry of Defence with the office of the Defence Permanent Secretary Office, Ministry of Defence. The value of the agreement is Baht 393 million in which the "Joint Venture TSP-CTV" must complete the project by 20 December 2014 and comply with other conditions provided in the agreement.

On 1 July 2014, the "Joint Venture TSP-CTV" was suspended from contractual operation with the counterparty under an order from the Committee to Follow up on and Scrutinize the Spending of State Budget (Kor Tor Ror) to put off the project's operation. The management has negotiated with the counterparty and they agreed to fully pay for the completed installation part and pay for remaining inventories at its cost. Despite to this, the "Joint Venture TSP-CTV" has to maintain its active status for at least three years according to a retention condition provided in the agreement.

However, on 14 July 2015, the "Joint Venture TSP-CTV" received a consent letter from the Office of the Permanent Secretary for Defence to continue and complete the project's operation. The "Joint Venture TSP-CTV" delivered all remaining inventories to the Office of the Permanent Secretary for Defence on 10 October 2015. Despite to this, the "Joint Venture TSP-CTV" has to maintain its active status for at least two years according to a retention condition provided in the agreement.

On 31 December 2018, the "Joint Venture TSP-CTV" is in process of registration for cancellation.

**Cho Thavee Public Company Limited**  
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**16 Joint operations (Cont'd)**

**Joint Venture SCN-CHO**

On 7 December 2017, the Company entered into an agreement with another company to establish 'Joint Venture SCN-CHO' (the Joint operation). The joint operation proposed purchasing 489 NGV buses with repair and maintenance services. The purchase would be made under the Bangkok Mass Transit Authority Project. Under the terms of the agreement, the Company shares 50% of the profit or loss of the joint operation.

The registered office address of the joint operation is 355, Bond Street Road, Bang Phut, Pakkret, Nonthaburi.

On 27 December 2017, the joint operation entered into an agreement to sell 489 NGV buses to the Office of the Bangkok Mass Transit Authority. The agreement also included the repair of the buses. The value of the agreement is Baht 1,891 million. The joint operation must deliver the 489 buses within 180 days of the date of the agreement and must repair and maintain the buses for ten years after the use of each bus begins.

However, as at 10 April 2018, Joint Venture SCN-CHO was suspended from contractual operations regarding the sales, repair and maintenance services for these 489 NGV buses with the Bangkok Mass Transit Authority (BMTA) under an order from the Central Administrative Court of Thailand to put off the project's operation until a judgement has been announced by the court.

On 17 April 2018, for Joint Venture SCN-CHO, Cho Thavee Public Company Limited issued an enquiry letter to get clarification and suggestions from the Bangkok Mass Transit Authority (BMTA) regarding an order of the Central Administrative Court of Thailand to discharge the contractual operation of delivering NGV buses.

On 20 April 2018, the Bangkok Mass Transit Authority (BMTA) issued a letter to the Director-General Department of Administrative Litigation, Office of the Attorney General in Thailand, with the objective of appealing against the judgement and submitting related evidence to the public prosecutor. In terms of the rest of the NGV buses which Joint Venture SCN-CHO has to deliver, Joint Venture SCN-CHO has no legal obligation for the penalty fee even though the contract has defaulted because this default is due to the court's judgement.

On 10 May 2018, Joint Venture SCN-CHO appealed against the Supreme Administrative Court of Thailand to revoke the temporary suspension from contractual operations regarding the sales, repair and maintenance services for the 489 NGV buses with the Bangkok Mass Transit Authority (BMTA)

On 5 June 2018, Joint Venture SCN-CHO filed a cross-claim to the Central Administrative Court of Thailand to be a party relating to the Bangkok Mass Transit Authority (BMTA) in this case. The Central Administrative Court of Thailand ordered Joint Venture SCN-CHO to be a party in the case.

Joint Venture SCN-CHO's objective regarding its defence in the case of the temporary suspension under the order from the Central Administrative Court of Thailand is to be rapid and concise. Thus, the Joint Venture SCN-CHO appealed against the Supreme Administrative Court of Thailand to revoke the suspension in order to continue the contractual operations with the Bangkok Mass Transit Authority (BMTA) and the Supreme Court of Thailand accepted the appealing petition. Therefore, if the Supreme Administrative Court of Thailand announces to discharge the suspension under an order from the Central Administrative Court of Thailand, the Bangkok Mass Transit Authority (BMTA) can continue its contractual operations along with a settlement for the NGV bus sales, repair and maintenance service revenues according to the contract, including compensating for any losses suffered by Joint Venture SCN-CHO.

On 30 September 2018, the Joint Venture SCN-CHO was still suspended from contractual operations regarding the sales, repair and maintenance services for 489 NGV buses with the Bangkok Mass Transit Authority (BMTA) under an order from the Central Administrative Court of Thailand to put off the project's operation until a judgement has been announced by the court.

On 7 November 2018, the Central Administrative Court of Thailand announced its judgement to discharge the temporary suspension. This means Joint Venture SCN-CHO can continue its contractual operations with the Bangkok Mass Transit Authority (BMTA).

**Cho Thavee Public Company Limited**  
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**17 Investment property**

	<b>Consolidated and Separate financial statements</b>
	<b>Land Baht</b>
<b>As at 1 January 2017</b>	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	<u>81,577,261</u>
<b>For the year ended 31 December 2017</b>	
Opening net book amount	81,577,261
Additions	-
Closing net book amount	<u>81,577,261</u>
<b>As at 31 December 2017</b>	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	<u>81,577,261</u>
<b>For the year ended 31 December 2018</b>	
Opening net book amount	81,577,261
Additions	-
Closing net book amount	<u>81,577,261</u>
<b>As at 31 December 2018</b>	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	<u>81,577,261</u>
Fair value as at 31 December 2017	79,382,040
Fair value as at 31 December 2018	79,382,040

The fair value of investment properties are based on the sales comparison approach using the valuation by independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and categories of the investment properties value. The fair values are within level 2 of the fair value hierarchy.

As at 31 December 2018, the Company has no amounts recognised in profit and loss that are related to investment properties and investment property of the Company with net book value of Baht 81.57 million is being used as collaterals against short-term loan from others (Note 24).

18	Property, plant and equipment (net)	Consolidated financial statements								
		Land Baht	Land improvements Baht	Building Baht	Building improvements Baht	Machinery and equipment Baht	Furniture, fixtures, office equipment, and computer equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
	<b>As at 1 January 2017</b>									
	Cost	365,679,679	5,414,511	147,131,928	122,439,911	141,252,310	20,123,397	96,081,355	123,982,449	1,022,105,540
	<u>Less</u> Accumulated depreciation	-	(3,628,914)	(63,564,969)	(28,807,001)	(114,743,697)	(10,475,663)	(29,689,813)	-	(250,910,057)
	Net book value	365,679,679	1,785,597	83,566,959	93,632,910	26,508,613	9,647,734	66,391,542	123,982,449	771,195,483
	<b>For the year ended 31 December 2017</b>									
	Opening net book value	365,679,679	1,785,597	83,566,959	93,632,910	26,508,613	9,647,734	66,391,542	123,982,449	771,195,483
	Additions	-	-	-	1,606,475	24,444,225	3,578,059	18,107	221,669,476	251,316,342
	Transfers from construction in progress	-	-	85,767,088	8,103,687	15,484,576	-	710,484	(110,065,835)	-
	Write-off - cost	-	-	-	-	(4,792,401)	(207,097)	-	-	(4,999,498)
	- accumulated depreciation	-	-	-	-	4,413,173	95,313	-	-	4,508,486
	Depreciation charge (Note 36)	-	(610,540)	(10,158,076)	(6,132,399)	(14,469,885)	(3,459,440)	(10,595,068)	-	(45,425,408)
	Closing net book value	365,679,679	1,175,057	159,175,971	97,210,673	51,588,301	9,654,569	56,525,065	235,586,090	976,595,405
	<b>As at 31 December 2017</b>									
	Cost	365,679,679	5,414,511	232,899,016	132,150,073	176,388,710	23,494,359	96,809,946	235,586,090	1,268,422,384
	<u>Less</u> Accumulated depreciation	-	(4,239,454)	(73,723,045)	(34,939,400)	(124,800,409)	(13,839,790)	(40,284,881)	-	(291,826,979)
	Net book value	365,679,679	1,175,057	159,175,971	97,210,673	51,588,301	9,654,569	56,525,065	235,586,090	976,595,405



	Consolidated financial statements						
					Furniture, fixtures, office equipment, and computer equipment		
	Land Baht	Land improvements Baht	Building Baht	Building improvements Baht	Machinery and equipment Baht	Vehicles Baht	Construction in progress Baht
							Total Baht
<b>For the year ended 31 December 2018</b>							
Opening net book value	365,679,679	1,175,057	159,175,971	97,210,673	51,588,301	9,654,569	235,586,090
Additions	-	-	7,610,916	975,887	9,508,929	2,059,780	144,435,363
Transfers from construction in progress	-	-	1,081,818	1,442,396	7,096,471	133,835	(18,616,245)
Write-off - cost	-	-	-	-	(1,591,624)	(314,955)	(1,620,490)
- accumulated depreciation	-	-	-	-	1,326,165	269,599	-
Depreciation charge (Note 36)	-	(78,653)	(11,875,618)	(6,031,675)	(15,967,442)	(3,525,409)	-
Closing net book value	365,679,679	1,096,404	155,993,087	93,597,281	51,960,800	8,277,419	361,405,208
<b>As at 31 December 2018</b>							
Cost	365,679,679	5,414,511	241,591,750	134,568,356	191,402,486	25,373,019	1,435,400,433
<u>Less Accumulated depreciation</u>	-	(4,318,107)	(85,598,663)	(40,971,075)	(139,441,686)	(17,095,600)	(337,536,305)
Net book value	365,679,679	1,096,404	155,993,087	93,597,281	51,960,800	8,277,419	1,097,864,128

As at 31 December 2018 and 2017, land including construction thereon of the Group with net book value of Baht 365.68 million and 226.39 million are being used as collaterals against bank overdrafts and short-term borrowings from financial institutions, short-term loans from others, long-term borrowing from financial institutions and long-term loans from others (Note 22, 24, 25 and 26 respectively).

18 Property, plant and equipment (net) (Cont'd)

	Separate financial statements								
	Land Baht	Land improvements Baht	Building Baht	Building improvements Baht	Machinery and equipment Baht	Furniture, fixtures, office equipment, and computer equipment Baht	Vehicles Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2017</b>									
Cost	349,641,003	3,841,450	94,826,607	120,258,660	93,761,235	19,339,890	94,580,355	123,982,449	900,231,649
Less Accumulated depreciation	-	(3,309,558)	(53,707,684)	(27,705,365)	(75,454,993)	(9,944,374)	(28,261,191)	-	(198,383,165)
Net book value	349,641,003	531,892	41,118,923	92,553,295	18,306,242	9,395,516	66,319,164	123,982,449	701,848,484
<b>For the year ended 31 December 2017</b>									
Opening net book value	349,641,003	531,892	41,118,923	92,553,295	18,306,242	9,395,516	66,319,164	123,982,449	701,848,484
Additions	-	-	-	1,191,192	23,495,920	3,535,994	18,107	221,601,371	249,842,584
Transfers from construction in progress	-	-	85,698,983	8,103,687	15,484,576	-	710,484	(109,997,730)	-
Write-off- cost	-	-	-	-	(4,792,401)	(207,097)	-	-	(4,999,498)
- accumulated depreciation	-	-	-	-	4,413,173	95,313	-	-	4,508,486
Depreciation charge (Note 36)	-	(531,887)	(7,541,086)	(6,013,345)	(11,174,101)	(3,365,658)	(10,522,691)	-	(39,148,768)
Closing net book value	349,641,003	5	119,276,820	95,834,829	45,733,409	9,454,068	56,525,064	235,586,090	912,051,288
<b>As at 31 December 2017</b>									
Cost	349,641,003	3,841,450	180,525,590	129,553,539	127,949,330	22,668,787	95,308,946	235,586,090	1,145,074,735
Less Accumulated depreciation	-	(3,841,445)	(61,248,770)	(33,718,710)	(82,215,921)	(13,214,719)	(38,783,882)	-	(233,023,447)
Net book value	349,641,003	5	119,276,820	95,834,829	45,733,409	9,454,068	56,525,064	235,586,090	912,051,288

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**18 Property, plant and equipment (net) (Cont'd)**

	Separate financial statements								
						Furniture, fixtures, Office equipment, and computer equipment			
	Land Baht	Land improvements Baht	Building Baht	Building improvements Baht	Machinery and equipment Baht		Vehicles Baht	Construction in progress Baht	Total Baht
<b>For the year ended 31 December 2018</b>									
Opening net book value	349,641,003	5	119,276,820	95,834,829	45,733,409	9,454,068	56,525,064	235,586,090	912,051,288
Additions	-	-	7,610,916	975,887	9,479,482	2,022,416	5,914,243	144,421,308	170,424,252
Transfers from construction in progress	-	-	1,081,818	1,442,396	7,096,471	133,835	8,861,725	(18,616,245)	-
Write-off - cost	-	-	-	-	(1,591,624)	(314,955)	(1,620,490)	-	(3,527,069)
- accumulated depreciation	-	-	-	-	1,326,165	269,599	1,620,360	-	3,216,124
Depreciation charge (Note 36)	-	-	(9,256,948)	(5,901,849)	(13,681,799)	(3,437,228)	(11,446,653)	-	(43,724,477)
Closing net book value	349,641,003	5	118,712,606	92,351,263	48,362,104	8,127,735	59,854,249	361,391,153	1,038,440,118
<b>As at 31 December 2018</b>									
Cost	349,641,003	3,841,450	189,218,324	131,971,822	142,933,659	24,510,083	108,464,424	361,391,153	1,311,971,918
Less Accumulated depreciation	-	(3,841,445)	(70,505,718)	(39,620,559)	(94,571,555)	(16,382,348)	(48,610,175)	-	(273,531,800)
Net book value	349,641,003	5	118,712,606	92,351,263	48,362,104	8,127,735	59,854,249	361,391,153	1,038,440,118

As at 31 December 2018 and 2017, land including construction thereon of the Company with net book value of Baht 349.64 million and Baht 210.35 million are being used as collaterals against bank overdrafts and short-term borrowings from financial institutions, short-term loans from others, long-term borrowing from financial institutions and long-term loans from others (Note 22, 24, 25 and 26 respectively).

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**18 Property, plant and equipment (net) (Cont'd)**

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicle:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cost - capitalised finance lease	64,068,205	59,655,711	64,068,205	59,655,711
<u>Less</u> Accumulated depreciation	(21,308,701)	(14,725,193)	(21,308,701)	(14,725,193)
Net book amount	<u>42,759,504</u>	<u>44,930,518</u>	<u>42,759,504</u>	<u>44,930,518</u>

**19 Intangible assets (net)**

	<b>Consolidated financial statements</b>					
	<b>Trademark Baht</b>	<b>Patent Baht</b>	<b>Computer software Baht</b>	<b>Know-how Baht</b>	<b>Computer software under installation Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2017</b>						
Cost	4,752,897	4,724,230	42,294,694	4,000,000	5,904,383	61,676,204
<u>Less</u> Accumulated amortisation	-	(2,705,343)	(23,455,123)	(3,999,998)	-	(30,160,464)
Net book amount	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,839,571</u>	<u>2</u>	<u>5,904,383</u>	<u>31,515,740</u>
<b>For the year ended 31 December 2017</b>						
Opening net book amount	4,752,897	2,018,887	18,839,571	2	5,904,383	31,515,740
Additions	-	-	106,029	-	7,077,049	7,183,078
Transfer	-	-	7,270,000	-	(7,270,000)	-
Amortisation charge (Note 36)	-	(472,413)	(4,981,122)	-	-	(5,453,535)
Closing net book value	<u>4,752,897</u>	<u>1,546,474</u>	<u>21,234,478</u>	<u>2</u>	<u>5,711,432</u>	<u>33,245,283</u>
<b>As at 31 December 2017</b>						
Cost	4,752,897	4,724,230	49,670,723	4,000,000	5,711,432	68,859,282
<u>Less</u> Accumulated amortisation	-	(3,177,756)	(28,436,245)	(3,999,998)	-	(35,613,999)
Net book amount	<u>4,752,897</u>	<u>1,546,474</u>	<u>21,234,478</u>	<u>2</u>	<u>5,711,432</u>	<u>33,245,283</u>
<b>For the year ended 31 December 2018</b>						
Opening net book amount	4,752,897	1,546,474	21,234,478	2	5,711,432	33,245,283
Additions	-	-	220,890	-	8,692,933	8,913,823
Amortisation charge (Note 36)	-	(468,669)	(5,000,543)	-	-	(5,469,212)
Closing net book value	<u>4,752,897</u>	<u>1,077,805</u>	<u>16,454,825</u>	<u>2</u>	<u>14,404,365</u>	<u>36,689,894</u>
<b>As at 31 December 2018</b>						
Cost	4,752,897	4,724,230	49,891,613	4,000,000	14,404,365	77,773,105
<u>Less</u> Accumulated amortisation	-	(3,646,425)	(33,436,788)	(3,999,998)	-	(41,083,211)
Net book amount	<u>4,752,897</u>	<u>1,077,805</u>	<u>16,454,825</u>	<u>2</u>	<u>14,404,365</u>	<u>36,689,894</u>

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**19 Intangible assets (net) (Cont'd)**

	Separate financial statements				
	Trademark Baht	Patent Baht	Computer software Baht	Computer software under installation Baht	Total Baht
<b>As at 1 January 2017</b>					
Cost	4,752,897	4,724,230	42,129,584	5,904,383	57,511,094
<u>Less</u> Accumulated amortisation	-	(2,705,343)	(23,397,071)	-	(26,102,414)
Net book amount	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,732,513</u>	<u>5,904,383</u>	<u>31,408,680</u>
<b>For the year ended 31 December 2017</b>					
Opening net book amount	4,752,897	2,018,887	18,732,513	5,904,383	31,408,680
Additions	-	-	106,029	7,077,049	7,183,078
Transfer	-	-	7,270,000	(7,270,000)	-
Amortisation charge (Note 36)	-	(472,413)	(4,948,100)	-	(5,420,513)
Closing net book value	<u>4,752,897</u>	<u>1,546,474</u>	<u>21,160,442</u>	<u>5,711,432</u>	<u>33,171,245</u>
<b>As at 31 December 2017</b>					
Cost	4,752,897	4,724,230	49,505,613	5,711,432	64,694,172
<u>Less</u> Accumulated amortisation	-	(3,177,756)	(28,345,171)	-	(31,522,927)
Net book amount	<u>4,752,897</u>	<u>1,546,474</u>	<u>21,160,442</u>	<u>5,711,432</u>	<u>33,171,245</u>
<b>For the year ended 31 December 2018</b>					
Opening net book amount	4,752,897	1,546,474	21,160,442	5,711,432	33,171,245
Additions	-	-	220,890	8,692,933	8,913,823
Amortisation charge (Note 36)	-	(468,669)	(4,967,521)	-	(5,436,190)
Closing net book value	<u>4,752,897</u>	<u>1,077,805</u>	<u>16,413,811</u>	<u>14,404,365</u>	<u>36,648,878</u>
<b>As at 31 December 2018</b>					
Cost	4,752,897	4,724,230	49,726,503	14,404,365	73,607,995
<u>Less</u> Accumulated amortisation	-	(3,646,425)	(33,312,692)	-	(36,959,117)
Net book amount	<u>4,752,897</u>	<u>1,077,805</u>	<u>16,413,811</u>	<u>14,404,365</u>	<u>36,648,878</u>

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred tax (net)**

Deferred taxes as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	6,945,584	3,095,407	6,378,024	2,191,885
Deferred tax asset to be recovered after more than 12 months	6,194,077	5,384,825	5,932,558	5,164,001
	<u>13,139,661</u>	<u>8,480,232</u>	<u>12,310,582</u>	<u>7,355,886</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(351,829)	(416,653)	(351,829)	(414,960)
Deferred tax liabilities to be settled after more than 12 months	(134,835)	(350,336)	(134,835)	(350,336)
	<u>(486,664)</u>	<u>(766,989)</u>	<u>(486,664)</u>	<u>(765,296)</u>
Deferred tax assets (net)	<u>12,652,997</u>	<u>7,713,243</u>	<u>11,823,918</u>	<u>6,590,590</u>

The movement of deferred taxes for the year ended 31 December 2018 and 2017 comprises the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	7,713,243	7,154,932	6,590,590	6,412,988
Increase/(Decrease) to profit or loss (Note 37)	5,065,049	756,732	5,347,605	414,938
Increase/(Decrease) to other comprehensive income	(125,295)	(198,421)	(114,277)	(237,336)
Closing balance	<u>12,652,997</u>	<u>7,713,243</u>	<u>11,823,918</u>	<u>6,590,590</u>

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred tax (net) (Cont'd)**

The movement of deferred taxes for the year ended 31 December 2018 and 2017 comprises the following: (Cont'd)

	Consolidated financial statements		
	1 January 2018 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	656,105	3,064,849	-
Allowance for obsolete and slow-moving inventories	1,048,645	1,180,104	-
Gain on disposal of inventories among related companies	47,330	(19,001)	-
Provision for warranty	1,014,782	(215,730)	-
Employee benefit obligations	4,491,567	1,015,710	(125,295)
Asset under finance lease agreements			
- Hire purchase	1,002,914	(125,906)	-
Liability under finance lease agreements			
- Lease	218,889	(115,302)	-
	8,480,232	4,784,724	(125,295)
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	(4,753)	(42,424)	-
Asset under finance lease agreements			
- Lease	(289,022)	66,199	-
Liability under finance lease agreements			
- Hire purchase	(473,214)	256,550	-
	(766,989)	280,325	-
	7,713,243	5,065,049	(125,295)

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred tax (net) (Cont'd)**

The movement of deferred taxes for the year ended 31 December 2018 and 2017 comprises the following: (Cont'd)

	Consolidated financial statements		
	1 January 2017 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	656,105	-	-
Allowance for obsolete and slow-moving inventories	824,507	224,138	-
Gain on disposal of inventories among related companies	183,593	(136,263)	-
Provision for warranty	1,188,318	(173,536)	-
Employee benefit obligations	4,171,439	518,549	(198,421)
Asset under finance lease agreements			
- Hire purchase	1,128,820	(125,906)	-
Liability under finance lease agreements			
- Lease	402,981	(184,092)	-
	<u>8,555,763</u>	<u>122,890</u>	<u>(198,421)</u>
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	(119,804)	115,051	-
Asset under finance lease agreements			
- Lease	(458,847)	169,825	-
Liability under finance lease agreements			
- Hire purchase	(822,180)	348,966	-
	<u>(1,400,831)</u>	<u>633,842</u>	<u>-</u>
	<u>7,154,932</u>	<u>756,732</u>	<u>(198,421)</u>
			<u>7,713,243</u>



**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred tax (net) (Cont'd)**

The movement of deferred taxes for the year ended 31 December 2018 and 2017 comprises the following: (Cont'd)

	<b>Separate financial statements</b>		
	<b>1 January 2018 Baht</b>	<b>Increase/ (Decrease) to profit or loss Baht</b>	<b>Increase/ (Decrease) to other comprehensive income Baht</b>
			<b>31 December 2018 Baht</b>
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	460,805	3,064,849	-
Allowance for obsolete and slow-moving inventories	683,400	1,281,335	-
Provision for warranty	719,135	-	-
Employee benefit obligations	4,270,743	963,997	(114,277)
Asset under finance lease agreements			
- Hire purchase	1,002,914	(125,906)	-
Liability under finance lease agreements			
- Lease	218,889	(115,302)	-
	<u>7,355,886</u>	<u>5,068,973</u>	<u>(114,277)</u>
			<u>12,310,582</u>
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	(3,060)	(44,117)	-
Asset under finance lease agreements			
- Lease	(289,022)	66,199	-
Liability under finance lease agreements			
- Hire purchase	(473,214)	256,550	-
	<u>(765,296)</u>	<u>278,632</u>	<u>-</u>
	<u>6,590,590</u>	<u>5,347,605</u>	<u>(114,277)</u>
			<u>11,823,918</u>

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred tax (net) (Cont'd)**

The movement of deferred taxes for the year ended 31 December 2018 and 2017 comprises the following: (Cont'd)

	Separate financial statements		
	1 January 2017 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	460,805	-	-
Allowance for obsolete and slow-moving inventories	634,090	49,310	-
Provision for warranty	1,140,341	(421,206)	-
Employee benefit obligations	4,032,307	475,772	(237,336)
Asset under finance lease agreements			
- Hire purchase	1,128,820	(125,906)	-
Liability under finance lease agreements			
- Lease	402,981	(184,092)	-
	<u>7,799,344</u>	<u>(206,122)</u>	<u>(237,336)</u>
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	(119,804)	116,744	-
Asset under finance lease agreements			
- Lease	(444,372)	155,350	-
Liability under finance lease agreements			
- Hire purchase	(822,180)	348,966	-
	<u>(1,386,356)</u>	<u>621,060</u>	<u>-</u>
	<u>6,412,988</u>	<u>414,938</u>	<u>(237,336)</u>

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. On 31 December 2018, the Group and the Company did not recognise deferred income tax assets in the consolidated and separate financial statements of Baht 16,972,417 and Baht 15,128,422 (2017 : Baht 22,602,338 and Baht 20,030,282), respectively in respect of losses in the consolidated and separate financial statements amounting to Baht 84,862,087 and Baht 75,642,108 (2017 : Baht 113,011,692 and Baht 100,151,408), respectively that can be carried forward against future taxable income. Losses comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Tax losses expired in				
- 2021	56,883,183	86,547,142	48,455,529	73,686,858
- 2022	26,464,550	26,464,550	26,464,550	26,464,550
- 2023	1,514,354	-	722,029	-
Total tax losses	<u>84,862,087</u>	<u>113,011,692</u>	<u>75,642,108</u>	<u>100,151,408</u>
Unrecognised deferred income tax assets	16,972,417	22,602,338	15,128,422	20,030,282

**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

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**21 Refundable deposits**

Refundable deposits as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Refundable deposits for sale contract of NGV buses	213,042,019	-	213,042,019	-
Other refundable deposits	23,275,677	880,232	23,275,677	880,232
	<u>236,317,696</u>	<u>880,232</u>	<u>236,317,696</u>	<u>880,232</u>

22 Bank overdrafts and short-term borrowings from financial institutions

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2018 and 31 December 2017 comprise the following:

Type of Short-term borrowings	Consolidated financial statements									
	2018					2017				
	Currency	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	
Bank overdrafts	THB	-	83,132,339	7.12 - 13.00	-	-	54,749,704	6.87 - 8.50	-	
			83,132,339				54,749,704			
Forward Contract	THB	-	679,620,665	4.50 - 6.50	December 2018 - September 2019	-	757,096,000	4.20 - 6.25	January - December 2018	
			679,620,665				757,096,000			
Trust receipts	THB	-	182,376,422	3.96 - 18.00	September 2018 - May 2019	-	80,558,230	3.83 - 4.78	January - March 2018	
	USD	1,784,997	58,506,464	4.27 - 4.95	January - May 2019	648,332	21,449,251	3.73 - 5.25	January - May 2018	
	JPY	40,500,000	11,857,914	6.75	June 2019	-	-	-	-	
			252,740,800				102,007,481			
Bills of exchange	THB	-	62,301,774	5.75	February - March 2019	-	52,312,080	5.75	March 2018	
			62,301,774				52,312,080			
Total			1,077,795,578				966,165,265			

The Group uses its land including construction (Note 18) and fixed deposit (Note 13) entitled to the Group as a collateral against these credit facilities.

22 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2018 and 2017 comprise the following: (Cont'd)

Type of Short-term borrowings	Currency	Separate financial statements							
		2018				2017			
		Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within
Bank overdrafts	THB	-	76,116,659	11.12 - 12.75	-	-	48,217,202	6.87 - 8.50	-
			76,116,659				48,217,202		
Forward Contract	THB	-	669,620,665	4.50 - 6.50	December 2018 - September 2019	-	747,096,000	4.20 - 4.78	January - December 2018
			669,620,665				747,096,000		
Trust receipts	THB	-	171,754,741	3.96 - 18.00	September 2018 - May 2019	-	64,274,443	3.83 - 4.78	January - March 2018
	USD	1,685,547	55,245,681	4.27 - 4.95	January - March 2019	504,630	16,575,683	3.73	February 2018
	JPY	40,500,000	11,857,914	6.75	June 2019		-	-	-
			238,858,336				80,850,126		
Bills of exchange	THB	-	62,301,774	5.75	February - March 2019	-	52,312,080	5.75	March 2018
			62,301,774				52,312,080		
Total			1,046,897,434				928,475,408		

The Group uses its land including construction (Note 18) and fixed deposit (Note 13) entitled to the Company as a collateral against these credit facilities.

**Cho Thavee Public Company Limited**  
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**For the year ended 31 December 2018**

**22 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)**

The movement of bank overdrafts and short-term borrowings from financial institutions for the year ended 31 December 2018 is as follows:

	Consolidated financial statements					
	Bills of exchange			Bills of exchange		
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Total Baht
Opening net book value	54,749,704	757,096,000	102,007,481	53,000,000	(687,920)	966,165,265
Additions	5,599,536,915	1,413,567,312	523,056,293	50,000,000	(3,777,204)	7,582,383,316
Repayments	(5,571,154,280)	(1,491,042,647)	(372,322,974)	(40,000,000)	-	(7,474,519,901)
Amortisation of deferred interest	-	-	-	-	3,766,898	3,766,898
Ending net book value	83,132,339	679,620,665	252,740,800	63,000,000	(698,226)	1,077,795,578

	Separate financial statements					
	Bills of exchange			Bills of exchange		
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Total Baht
Opening net book value	48,217,202	747,096,000	80,850,126	53,000,000	(687,920)	928,475,408
Additions	5,385,910,370	1,413,567,312	516,820,754	50,000,000	(3,777,204)	7,362,521,232
Repayments	(5,358,010,913)	(1,491,042,647)	(358,812,544)	(40,000,000)	-	(7,247,866,104)
Amortisation of deferred interest	-	-	-	-	3,766,898	3,766,898
Ending net book value	76,116,659	669,620,665	238,858,336	63,000,000	(698,226)	1,046,897,434

22 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

The movement of bank overdrafts and short-term borrowings from financial institutions for the year ended 31 December 2017 is as follows:

	Consolidated financial statements					
	Bills of exchange					
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht
Opening net book value	5,116,704	-	54,666,534	300,000,000	(1,208,044)	298,791,956
Additions	5,120,339,142	1,547,925,000	354,183,823	53,000,000	(1,477,222)	51,522,778
Repayments	(5,070,706,142)	(790,829,000)	(306,842,876)	(300,000,000)	-	(300,000,000)
Amortisation of deferred interest	-	-	-	-	1,997,346	1,997,346
Ending net book value	54,749,704	757,096,000	102,007,481	53,000,000	(687,920)	52,312,080
						966,165,265

	Separate financial statements					
	Bills of exchange					
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht
Opening net book value	2,831,534	-	53,631,534	300,000,000	(1,208,044)	298,791,956
Additions	4,636,233,313	1,518,695,000	330,907,920	53,000,000	(1,477,222)	51,522,778
Repayments	(4,590,847,645)	(771,599,000)	(303,689,328)	(300,000,000)	-	(300,000,000)
Amortisation of deferred interest	-	-	-	-	1,997,346	1,997,346
Ending net book value	48,217,202	747,096,000	80,850,126	53,000,000	(687,920)	52,312,080
						928,475,408

The fair values of short-term loans equal their carrying amount, as the impact of discounting is not significant.



**Cho Thavee Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**23 Trade and other accounts payable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Trade accounts payable				
- other companies	342,602,522	132,312,780	321,111,979	121,650,572
- related parties (Note 39 b))	3,843,807	67,024,320	3,843,807	67,064,438
Other accounts payable				
- other companies	38,809,980	86,167,861	38,809,980	86,167,861
- related parties (Note 39 b))	939,402	2,349,401	849,522	2,349,401
Accrued expenses				
- Accrued staff expenses	28,623,919	22,697,405	26,785,724	20,099,117
- Accrued interest expense - other companies	19,536	-	-	-
- related parties (Note 39 b))	213,896	-	-	-
- Others accruals	28,080,508	13,425,188	26,861,052	12,952,472
Advance received from customer	802,532	247,568	802,532	247,568
Retention payable	289,694	3,952,529	289,694	3,952,529
	<u>444,225,796</u>	<u>328,177,052</u>	<u>419,354,290</u>	<u>314,483,958</u>

**24 Short-term loans from others**

The movement of short-term loans from others for the year ended 31 December 2018 comprises:

	Consolidated financial statements and Separate financial statements				
	Bill of exchange				
	Short-term loans Baht	Bill of exchange Baht	Deferred interest Baht	Bill of exchange (net) Baht	Total Baht
Opening net book value	-	-	-	-	-
Additions	1,436,042,294	30,000,000	(827,969)	29,172,031	1,465,214,325
Repayments	(754,041,996)	(20,000,000)	-	(20,000,000)	(774,041,996)
Amortisation of deferred interest	-	-	740,294	740,294	740,294
Ending net book value	682,000,298	10,000,000	(87,675)	9,912,325	691,912,623

As at 31 December 2018, the Group has short-term loans from others bear interest at the rate 6.25% - 15.00%. The loans are due for November 2018 - March 2019.

**Short-term loans from others secured by:**

- 1) The guarantee of certain directors
- 2) Share capital of the Company hold by director
- 3) Mortgage of the Company's land of investment property and the Company's land including construction (Note 17 and 18)
- 4) Post dated cheque

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**25 Long-term borrowings from financial institutions**

The movement of long-term borrowings from financial institutions for the year ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value for the year	1,618,879	2,542,879	-	-
Additions	-	-	-	-
Repayments	(851,546)	(924,000)	-	-
Ending net book value for the year	767,333	1,618,879	-	-
<u>Less</u> Current portion	(767,333)	(924,000)	-	-
	-	694,879	-	-

The Group has long-term borrowing from a financial institution in Thai Baht in the amount of Baht 6 million. This borrowing bears interest at the rate of MLR and interest is payable on a monthly basis. The principal is repayable in 84 equal - monthly installment of Baht 77,000 each, commencing April 2013. The Company has mortgaged its lands (Note 18) as collateral of this loans. As at 31 December 2018, the total outstanding borrowings amount is Baht 767,333 (31 December 2017 : Baht 1,618,879).

As at 31 December 2018 and 2017, fair value of certain long-term loan borrowing from a financial institution is close to long-term loan borrowing from a financial institution which was recorded at cost in the statements of financial position, as the impact of discounting is not significant.

**26 Long-term loan from other**

The movement of long-term loan from other for the year ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements and Separate financial information</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value for the period	-	-
Additions	83,000,000	-
Repayments	(16,600,000)	-
Ending net book value for the period	66,400,000	-
<u>Less</u> current portion	(41,500,000)	-
	<u>24,900,000</u>	<u>-</u>

As at 31 December 2018, the Group has long-term loan from other bear interest at rate 11.50%. The loan is due for October 2019 - October 2020 (2017 : none).

**Long-term loan from other secured by:**

- 1) The guarantee of certain directors
- 2) Share capital of the Company hold by director
- 3) Mortgage of the Company's land including construction (Note 18)
- 4) Post dated cheque

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**27 Liabilities under finance lease agreements (net)**

The Group had liabilities under finance lease agreements for vehicles which comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Liability under finance lease agreements	25,998,138	33,574,866	25,998,138	33,574,866
<u>Less</u> Future finance charges on finance lease	(1,432,452)	(2,409,226)	(1,432,452)	(2,409,226)
	24,565,686	31,165,640	24,565,686	31,165,640
<u>Less</u> Current portion	(10,911,438)	(10,643,617)	(10,911,438)	(10,643,617)
	<u>13,654,248</u>	<u>20,522,023</u>	<u>13,654,248</u>	<u>20,522,023</u>

Payment to be made in subsequent years are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Liabilities under finance lease agreements				
Within 1 year	12,861,632	11,967,711	12,861,632	11,967,711
More than 1 year but no longer than 5 years	13,136,506	21,607,155	13,136,506	21,607,155
	<u>25,998,138</u>	<u>33,574,866</u>	<u>25,998,138</u>	<u>33,574,866</u>

**28 Other current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Withholding tax payable	2,164,167	1,759,945	1,641,903	1,310,982
Social security payable	1,955,097	861,675	1,896,633	804,631
	<u>4,119,264</u>	<u>2,621,620</u>	<u>3,538,536</u>	<u>2,115,613</u>

**29 Debenture (net)**

Debenture (net) as at 31 December 2018 and 2017 represented unsubordinated, unsecured debenture with name registered and without debenture holders' representative as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Debenture, (net)	324,375,566	299,403,916	324,375,566	299,403,916
<u>Less</u> Current portion of debenture, (net)	(125,850,367)	(299,403,916)	(125,850,367)	(299,403,916)
	<u>198,525,199</u>	<u>-</u>	<u>198,525,199</u>	<u>-</u>

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**29 Debenture (net) (Cont'd)**

The movements of the debenture for the year ended 31 December 2018 and 31 December 2017 comprise the followings:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value	299,403,916	298,810,868	299,403,916	298,810,868
Cash received from debenture	331,100,000	-	331,100,000	-
Cash paid from debenture	(300,000,000)	-	(300,000,000)	-
Prepaid underwriting fee	(2,809,900)	-	(2,809,900)	-
Debenture discount	(4,149,633)	-	(4,149,633)	-
Amortisation of debenture	831,183	593,048	831,183	593,048
Closing net book value	<u>324,375,566</u>	<u>299,403,916</u>	<u>324,375,566</u>	<u>299,403,916</u>

At the Annual General Meeting of the Company's shareholders held on 21 April 2016, it was unanimously resolved to approve the issuance and offering of debenture not over than Baht 1,000 million.

Afterward, on 16 June 2016, the Company offered the unsubordinated, unsecured debenture with name registered and without bond holders' representative to public and/or institution investors at 300,000 units in par value of Baht 1,000 per unit aggregating to Baht 300 million. Interest was carried at the rate of 4.95% per annum. Moreover, interest is repaid quarterly. Debenture holds a lifespan of 2 years and 6 months and maturity on 16 December 2018.

On 21 September 2018, the Company offered the unsubordinated, unsecured long-term debenture with name registered with bond holders' representative to Offering to Institution Investors and High Net Worth Investors (II&HNW) at 201,100 units in par value of Baht 1,000 per unit aggregating to Baht 201.10 million (net of underwriting fee incurred for issuing the debenture in amount of Baht 2.81 million to be Baht 198.29 million). Interest was carried at the rate of 6.50% per annum. Moreover, interest is repaid quarterly. Debenture holds a lifespan of 2 years and maturity on 21 September 2020.

On 4 December 2018, the Company offered the unsubordinated short-term debenture to specific investors at 100,000 units in par value of Baht 1,000 per unit aggregating to Baht 100 million (net of debenture discount in amount of Baht 3.6 million to be Baht 96.4 million). Debenture holds a lifespan of 6 months and maturity on 4 June 2019.

On 13 December 2018, the Company offered the unsubordinated short-term debenture to specific investors at 30,000 units in par value of Baht 1,000 per unit aggregating to Baht 30 million (net of debenture discount in amount of Baht 0.5 million to be Baht 29.5 million). Debenture holds a lifespan of 3 months and maturity on 13 March 2019.

In addition, the Company must comply with terms and conditions governing the rights and obligations of the issuer and the Debenture holders as stipulated in the Prospectus of the debenture.

As at 31 December 2018 and 2017, the fair value of long-term debenture are Baht 201,743,520 and Baht 300,659,664, respectively. The fair value of debenture is based on the market price of debentures on the date of statement of financial position (Level 2 of the fair value hierarchy).

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**30 Employee benefit obligations**

Employee benefit obligations as at 31 December 2018 and 2017 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Statement of financial position				
Retirement benefits	26,909,912	22,457,833	25,602,312	21,353,716
Liability in the statement of financial position	26,909,912	22,457,833	25,602,312	21,353,716
Profit or loss charge included in operating for:				
Retirement benefit	5,543,552	4,405,778	5,284,984	4,191,898
	5,543,552	4,405,778	5,284,984	4,191,898
Remeasurement for:				
Retirement benefit	(626,473)	(992,108)	(571,388)	(1,186,682)
	(626,473)	(992,108)	(571,388)	(1,186,682)
Payment from plan:				
Benefit payment	(465,000)	(687,583)	(465,000)	(687,583)
	(465,000)	(687,583)	(465,000)	(687,583)

The plan is final salary retirement plan. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement of employee benefit obligations for the year ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
At 1 January	22,457,833	19,731,746	21,353,716	19,036,083
Current service cost	4,783,553	3,762,882	4,563,591	3,580,032
Interest expense	759,999	642,896	721,393	611,866
	5,543,552	4,405,778	5,284,984	4,191,898
Remeasurements:				
Gain from change in demographic assumptions	(1,134,174)	(420,651)	(1,057,645)	(390,640)
(Gain)/loss from change in financial assumptions	959,122	(2,422,842)	906,579	(2,331,268)
Experience (gain)/loss	(451,421)	1,851,385	(420,322)	1,535,226
	(626,473)	(992,108)	(571,388)	(1,186,682)
Payment from plans:				
Benefit payment	(465,000)	(687,583)	(465,000)	(687,583)
At 31 December	26,909,912	22,457,833	25,602,312	21,353,716

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**30 Employee benefit obligations (Cont'd)**

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
The discount rate	3.17% - 3.31%	3.59% - 3.62%	3.17%	3.62%
The assumed increasing salary rate	5.00%	5.00%	5.00%	5.00%
The personnel turnover rate	5.00 - 30.00%	5.00 - 30.00%	5.00 - 30.00%	5.00 - 30.00%
The mortality rate	100% of Thai Mortality Table (year 2017)	50% of Thai Mortality Table (year 2008)	100% of Thai Mortality Table (year 2017)	50% of Thai Mortality Table (year 2008)
The disability rate	0% of Thai Mortality Table (year 2017)	10% of Thai Mortality Table (year 2008)	0% of Thai Mortality Table (year 2017)	10% of Thai Mortality Table (year 2008)

Through its defined benefit retirement benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields. A decrease in Zero bond yields will increase plan liabilities.

Sensitivity analysis for significant assumptions disclosed is as follows. :

	<b>Consolidated financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	1%	1%	Decrease by 9.36%	Decrease by 10.03%	Increase by 10.92%	Increase by 11.75%
Salary growth rate	1%	1%	Increase by 13.01%	Increase by 13.92%	Decrease by 11.23%	Decrease by 11.93%

	<b>Separate financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	1%	1%	Decrease by 9.17%	Decrease by 9.85%	Increase by 10.69%	Increase by 11.51%
Salary growth rate	1%	1%	Increase by 12.78%	Increase by 13.70%	Decrease by 11.05%	Decrease by 11.75%

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**30 Employee benefit obligations (Cont'd)**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 14.78 years (2017 : 15.69 years).

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Under 1 year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	Total Baht
<b>At 2018</b>					
Retirement benefits	2,306,280	6,775,686	19,137,498	77,207,280	105,426,744
<b>At 2017</b>					
Retirement benefits	205,826	4,324,451	19,646,844	75,080,535	99,257,656
	Separate financial statements				
	Under 1 year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Over 10 years Baht	Total Baht
<b>At 2018</b>					
Retirement benefits	2,306,280	6,775,686	18,822,300	70,970,535	98,874,801
<b>At 2017</b>					
Retirement benefits	205,826	4,324,451	19,370,726	68,861,578	92,762,581

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

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 compensation of not less than that of the last 400 days, based on the final 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, the Group and the Company will have additional liabilities for long-term employee benefits amounting to Baht 7,090,734 and Baht 6,756,386, respectively.

**31 Share capital and premium on treasury shares**

Share capital as at 31 December comprises the following:

	Consolidated and Separate financial statements				
	Authorised share capital		Issued and fully paid-up		Share premium
	shares	Baht	shares	Baht	Baht
As at 31 December 2016	1,187,889,978	296,972,495	1,182,941,773	295,735,443	375,903,848
Decrease share capital (Note 31.1)	(4,948,205)	(1,237,052)	-	-	-
As at 31 December 2017	1,182,941,773	295,735,443	1,182,941,773	295,735,443	375,903,848
Increase share capital (Note 31.2)	658,176,708	164,544,177	125,944,744	31,486,186	148,990,711
As at 31 December 2018	1,841,118,481	460,279,620	1,308,886,517	327,221,629	524,894,559

The Company's authorised share capital as at 31 December 2018 comprises 1,841,118,481 ordinary shares (31 December 2017 : 1,182,941,773 ordinary shares) of Baht 0.25 each (31 December 2017 : Baht 0.25 each). The Share is paid-up 1,308,886,517 ordinary shares of Baht 0.25 each totalling Baht 327,221,629 with share premium Baht 524,894,559.

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**31 Share capital and premium on treasury shares (Cont'd)**

**31.1 Decrease share capital**

At the Annual General Shareholders Meeting's Meeting No. 1/2017 held on 20 April 2017, the shareholders passed a resolution to decrease the registered share capital from 1,187,889,978 ordinary shares with a par value of 0.25 per share, totalling Baht 296,972,495 to new registered share capital of 1,182,941,773 ordinary shares with a par value of Baht 0.25 per share, totaling Baht 295,735,443 by cancelling unissued shares which left over from dividends payment and unreserved for exercising the right of the warrant for 4,948,205 ordinary shares at par value of Baht 0.25 per share, totaling Baht 1,237,052.

The Company registered a decreasing in registered share capital with the Department of Business Development, Ministry of Commerce on 25 May 2017.

**31.2 Increase share capital**

At the Extra General Shareholders Meeting's Meeting No. 1/2018 held on 9 January 2018, the Board passed a resolution approving the increasing registered share capital by increasing of the Company's registered capital from 1,182,941,773 shares with a par value of Baht 0.25 per share, totalling Baht 295,735,443 to new registered capital of 1,841,118,481 ordinary shares with a par value of Baht 0.25 per share totalling Baht 460,279,620, by issuing new 658,176,708 ordinary shares at par value of Baht 0.25 per share, totalling Baht 164,544,177 with specific objective and general mandate methods.

The Company registered an increasing in registered share capital with Department of Business Development on 18 January 2018.

Ordinary share allotment with specific objective

The Company allotted ordinary share with specific objective by private placement for a financial institute in Australia for 185,000,000 ordinary shares with a par value of Baht 0.25, totaling Baht 46,250,000.

During the year ended 31 December 2018, the Company received the paid-up shares from the financial institute of 26,000,000 ordinary shares, totaling Baht 37,585,897 (net of related expenses incurred for the paid-up ordinary shares in amount of Baht 2,576,602). The Company registered those shares with the Department of Business Development Ministry of Commerce on 26 January 2018, 6 February 2018 5 March 2018 and 26 November 2018.

Ordinary share allotment with general mandate

The Company allotted ordinary share with general mandate by right offering for 354,882,531 ordinary shares with a par value of Baht 0.25, totaling Baht 88,720,632.75 and private placement for 118,294,177 ordinary shares with a par value of Baht 0.25, totaling Baht 29,573,544.25.

During the year ended 31 December 2018, the Company received the paid-up shares from the financial institute of 99,944,744 ordinary shares, totaling Baht 142,891,000. The Company registered those shares with the Department of Business Development Ministry of Commerce on 13 December 2018 and 19 December 2018.

**32 Legal reserve**

	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	6,820,000	6,820,000
Appropriation during the year	-	-
Ending balance	<u>6,820,000</u>	<u>6,820,000</u>

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.



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**33 Non-controlling interest**

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	3,564	2,804
Share of net profit of subsidiary	528	760
Ending balance	4,092	3,564

**34 Other income**

	<b>For the years ended 31 December</b>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Other service income	6,894,858	7,078,591	12,535,558	12,580,387
Interest income from others	276,186	371,898	249,104	344,692
Interest income from related parties	-	-	7,196,743	5,429,593
Interest income - finance lease agreement	22,785	22,785	22,785	22,785
Income from late payment penalty from related parties (Note 39 a))	8,908,385	-	5,840,360	-
Other income	4,651,775	2,438,748	4,590,743	4,072,617
	<u>20,753,989</u>	<u>9,912,022</u>	<u>30,435,293</u>	<u>22,450,074</u>

**35 Finance cost**

	<b>For the years ended 31 December</b>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Interest expense for borrowings from financial institutions	76,819,761	48,183,601	74,991,723	47,319,385
Interest expense for loans from related parties	213,896	-	-	-
Interest expense for loans from third parties	53,173,803	-	53,173,803	-
Interest expense for liability under finance lease agreement	1,334,139	1,858,519	1,334,139	1,858,519
Amortisation of debenture	831,183	593,048	831,183	593,048
Front end fee	3,763,400	-	3,763,400	-
Other interest expense	5,315,980	-	5,296,444	-
	<u>141,452,162</u>	<u>50,635,168</u>	<u>139,390,692</u>	<u>49,770,952</u>

**36 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at the operating profit for the years ended 31 December 2018 and 2017:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Change in inventories of finished goods and work in process	891,457	(44,826,676)	(243,294)	(47,950,320)
Raw material and consumables used	1,567,929,316	1,172,762,991	1,556,453,855	918,154,469
Staff costs	233,601,414	204,771,345	230,662,761	200,522,416
Depreciation and amortisation	54,394,662	50,878,943	49,160,667	44,569,281
Transportation expenses	2,667,384	5,681,581	2,412,207	5,459,541

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**37 Income tax**

Reconciliations of income tax for the years ended 31 December 2018 and 2017 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Current income tax:</b>				
Current income tax on taxable profit for the year	(9,935,179)	-	(9,935,179)	-
Origination and reversal of temporary differences (Note 20)	5,065,049	756,732	5,347,605	414,938
Income tax (income tax expense)	<u>(4,870,130)</u>	<u>756,732</u>	<u>(4,587,574)</u>	<u>414,938</u>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Profit (loss) before tax accounting base	50,338,886	(20,257,775)	46,289,124	(28,082,183)
Tax calculated at a tax rate of 20%	(10,067,777)	4,051,555	(9,257,825)	5,616,437
Tax effect of:				
Expenses not deductible for tax purpose	(318,350)	(82,206)	(318,350)	(82,206)
Additional expenses deductible for tax purpose	117,118	173,617	117,118	173,617
Recognition of unrecognised deferred tax on loss	(333,248)	(5,292,910)	(174,783)	(5,292,910)
Temporary differences for which no deferred tax asset was recognised	-	17,814	-	-
Utilisation of previously unrecognised tax losses	5,756,855	1,917,230	5,046,266	-
Share of loss from associates in equity method	(24,728)	(28,368)	-	-
Income tax (income tax expense)	<u>(4,870,130)</u>	<u>756,732</u>	<u>(4,587,574)</u>	<u>414,938</u>

**Cho Thavee Public Company Limited**  
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**38 Profit (loss) per share**

**Basic profit (loss) per share**

Basic loss per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit (loss) attributable to equity holders of the parent (Baht)	45,468,533	(19,501,818)	41,701,550	(28,881,308)
Weighted average number of ordinary shares in issue during the year (Number of shares)	1,200,522,610	1,182,941,773	1,200,522,610	1,182,941,773
Basic profit (loss) per share (Baht)	<u>0.0379</u>	<u>(0.0165)</u>	<u>0.0347</u>	<u>(0.0234)</u>

There are no potential dilutive ordinary shares in issue for the years.

**39 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

As at 31 December 2018, Taweesaengsakulthai family together held 44.17% of shares of the Company. The remaining 55.83% of the shares are widely held.

As at 31 December 2017, Taweesaengsakulthai family together held 48.86% of shares of the Company. The remaining 51.14% of the shares are widely held.

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

The significant investments in subsidiary and associates are disclosed in Notes 14 and 15

**Cho Thavee Public Company Limited**  
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**39 Related party transactions (Cont'd)**

Relationship between company and related parties:

Company and party	Type of business	Relationships
Cho Thavee Thermo Tech Co., Ltd.	Manufacturing, fabrication, assembly for panel and container	Subsidiary
Amornrattanakosin Co., Ltd.	Transportation, goods transportation and passenger	Subsidiary
KLRT Co., Ltd.	Transportation, goods transportation and passenger	Associates
Joint Venture TSP-CTV	Trading and installation of electric lighting and electrical equipment	Joint operations
Joint Venture JVCC	Manufacturing, assembly and maintenance for NGV Bus	Joint operations
Lekise & Cho Thavee Joint Venture	Installation of electric system and LED lighting	Joint operations
JVCKK Joint Venture	Building of shelter for offshore patrol vessels (OPVs)	Joint operations
JVOPV Joint Venture	Producing of blocks for offshore patrol vessels (OPVs)	Joint operations
Joint Venture CKKM	Designing and building of TRAM	Joint operations
Joint Venture SCN-CHO	Producing NGV bus	Joint operations
Thaveeseangthai Co., Ltd.	Trading of vehicles and industrial equipment	Common-shareholders and directors
Bangkok CTV. Intertrade Co., Ltd.	Manufacturing and export of home appliance	Common-shareholders and directors
Khon Kaen Cho Thavee (1993) Co., Ltd.	Manufacturing and trading of trailer	Common-shareholders and directors
A P S Multi-Trade Co., Ltd.	Trading of agricultural machinery and equipment	Common-shareholders and directors
O J Development Co., Ltd.	Rental retail area	Common-shareholders and directors
CH. Ruamthavee (Laksi) Co., Ltd.	Trading of vehicles - retail	Common-shareholders and directors
Khon Kaen City Development (KKT) Co., Ltd.	Raise fund for mass transportation system construction in Khon Kaen	Common-shareholders and directors
Ruamthavee Motor Sales Co., Ltd.	Sales, buy, exchange of vehicle and spare parts	Common-directors
Ruamthavee Khonkaen Co., Ltd.	Trading of truck and trailer	Common-directors
Cho Ruamthavee Leasing and Real Estate Co., Ltd.	Leasing, sales and exchange of vehicle and house	Common-directors
Tang Hua Singh Nakhonpathom Ltd., Partnership	Trading and repair of truck and trailer and trading of spare parts	Common-partnerships
Volrep Truck and Bus Co., Ltd.	Trading of vehicles	Common-shareholders
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Manufacture and trading of other chemical products and ethanol	Common-directors
Smart Consulting and Services Co., Ltd.	Accounting service, audit service and accounting consultation	Common-directors
Iphon Logistics Co., Ltd.	Transportation, goods transportation and passenger, customs broker and freight transportation arrangement	Common-shareholders and directors

**Cho Thavee Public Company Limited**  
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**39 Related party transactions (Cont'd)**

Relationship between company and related parties: (Cont'd)

Company and party	Type of business	Relationships
Freedom Media for Reform Co., Ltd.	Trading of newspaper, magazine and stationeries	Common-directors
Apex Development Public Co., Ltd.	Construction and development of real estate for sale	Common-directors
Thaveesaengthai Nongrue Rice Mill Ltd., Partnership	Rice milling	Common-directors
Star Universal Network Public Co., Ltd.	Manufacture of ceramic sanitary fixtures	Common-directors
KKTT Holding Co., Ltd.	Transportation, goods transportation and passenger	Common-shareholders and directors
Mr. Suradech Taweesaengsakulthai	-	The Company's shareholder
Ms. Aussana Taweesaengsakulthai	-	The Company's shareholder

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

Type of transactions	Pricing policies
Contract revenue, revenue from sales and rendering of services	Agreed price
Purchase and sales of fixed assets intangible assets	Agreed price
Purchase of materials	Agreed price
Managements, rental and other income	Contract price and/or agreed price
Rental expense	Contract price
Interest income and interest expense	7% per annum

a) Related party transactions for the year ended 31 December 2018 and 2017

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Subsidiary</b>				
Contract revenue	-	-	782,600	180,600
Revenue from sale and rendering of services	-	-	17,243,466	234,796,142
Management fee income	-	-	3,000,000	2,861,796
Rental income	-	-	2,640,000	2,640,000
Interest income	-	-	7,196,743	5,429,593
Other income	-	-	25,836	1,742,272
Purchase of materials	-	-	(29,123,132)	(27,018,205)
Rental expense	-	-	-	(40,000)
<b>Related parties</b>				
Revenue from contract work	596,458,727	276,886,003	595,991,961	273,282,488
Revenue from sale and rendering of services	59,905,603	68,731,878	14,310,478	757,693
Management fee income	5,666,714	6,023,679	5,666,714	6,023,679
Rental income	504,000	414,000	504,000	414,000
Income from late payment penalty	8,908,385	-	5,840,360	-
Interest income	-	-	-	-
Revenue from sale on fixed asset	-	43,299	-	43,299
Other income	78,117	-	78,117	-
Purchase of materials	(57,256,349)	(268,948,123)	(57,256,349)	(268,948,123)
Rental expense	(1,812,000)	(1,812,000)	(1,560,000)	(1,560,000)
Service expense	(4,883,575)	(3,651,803)	(4,883,575)	(3,651,803)
Other expense	(871,663)	(600,000)	(871,663)	(600,000)
<b>Key management compensation</b>				
- Short-term employee benefits	19,369,707	17,175,995	19,369,707	17,175,995
- Retirement benefits	961,032	815,568	961,032	815,568

**Cho Thavee Public Company Limited**  
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**39 Related party transactions (Cont'd)**

- b) Outstanding balance arising from sale/purchases of goods and services and others as at 31 December 2018 and 2017 is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Trade accounts receivable (Note 8)</b>				
<u>Subsidiary</u>	-	-	8,137,628	6,231,255
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	101,140	230,728	101,140	230,728
Ruamthavee Khonkaen Co., Ltd.	-	5,250	-	5,250
Khon Kaen Cho Thavee (1993) Co., Ltd.	112,340,000	139,234,603	43,315,524	73,077,335
Joint venture SCN-CHO	146,780,119	-	146,780,119	-
Tung Huan Sing Nakornprathom	-	86,154	-	86,154
<b>Total</b>	<b>259,221,259</b>	<b>139,556,735</b>	<b>198,334,411</b>	<b>79,630,722</b>
<b>Interest receivable from subsidiary (Note 8)</b>	-	-	-	1,218,218
<b>Receivable from late payment penalty (Note 8)</b>				
<u>Related party</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	8,908,385	-	5,840,359	-
<b>Total</b>	<b>8,908,385</b>	<b>-</b>	<b>5,840,359</b>	<b>-</b>
<b>Other accounts receivable (Note 8)</b>				
<u>Subsidiary</u>	-	-	363,243	-
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	1,229,365	31,770	1,229,365	31,770
Joint venture TSP-CTV	2,468,169	1,745,798	2,468,169	1,745,798
Khon Kaen Cho Thavee (1993) Co., Ltd.	34,705	14,560	34,705	14,560
Khon Kaen City Development (KKT) Co., Ltd.	139,100	139,100	139,100	139,100
OJ Development Co., Ltd.	321,000	-	321,000	-
<b>Total</b>	<b>4,192,339</b>	<b>1,931,228</b>	<b>4,555,582</b>	<b>1,931,228</b>
<b>Advance payment (Note 8)</b>				
<u>Subsidiary</u>	-	-	4,225,180	-
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	779,329	-	779,329	-
Joint venture TSP-CTV	10,950	10,950	10,950	10,950
Mr. Suradech Taweangsakulthai	3,998,500	-	-	-
<b>Total</b>	<b>4,788,779</b>	<b>10,950</b>	<b>5,015,459</b>	<b>10,950</b>
<b>Retention (Note 8)</b>				
<u>Related parties</u>				
Joint venture SCN-CHO	51,228,053	-	51,228,053	-
<b>Total</b>	<b>51,228,053</b>	<b>-</b>	<b>51,228,053</b>	<b>-</b>
<b>Trade accounts payable (Note 23)</b>				
<u>Subsidiary</u>	-	-	-	40,118
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	412,700	348,500	412,700	348,500
Ruamthavee Khonkaen Co., Ltd.	25,632	35,324,393	25,632	35,324,393
Ruamthavee Showroom Co., Ltd.	2,349,994	25,898	2,349,994	25,898
Volrep Truck and Bus Co., Ltd.	1,055,481	718,139	1,055,481	718,139
Tang Hua Singh Nakhonpathom Ltd. Partnership	-	30,607,390	-	30,607,390
<b>Total</b>	<b>3,843,807</b>	<b>67,024,320</b>	<b>3,843,807</b>	<b>67,064,438</b>

**Cho Thavee Public Company Limited**  
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**39 Related party transactions (Cont'd)**

- b) Outstanding balance arising from sale/purchases of goods and services and others as at 31 December 2018 and 2017 is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Other accounts payables (Note 23)</b>				
<u>Subsidiary</u>	-	-	-	-
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	-	1,526,034	-	1,526,034
Volrep truck and Bus Co., Ltd.	89,880	-	-	-
Ms. Aussana Taweesangsakulthai	200,000	200,000	200,000	200,000
Mr. Suradech Taweesangsakulthai	649,522	623,367	649,522	623,367
<b>Total</b>	<b>939,402</b>	<b>2,349,401</b>	<b>846,522</b>	<b>2,349,401</b>
<b>Accrued interest (Note 23)</b>				
<u>Related parties</u>				
Mr. Suradech Taweesangsakulthai	213,896	-	-	-
<b>Total</b>	<b>213,896</b>	<b>-</b>	<b>-</b>	<b>-</b>

- c) The movement of short-term loans to subsidiary for the years ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	-	-	87,922,357	70,924,297
Additions	-	-	70,806,991	89,700,000
Repayments	-	-	(75,859,459)	(72,701,940)
<b>Ending balance</b>	<b>-</b>	<b>-</b>	<b>82,869,889</b>	<b>87,922,357</b>

At 31 December 2018 and 2017, outstanding short-term loans to subsidiary represent unsecured short-term loans denominated in Thai Baht and bear interest at the rate 7.00%. The loans are due for settlement at call.

- d) The movement of short-term loans from related parties for the year ended 31 December 2018 and 2017 comprises:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	-	-	-	-
Additions	77,854,220	-	58,954,220	-
Repayments	-	-	-	-
<b>Ending balance</b>	<b>77,854,220</b>	<b>-</b>	<b>58,954,220</b>	<b>-</b>

At 31 December 2018, outstanding short-term loans from related parties represent unsecured short-term loans denominated in Thai Baht. The short-term loans of the Company bear interest at the rate 6.00% and the short-term loans of the Group bear interest at the rate 6.00% - 8.00% (2017 : none). The loans are due for settlement at call.

The fair values of short-term loans to subsidiary equal their carrying amount, as the impact of discounting is not significant.

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**40 Commitments**

**a) Forward foreign currency exchange contracts**

At 31 December 2018 and 2017, the settlement dates on open forward contracts ranged between 1 month and 6 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

	Consolidated financial statements					
	Contract amount		Contract rate		2018 Baht	2017 Baht
	2018	2017	2018	2017		
<b>Foreign currency</b>						
<b>Buying forward contract</b>						
USD	500,000	201,802	32.61	32.62 - 33.09	16,305,000	6,593,355
EUR	100,000	205,437	37.60	39.28 - 39.50	3,760,000	8,083,117
JPY	20,000,000	-	0.30	-	5,880,000	-
SGD	-	350,000	-	24.20 - 24.25	-	8,480,000
Contract value					25,945,000	23,156,472
Fair value					25,823,525	23,196,652
Unrealised gain (loss) from financial instrument					(121,475)	40,180
<b>Selling forward contract</b>						
USD	239,465	6,736	32.74 - 33.09	33.37	7,858,317	224,780
EUR	233,873	355,955	37.25 - 39.22	38.90 - 39.46	8,924,490	13,918,871
SGD	423,125	-	23.59 - 23.85	-	10,048,903	-
Contract value					26,831,710	14,143,651
Fair value					26,474,349	14,160,067
Unrealised gain (loss) from financial instrument					357,361	(16,416)
Financial instrument assets (liabilities)					235,886	23,764
<b>Separate financial statements</b>						
	Contract amount		Contract rate		2018 Baht	2017 Baht
	2018	2017	2018	2017		
<b>Foreign currency</b>						
<b>Buying forward contract</b>						
USD	500,000	100,000	32.61	32.62	16,305,000	3,262,000
EUR	100,000	205,437	37.60	39.28 - 39.50	3,760,000	8,083,117
JYP	20,000,000	-	0.30	-	5,880,000	-
SGD	-	350,000	-	24.20 - 24.25	-	8,480,000
Contract value					25,945,000	19,825,117
Fair value					(25,823,525)	19,856,834
Unrealised gain (loss) from financial instrument					(121,475)	31,717
<b>Selling forward contract</b>						
USD	239,465	6,736	32.74 - 33.09	33.37	7,858,317	224,780
EUR	233,873	355,955	37.25 - 39.22	38.90 - 39.46	8,924,490	13,918,871
SGD	423,125	-	23.59 - 23.85	-	10,048,903	-
Contract value					26,831,710	14,143,651
Fair value					26,474,349	14,160,067
Unrealised gain (loss) from financial instrument					357,361	(16,416)
Financial instrument assets (liabilities)					235,886	15,301

The fair value of foreign exchange forward contracts is determined by using rates quoted by Group's counter parties to terminate the contracts at 31 December 2018 and 2017 and are within level 2 of the fair value hierarchy.



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**40 Commitments (Cont'd)**

**b) Commitments under letter of guarantee**

In the course of its business, the Company provides guarantees and letter of credit generally through the banks to its suppliers for the performance bond and electricity.

As at 31 December 2018 and 2017, the bank guarantees issued on behalf of the Company were outlined below:

	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Performance bond	324,133,637	350,152,536
Electricity	1,200,000	1,200,000
	<u>325,333,637</u>	<u>351,352,536</u>

**c) Commitments under unused letter of credits**

The Bank provides letter of credit generally through to its suppliers for the purchases of merchandise.

As at 31 December 2018 and 2017 the letter of credits issued on behalf of the Group were outlined below:

	<b>Consolidated financial statements</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Foreign currency</b>	<b>Baht or Baht equivalent</b>	<b>Foreign currency</b>	<b>Baht or Baht equivalent</b>
Unused letter of credits	EUR 134,599	5,045,901	EUR 306,620	12,078,927
	USD 1,856,930	60,563,403	USD 3,294,816	108,225,477
			CNY 33,866	171,939
			SGD 428,400	10,594,075
		<u>65,609,304</u>		<u>131,070,418</u>
	<b>Separate financial statements</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Foreign currency</b>	<b>Baht or Baht equivalent</b>	<b>Foreign currency</b>	<b>Baht or Baht equivalent</b>
Unused letter of credits	EUR 134,599	5,045,901	EUR 306,620	12,078,927
	USD 1,803,397	58,817,423	USD 3,276,390	107,620,238
			CNY 33,866	171,939
			SGD 428,400	10,594,075
		<u>63,863,324</u>		<u>130,465,179</u>

**d) Commitments under agreements**

As at 31 December 2018 and 2017, the Group and the Company had operating lease commitments in respect of rental of land and buildings, vehicle and others which have obligation to pay under non-cancellable operating lease agreements as following:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>2018 Baht</b>	<b>2018 Baht</b>
<b>Due within the years ending</b>		
31 December 2019	6,371,100	6,071,100
31 December 2020	2,858,300	2,826,300
31 December 2021	2,529,450	2,529,450
	<u>11,758,850</u>	<u>11,426,850</u>
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>2017 Baht</b>	<b>2017 Baht</b>
<b>Due within the years ending</b>		
31 December 2018	5,176,700	4,876,700
31 December 2019	3,164,500	3,116,500
31 December 2020	2,254,700	2,234,700
	<u>10,595,900</u>	<u>10,227,900</u>

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**40 Commitments (Cont'd)**

**e) Capital commitment**

Capital expenditure contracted as at 31 December 2018 and 2017 but not recognised in the financial information is as follows:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Equipment for E - ticket project	128,937,400	240,872,863	128,937,400	240,872,863
Computer software for E - ticket project	9,295,635	18,960,000	9,295,635	18,960,000
	<u>138,233,035</u>	<u>259,832,863</u>	<u>138,233,035</u>	<u>259,832,863</u>

**41 Share-based payment**

During 2014, the major shareholder of the Group expressed the desire to give warrants to selected employees of the Group with no condition. Management found that such event shall fall within Thai Financial Reporting Standard no. 2, share-based payment, which resulted in the increase in share-based payment expenses in the financial statements of the Group. The major shareholder of the Group expressed the desire to give the warrants to employees of parent company and its subsidiary in 6,905,100 warrants and 496,300 warrants, respectively, totaling 7,401,400 warrants. The result of expressing increased the share-based payment expenses in the consolidated and company statements of comprehensive income for the year ended 31 December 2014 in amount of Baht 29,013,488 and Baht 27,067,992, respectively and share premium from share-based payment in the consolidated and separate statement of financial position as at 31 December 2014 in amount of Baht 29,013,488 and Baht 27,067,992, respectively.

**42 Promotional privileges**

The Group received the following promotional privileges from the Board of Investment as follows:

Company	BOI Certificate No.	Date of Approval	Products	Income first derived date	Privilege expired date	Significant privilege *				
						1	2	3	4	5
Cho Thavee Public Company Limited	2417(2)/2553	18 October 2010	Fabrication industry or Platform maintenance	5 April 2011	4 April 2019	✓	✓	✓	✓	✓
Cho Thavee Thermo Tech Co., Ltd.	1746(2)/2548	13 July 2005	Sandwich panel product	14 March 2005	13 March 2014	✓	✓	✓	✓	✓

\* Significant privileges consist of:

- 1) Exemption from import duty on approved machinery.
- 2) Exemption from payment of corporate income tax not in excess of 100% of the investment amount excluding cost of land and working capital for the period of eight years from the date income is first derived.
- 3) Allowance to deduct from the taxable corporate income up to 25% of the capital investment in the costs of installing infrastructural facilities apart from normal depreciation.
- 4) Exemption from payment of import duty on imported raw material and supplies to be used in the manufacturing of goods for export sales for a period of five years from the first import date
- 5) Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

As a promoted entity, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

The operating results for the years ended 31 December 2018 and 2017 classified as sales under non-BOI promoted activities.

**Cho Thavee Public Company Limited**  
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**43 Post statement of financial position event**

At the Board of Directors Meeting No. 1/2019 on 22 January 2019, the Board of Directors passed a resolution approving the issuance and offering of debentures for operating purposes. The Company then offered unsubordinated, unsecured debentures with a registered name and bond holder's representation to the public and/or institutional investors. The Company offered not over than 600,000 units. The debentures had a par value of Baht 1,000 per unit, so aggregating not over than to Baht 600 million. Interest is carried at 6.75% per annum and will be paid every three months. The debentures have a lifespan of two years and mature on 22 February 2021.

The Board of Directors Meeting No.2/2019 on 25 February 2019 and agreed to present a proposal to the Annual General Shareholders' Meeting as follow:

Decrease share capital

Approved to decrease the registered share capital from 1,841,118,481 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 460,279,620.25, to newly registered share capital of 1,308,886,517 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 327,221,629.25. This would be done by cancelling unissued shares which were left over from the ordinary share allotment of 532,231,964 ordinary shares at a par value of Baht 0.25 per share, totalling Baht 133,057,991.

Ordinary share allotment with general mandate

Approved to allocate newly ordinary shares issuance under the general mandate basis, offering proportionately to the company's shareholders (Rights Offering), in an amount of not exceeding 30% of the paid-up capital of the Company as of the date that the Company's Board of Directors pass a resolution for the capital increase or not exceeding 392,665,955 shares, at par value of Baht 0.25 per share.

Issuance and offering warrants

Approved to issue and offer warrants for purchasing of newly issued ordinary shares Series 2 (CHO-W2), offering to the company's shareholders (Rights Offering), by issuing new 654,443,258 ordinary shares at par value of Baht 0.25 per share to support warrants in 654,443,258 units. The newly issued ordinary shares shall not exceeding 50% of the paid-up capital of the Company.

Increase share capital

Approved to increase the registered share capital from 1,308,886,517 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 327,221,629.25 to newly registered share capital of 2,355,995,730 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 588,998,932.50. This would be done by issuing new 1,047,109,213 ordinary shares at par value of Baht 0.25 per share, totalling Baht 261,777,303.25, to support the General Mandate and exercises of the company's Warrants for purchasing ordinary shares Series 2 (CHO-W2).

# CHO



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