



Annual Report 2019

บริษัท ช ทวี จำกัด (มหาชน)
CHO THAVEE PUBLIC COMPANY LIMITED



**WE ARE
THE ENGINEERING & MANAGEMENT INTEGRATOR**

TABLE OF CONTENTS

Vision and Mission	3
Message from the Chairman & Message from CEO	4
Audit Committee's Report	6
The Committees	8
The Executives Committee	10
Board of Directors, Executives and Company Secretary's Information	12
The Managerial Structure	26
Corporate Governance	38
General and Other Important Information	66
Research and Development	70
Overall Policy and Business Operation	74
Business Characteristic	91
Securities and Shareholder Information	116
Social Responsibilities	122
Internal Control and Risk Management	124
Risk Factors	128
Related Transactions	134
Report on The Board of Director's Responsibilities for Financial Statements	148
Financial Position and Operation Results	149
Management's Discussion and Analysis	156
Financial Statements 2019	168

About Us

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. ("LINFOX"), 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 and Mission

Vision

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 development

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

Message from the Chairman of the Board of Directors



In 2019, CHO proved again that we were strong enough to overcome many problems: economic factors both in and outside country. We had improved turnover from the operation which conformed with changes systematically.

We persist in performing our work according to CHO 2023 with responsibility to society and environment as well as building value to company's businesses through bringing technology to support sales. This can create more opportunity for us to produce our products that can meet customers' needs. Moreover, the analysis of production cost management and the operations of 2019 will increase the ability in market competition in our home and other countries; this is included with a provision that will support accounts standard and new accounts methods that are effective since the beginning of 2020, such as Thai Financial Reporting Standard (TFRS9). These are our supportive

instruments in this year (2020).

We also received the award 'Thailand Sustainability Investment 2019 (THSI)' for five consecutive years; the award is handed to companies whose business is performed sustainably with environmental management, society and corporate governance.

Lastly, we would like to thank everyone who provide us trust, reliance and support for our operation our shareholders, business partners, the board, all employees, including every stakeholder. We share the same goal 'stable and sustainable grow'.

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

Message from the President and Chief Executive Officer



In 2018, we faced the problem and made a pledge to our investors that CHO had to rebuild strength in 2019, and last year, 2019, we were able to do as we promised completely. We have earned benefits from executions until all accumulated losses were deleted. The proportion of company's finance, such as D/E, went back to not over; it was about two times as the rate in the benefits per share. There was a significant improvement. After 2019, we have brought back our financial strength in 2019, which is the year of untoward economy in Thailand, but CHO has always laid work in the field of rental transportation products. This makes us certain that this year we will be able to adjust the amount as it was set in the goal. In 2019, there were affecting factors from foreign countries; in 2020 this situation has affected our main export product which is airplane food transferring car, which its order is being decelerated. However, as the provision made since 2017, in 2020 we have a chance to export the car to Japan, and overseas markets that we have laid a

foundation over several years have responded.

Another project CHO has collaborated with ALLS Hostings Co.,Ltd. is the project of manufacturing London Taxi in Thailand. This car will be able to be available for service in 2020 as CHO is an engineering consultant and provides after sales service, which brings about earnings from service as well.

The year 2020 is the year that we can show the ability of technology and production.

(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 2019's, there were 10 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	10/10
Mr. Asa Prateepasen	10/10
Mr. Chatchawan Triamvicharnkul	10/10

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 2019 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 2019, and offering the appropriate remuneration accordance with the performance and responsibility, to KPMG Phoomchai Audit Limited. 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 2019, 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 2019 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, 2020

The Board of Directors

The Board of Directors

The Board of Directors



1

1

Ms. Phenphimol Vejvarut
- Board of Directors,
Chairman

2

2

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

5

3

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

6

4

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

4

5

Ms. Asana Taweesaengsakulthai
- Director
- Authorized Directors
- Executive Director
- First Senior Executive Vice President
/ Senior Deputy CEO

6

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

7

7

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

3

The Executives Committee



Mr. Suradech Taweesaengsakulthai
President and Chief Executive Officer



Ms. Asana Taweesaengsakulthai
First Senior Executive Vice President
/ Senior Deputy CEO



Mr. Narong Ongartmaneerut
Senior Executive Vice President
/ Deputy CEO



Mr. Nititorn Deeumpai
Executive Vice President
/ Chief Financial Officer



Mr. Prasobsuk Boonkwan
Executive Vice President
/ Chief Business Development Officer
- Domestic



Mr. Padungdetch Euasookkul
Executive Vice President
/ Chief Business Development Officer
- Overseas



Mr. Sven Markus Gaber
Executive Vice President
/ Chief Marketing Officer - Overseas



Mr. Sakarin Unnim
Executive Vice President
/ Chief Marketing Officer - Domestic



Mr. Nopparrat Sangsawang
Executive Vice President
/ Chief Production Officer



Mr. Apichai Chumsri
Executive Vice President
/ Chief Risk Management Officer



Mr. Nirut Sumongkol
Executive Vice President
/ Chief Design Engineering Officer



Mr. Bamrung Chinsombat
Executive Vice President
/ Chief Services Officer



Mr. Chatchai Kantawirut
Executive Vice President
/ Chief of Organizational Excellence



Mr. Phard Pimrin
Executive Vice President
/ Chief Information Officer

Board of Directors, Executives and Company Secretary's Informaion



Ms. Phenphimol Vejvarut

- Board of Directors, Chairman

Appointed : On November 14, 2012

Age : 58 year old.

Shareholding in the company (%) : 0.025

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

Education and Training :

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

Work Experiences (Last 5 years) :

2012 - 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.

1989 - Present : Director, Tang Hua Sing Nakhon Pathom Co., Ltd.

1967 - 2019 : 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 : On November 18, 1994

Age : 53 year old.

Shareholding in the company (%) : 34.049

Stake in the company of their spouses and minor children : 5.244 %

Work Experiences (Last 5 years) :

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 – 2019 : 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 : Associate Dean Collage of Local
Administration (COLA), 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 – 2017 : Director, KhonKaen Cho Thavee
Limited Partnership

1992 – 2015 : Director
Volrep Truck and Bus Co., Ltd.

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
- Chief Transformation Officer : CTO Course
by Market for Alternative Investment - MAI



Asst. Prof. Dr. Anusorn Tamajai

- Independent Director

- Audit Committees, Chairman

Appointed : On October 12, 2012

Age : 53 year old.

Shareholding in the company (%) : none

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

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 By IOD
- Strategy and Policy Development By IOD
- Audit Committee Program (ACP) 11/2006 By IOD
- Role of the Chairman Program (RCP) 19/2008 By IOD
- Role of the Compensation Committee (RCC) By IOD
- Financial Statement for Directors (FSD) By IOD
- Monitoring the System of Internal Control and Risk Management (MIR) By IOD
- Monitoring the Quality of Financial Reporting (MFR) 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

Education and Training (cont.):

- 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

Work Experiences (Last 5 years) :

2012– Present : Independent Director and Chairman of Audit Committee Cho Thavee Public Company Limited

Other Listed Companies :

2002–2016 : Chairman of Audit Committee
Bangchak Petroleum Public Company Limited

Non-listed Companies :

- 2016–Present : Chairman, Bangchak Bioethanol (Chachoengsao) Co., Ltd.
- 2019–Present : Director, Centre for Economics and Business Research, Institute of Economics
- 2019– Present : Committee, Advanced Certificate Course in Public Administration and Law for Executives Committee, Diploma course in Public Economics Management for Executives, King Prajadhipok's Institute
- 2019– Present : Subcommittee, Government Service Development for Good Governance Promotion, Office of the Public Sector Development Commission
- 2019– Present : Subcommittee, Screening Law for Benefit and Allowance Development, Social Security Office, Ministry of Labour Subcommittee, MOU Preparation for Evaluation of State Enterprise, Committee on State Enterprise Policy, Department of Finance
- 2013– 2018 : Vice President of Research and Academic Service, Rangsit University
- 2007– 2019 : Dean of the Faculty of Rangsit University
- 2007– 2019 : Director , Freedom Media for Reform Co., Ltd
- 2015– 2018 : Director , 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 Committee

Appointed : On February 26, 2013

Age : 55 year old.

Shareholding in the company (%) : none

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

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) class 07/2015
- 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)

Education and Training (cont.):

- 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

Work Experiences (Last 5 years) :

- 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 ACAP Advisory Public Company Limited.
- 2004 – 2014 : Independent Director and Audit Committee 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
- Audit Committee
- Corporate Governance, Risk Management, Nomination and Compensation Committee

Appointed : On October 12, 2012

Age : 59 year old.

Shareholding in the company (%) : none

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

Education and Training (cont.) :

- Understanding fundamental financial statement class 11/2007
- Finance for Non-finance-director (FND) class 37/2007
- Director certification program (DCP) class 94/2007

Work Experiences (Last 5 years) :

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

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



Ms. Asana Taweessangsakulthai

- Director
- Authorized Directors
- Executive Director
- First Senior Executive Vice President / Senior Deputy CEO

Appointed : On August 15, 1995

Age : 65 year old.

Shareholding in the company (%) : 3.018

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

Education and Training :

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

Work Experiences (Last 5 years) :

2019 – Present : First Senior Executive Vice President / Senior Deputy CEO

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 – 2019 : Director, Joint Venture TSP-CTV
2009 – Present : Director of OJ Development Co., Ltd.
1992 – Present : Director Volrep Truck and Bus Co., Ltd.
1989 – Present : Director Bangkok CTV Intertrade Co., Ltd



Mr. Siriwat Taveesangsakulthai

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

Appointed : On October 12, 2012

Age : 41 year old.

Shareholding in the company (%) : none

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

Education and Training :

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

Work Experiences (Last 5 years) :

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.



Mr. Narong Ongartmaneerut

- Executive Director
- Senior Executive Vice President / Deputy CEO

Appointed : On December 25, 2018

Age : 58 year old.

Shareholding in the company (%) : none

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

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

Work Experiences (Last 5 years) :

2019 - Present : Senior Executive Vice President / Deputy CEO

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.
- 2017-2019 : 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,
Pram 2 Medical Group Co.,Ltd



Mr. Prasobsuk Boonkwan

- Executive Director
- Executive Vice President / Chief Business Development Officer- Domestic

Appointed : On June 1, 2011

Age : 52 year old.

Shareholding in the company (%) : 0.001

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

Education and Training :

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

Work Experiences (Last 5 years) :

2020 - Present : Executive Vice President / Chief Business
Development Officer- Domestic

2011- Present : Executive Director

2015 - 2020 : 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
- Executive Vice President / Chief Business Development Officer- Overseas

Appointed : On July 21, 2015

Age : 48 year old.

Shareholding in the company (%) : 0.0005
Stake in the company of their spouses and minor children : 0.025%

Education and Training :

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

Work Experiences (Last 5 years) :

2020- Present : Executive Vice President
 / Chief Business Development Officer- Overseas
 2015- Present : Executive Director
 2015- 2020 : 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
- Executive Vice President
 / Chief Marketing Officer - Overseas

Appointed : On June 1, 2011

Age : 52 year old.

Shareholding in the company (%) : none
Stake in the company of their spouses and minor children : none

Education and Training :

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

Work Experiences (Last 5 years) :

2020- Present : Executive Vice President
 / Chief Marketing Officer – Overseas
 2011- Present : Executive Director
 2011- 2020 : Chief Marketing Officer, Overseas
 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
- Executive Vice President
/ Chief Marketing Officer Domestic

Appointed : On July 21, 2015

Age : 50 year old.

Shareholding in the company (%) : 0.009

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

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
- Data creation for Bus license on Special highway by Department of Highways

Work Experiences (Last 5 years) :

2020– Present : Executive Vice President
/Chief Marketing Officer - Domestic

2015– Present : Executive Director

2015– 2020 : 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
- Executive Vice President
/ Chief Production Officer

Appointed : On June 1, 2011

Age : 52 year old.

Shareholding in the company (%) : 0.010

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

Education and Training :

- Master Degree, Faculty of Business Administration, Ramkhamhaeng University
- Bachelor Degree, Production Engineering, King Mongkut's University of Technology Thonburi
- ISO14001:2015 Requirement by INDUCTION SAFETY & TRAINING EQUIPMENT CO.,LTD
- Preparation for apply in professional supervision licensed by Council of Engineers Thailand

Work Experiences (Last 5 years) :

2020- Present : Executive Vice President
/ Chief Production Officer

2011- Present : Executive Director

2011- 2020 : 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

2016– Present : Director JVOPV Joint Venture

2016– Present : Director JVCC Joint Venture

2015– Present : Director, KhonKaen Cho Thavee (1993) Co., Ltd.

2015– Present : Director, O J Development Co., Ltd.

1998 - 2011 : Manager, Production Management Department
Cho Thavee Dollasien Company Limited.



Mr. Apichai Chumsri

- Executive Director
- Executive Vice President
/ Chief Risk Management Office

Appointed : On June 4, 2013

Age : 51 year old.

Shareholding in the company (%) : 0.004

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

Education and Training :

- Bachelor Degree of Science in Technical Education Program in Industrial Engineering Welding Fabrication. Rajamangala University of Technology Isan Khonkaen Campus. Certificate, MINI MBA Kasetsart University, Si Racha Campus.
- HOW TO DEVELOP A RISK MANAGEMENT PLANHRP 9/2016 by IOD
- Strategic Risk Management by Thailand Productivity Institute
- Sustainability Risk and Materiality Analysis class 1
- ISO14001:2015 Requirement & Internal Audit by
- Induction Safety & Training Equipment Co., Ltd.
- OKRs in Action by The KhonKaen Chamber of Commerce

Work Experiences (Last 5 years) :

2020 - Present : Executive Vice President
/ Chief Risk Management Office
2013 - Present : Executive Director
2013 - 2020 : 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
- Executive Vice President
/ Chief Design Engineering Officer

Appointed : On June 4, 2013

Age : 54 year old.

Shareholding in the company (%) : 0.017

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

Education and Training :

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

Work Experiences (Last 5 years) :

2020- Present : Executive Vice President /
Chief Design Engineering Officer
2013- Present : Executive Director
2013- 2020 : Chief Design Engineering Officer
Cho Thavee Public Company Limited.

Other Listed Companies :

- none -

Non-listed Companies :

1994- 2013 : Engineering manager Cho Thavee
Dollasien Company Limited.



Mr. Bamrung Chinsomba

- Executive Director
- Executive Vice President / Chief Services Officer

Appointed : On July 21, 2015

Age : 66 year old.

Shareholding in the company (%) : none
Stake in the company of their spouses and minor children : none

Education and Training :

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

Work Experiences (Last 5 years) :

2020– Present : Executive Vice President
/ Chief Services Officer

2015 – Present : Executive Director

2015 – 2020 : 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
- Executive Vice President
/ Chief of Organizational Excellence

Appointed : On January 1, 2017

Age : 39 year old.

Shareholding in the company (%) : 0.0002
Stake in the company of their spouses and minor children : none

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 by KKUIC
- TQA Criteria by 2/2016 and 9/2014 by FTPI
- TQA Application Report Writing class 4/2016 and 3/2014 by 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
- ISO14001:2015 Requirement
- ISO 14001:2015 internal Audit by Induction Safety & Training Equipment Co., Ltd.
- Encouragement for Corporate Social Responsibility by Ministry of Social Development and Human Security

Work Experiences (Last 5 years) :

2020– Present : Executive Vice President
/ Chief of Organizational Excellence

2017 – Present : Executive Director

2017 – 2020 : 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
- Executive Vice President / Chief Information Officer

Appointed : On January 18, 2018

Age : 48 year old.

Shareholding in the company (%) : 0.010
Stake in the company of their spouses and minor children : none

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
- ISO14001:2015 Requirement
- ISO 14001:2015 internal Audit by Induction Safety & Training Equipment Co.,Ltd
- Supervision of Information Technology by Political Science Association of Thammasat University under The Royal Patronage

Work Experiences (Last 5 years) :

- 2020 – Present : Executive Vice President / Chief Information Officer
- 2018 – Present : Executive Director
- 2015 – 2020 : Chief Information Officer, CSR committee Cho Thavee Public Company Limited.
- 2013 – 2018 : Information Technology Manager Cho Thavee Public Company Limited.

Other Listed Companies :

- none -

Non-listed Companies :

- 2001 – 2013 : Information Technology Manager Cho Thavee Dollasien Company Limited.



Miss Yinghathai Ponphangnga

- Company Secretary

Appointed : On June 1, 2011

Age : 44 year old.

Shareholding in the company (%) : 0.016
Stake in the company of their spouses and minor children : none

Education and Training :

- Master Degree, Faculty of Business Administration, KhonKaen University
- 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 Minute Taking (EMT) class 26/2013
- Company Secretary Program (CSP) class 48/2012

Work Experiences (Last 5 years) :

- 2013 - Present : Company Secretary
- 2013 - Present : Secretary of President and Chief Executive Officer.
- 2013 - Present : 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 will assume the highest responsibility in finance and accounting
Chief Financial Officer “CFO”) and The person supervising accounting (Chief Accountant)**

**The person who will assume the highest
responsibility in finance and accounting (CFO)**



Mr. Nititorn Deeumpai

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

Appointed : On April 3, 2014

Age : 50 year old.

Shareholding in the company (%) : 0.0007

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

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
- The CFO's role in stakeholder communications (English Session)
- SET Social Impact Day 2019

Work Experiences (Last 5 years) :

2020- Present : Executive Vice President / Chief Financial Officer

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 MAI a Listed Company Association

2011- 2016 : Financial Controller Dmed Hearing Center Co.,Ltd.

**The person supervising accounting
(Chief Accountant)**



Mrs. Panthong Nowa

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

Appointed : On July 26, 2008

Age : 50 year old.

Shareholding in the company (%) : 0.0006

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

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

Work Experiences (Last 5 years) :

2018 - Present : Chief Accountant

2019 - Present : Accounting-Finance Manager

2008 - 2020 : Accountant Manager,
Cho Thavee Public Company Limited.

Other Listed Companies :

- none -

Non-listed Companies :

- none -

Details of Directors Management, Controlling Persons and Company and Company Secretary of Related Companies as at December 31, 2019

List	CHO	The Related Companies																								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Board of Director																										
Ms. Phenphimol Vejvarut	X			/			/				/															
Mr. Suradech Taweesaengsakulthai	/, XX	/				/			/			/	A	A				A	A		/					
Asst. Prof. Dr. Anusorn Tamajai	/																				/		/			
Mr. Chatchawan Triamvicharnkul	/																					/		/	/	
Prof. Dr. Asa Prateepasen	/																									
Ms. Asana Taweesangsakulthai	/, //		/				/			/				A												
Mr. Siriwat Taveesangsakulthai	/, //			/			/	/											/							
Executive Committee and Management																										
Ms. Narong Ongartmaneerut	//																									
Mr. Nititorn Deeumpai	//																									
Mr. Prasobsuk Boonkwan	//														A											
Mr.Sven Markus Gaber	//																									
Mr. Nopparat Sangsawang	//	/							/			A					A									
Mr. Apichai Chumsri	//																									
Mr. Nirut Sumongkol	//																									
Mr. Padungdetch Euasookkul	//																									
Mr. Bamrung Chinsombat	//																									
Mr. Sakarin Unnim	//																									
Mr. Chatchai Kantawirut	//																									
Mr. Phard Pimrin	//																									
Company Secretary																										
Miss Yinghathai Ponphangnga																										

Annotation

X = Chairperson of the Company

/ = Board of Director

XX = Chief Executive Officer

// = Executive Director

A = Authorized Directors

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 Co., Ltd.

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 Ltd.

20. KKTT Holding Co., Ltd.

21. Bangchak Bioethanol (Chachoengsao) Co., Ltd.

22. Smart Consulting and Services Co., Ltd.

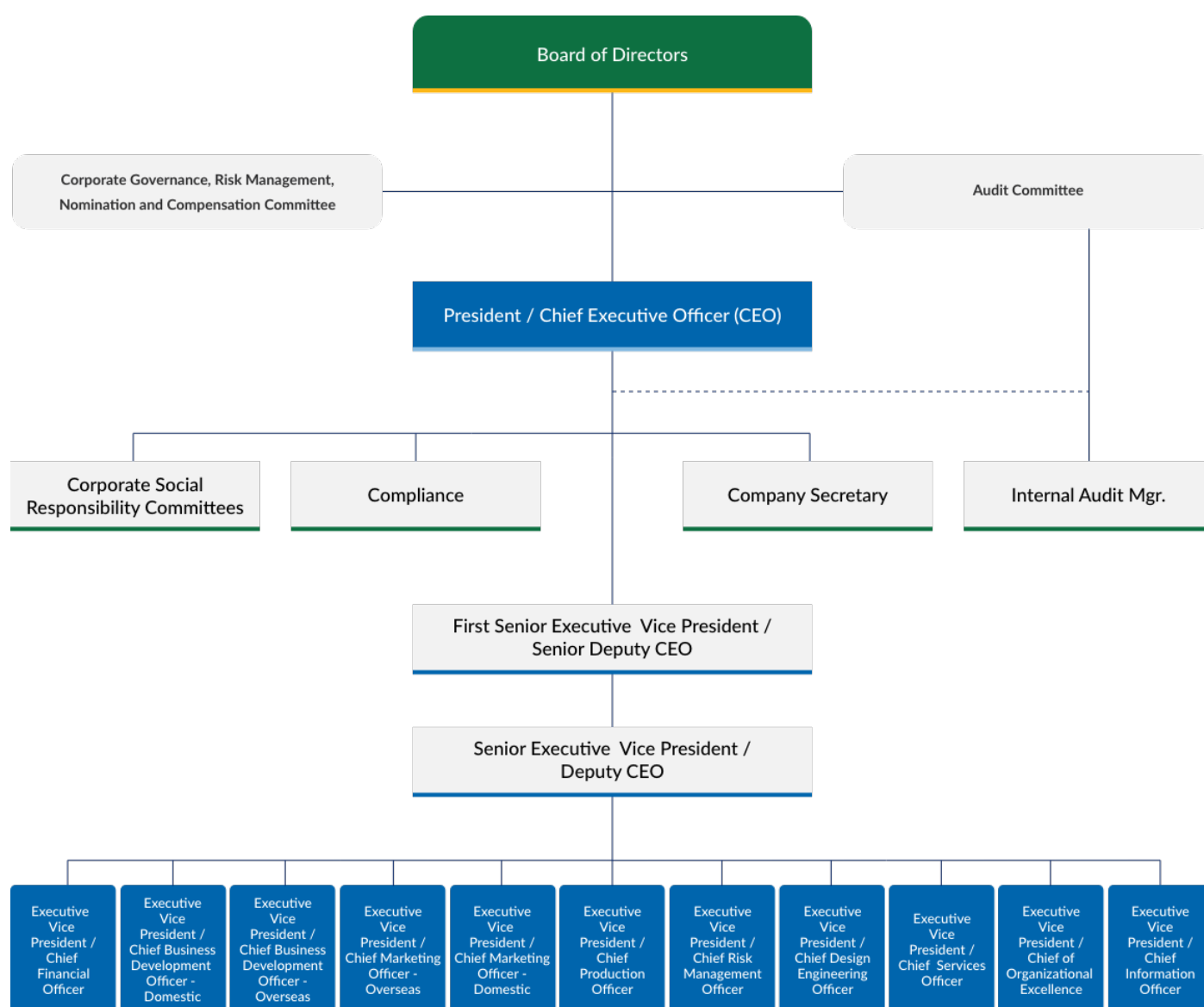
23. Freedom Media for Reform Co., Ltd.

24. Apex Development Public Co., Ltd.

25. Star Universal Network Public Co.,

The Managerial Structure

The company's managerial structure as at December 31, 2019, 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, 2019, 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 Taweessangsakulthai	Director
7. Mr. Siriwat Taveesangsakulthai	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 Taweessangsakulthai, and affixed with the company's seal.

The limitation of the directors' authority : none

1.2 Audit Committee

As at December 31, 2019, 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. Aporn Suriya is the secretary to the audit committee

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

As at December 31, 2019, 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 Taveesangsakulthai	The committee

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

Statistical data of the Company's Directors attending the Meeting in 2017-2019

List of directors	2017			2018			2019		
	The company's Director	Audit Committee	The CGR	The company's Director	Audit Committee	The CGR	The company's Director	Audit Committee	The CGR
Ms. Phenphimol Vejvarut	6/6	--	--	10/10	--	--	6/7	--	--
Mr. Suradech Taweesaengsakulthai	6/6	--	--	10/10	--	--	6/7	--	--
Mr. Anusorn Tamajai	6/6	9/9	--	10/10	9/9	--	7/7	10/10	--
Mr. Chatchawan Triamvicharnkul	6/6	9/9	5/5	10/10	9/9	5/5	7/7	10/10	5/5
Mr. Anusorn Tamajai	6/6	9/9	5/5	10/10	9/9	5/5	7/7	10/10	5/5
Ms. Asana Taweesaengsakulthai	6/6	--	--	10/10	--	--	7/7	--	--
Mr. Siriwat Taweesaengsakulthai	6/6	--	5/5	10/10	--	4/5	5/7	--	5/5

1.4 Executive Board

As at December 31, 2019, the company's executive board has 15 persons comprising of:

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

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

Remark : Ms. Somnuk Sangin The Executive Director/Vice President has vacated a position due to resign from the company on May 1, 2019

2. Management

Company's Management

As at February 24, 2020, the Company has 15 Managements comprising of:

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

Remark: -The Executive Committee's meeting no. 3/2018 held on January 30, 2018 had a resolve to Change organization structure on Executive Directors position's name 2-14 , and the Board of Director's meeting No.2/2020 acknowledged the resolve on February 25, 2020, and the appointment was effective on February 24, 2020 onwards.

- Ms. Somnuk Sangin The Executive Director/Vice President has vacated a position due to resign from the company on May 1, 2019

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 Annual Registration Statements (Form 56-1) Annual Reports and 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, 2019, the Company CSR committee comprising of:

Name	Position	Position in CSR Committee
Mr.Suradech Taweesaengsakulthai	President and Chief Executive Officer	Chairman
Mr.Siriwat Taveesangsakulthai	Executive Director	Committee
Mr. Apichai Chumsri	Chief Risk Management Officer	Committee, Consultant to Special Activity Group
Mr. Nopparat Sangsawang	Chief Production Officer	Committee, Consultant to Special Activity Group
Mr. Prasobsuk Boonkwan	Chief Business Development Officer - Domestic	Committee,
Mr. Nirut Sumongkol	Chief Design Engineering Officer	Committee, Consultant to Happy Workplace Group
Mr. Chatchai Kantawirut	Chief of Organizational Excellence	Committee, Consultant to Environmental Activity Group
Mr. Phard Pimrin	Chief Information Officer	Committee,
Mr. Sommai Kaewvisath	Smart City Project Manager	Committee, Chair Man of Environmental Activity Group
Mr. Winyou Ingo	Domestic Sale Manager	Committee, Chair Man of Special Activity Group
Mr. Sommai Kaewvisath	Smart City Project Manager	Committee, Chair Man of Environmental Activity Group
Mr. Piyapong Jewmuang	Chief Production Officer of Cho Thavee Thermotech Co., Ltd.	Committee,
Mr. Nikom Polsoongnern	Wang Noi Service Center Manager	Committee
Mr.Nattaporn Muangjanta	Assistant Manager, Law Department	Committee
Ms. Thanyaphat Noipracha	Document Controller, QMR 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

The Company has established a set of will-defined and transparent remuneration policies for directors. The CGR Committee is responsible for reviewing these policies, In 2020 the Company's Board of Directors reached a consensus on proposing to the Meeting to consider approving the 2020 Company's remuneration of directors, Audit Committee, Corporate Governance, Risk Management, Nomination and Remuneration Committee at the same amount as 2019 ,Including medical care expenses to propose the agenda to the Shareholder's Meeting for approval

On 24rd April 2019, 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 :

- Audit Committee Chairman THB 12,500 / month/person
- Audit Committee THB 10,000 /month/person

	Monthly Remuneration (THB/Person) in 2019
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 2019 not over than 4 million baht, the chairman of the company is authorized in determining the allocation of bonus to each director. In the 2019, 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 2018-2019

List of the director	2018					2019				
	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
1.Ms. Phenphimol Vejvarut	125,000	--	--	--	125,000	75,000	--	--	--	75,000
2.Mr. Suradech Taweesaengsakulthai	100,000	--	--	--	100,000	60,000	--	--	--	60,000
3.Mr. Anusorn Tamajai	100,000	112,500	--	--	212,500	70,000	125,000	--	--	195,000
4.Mr. Chatchawan Triamvicharnkul	100,000	90,000	50,000	--	240,000	70,000	100,000	50,000	--	220,000
5.Mr. Asa Pra-teepasen	100,000	90,000	40,000	--	230,000	70,000	100,000	40,000	--	210,000
6.Ms. Asana Taweesaengsakulthai	90,000	--	--	--	90,000	70,000	--	--	--	70,000
7.Mr. Siriwat Taweesaengsakulthai	70,000	--	32,000	--	102,000	50,000	--	40,000	--	90,000

Remark : In 2019 ,No Directors has recieved monetary remunerations as position of Subsidiary company's Directors

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	2017		2018		2019	
	persons	million baht	persons	million baht	persons	million baht
Salary	13	14.83	14	15.92	15 ^{/1}	19.08
Bonus	11	0.93	14	1.08	15 ^{/1}	0
Welfare and fringe benefits(the provident funds, the savings in the cooperative, the benefits from The resignation)	11	0.96	14	1.11	15 ^{/1}	1.51
Total	13	16.72	14	18.11	15	20.59

Remark : In 2019 ,No Executive has recieved remunerations from Subsidiary company

/1 =Ms. Somnuk Sangin The Executive Director/Vice President has vacated a position due to resign from the company on May 1,2019

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 2019, 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 2019 the Company has contributed Saving for executives, totaling 15 persons amounts of THB 81,600 (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 2017-2019 the Company has a number of personnel in the designation are as follows.

	Number of employees (persons)		
	31 st December 2017	31 st December 2018	31 st December 2019
1. Permanent employee			
- Financial and Fund Management department	20	26	30
- Domestic Marketing department	15	21	28
- Overseas Marketing department	6	6	9
- Administration department	207	257	290
- Production department	442	476	418
- Internal Audit department	3	3	1
2. Temporary employee	--	--	--
Total	693	789	776

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

Remunerations for permanent employees (million Baht)	2016	2017	2018
Salary, bonus, OT, commissions ^{/1} , provident fund.	182.57	174.98	225.69
Total	182.57	174.98	225.69

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 2019, 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 2019, 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 2019	Institute Name
1.Mr. Suradech Taweesaengsakulthai (Chief Executive Officer)	-Chief Transformation Officer : CTO Course	-Stock Exchange of Thailand
2.Mr. Nititorn Deeumpai (Executive Officer)	-The CFO's role in stakeholder communications" (English Session) -SET Social Impact Day 2019	-Thai Listed Companies Association -Stock Exchange of Thailand
3. Mr. Sakarin Unnim (Executive Officer)	-Data creation for Bus license on Special highway by Department of Highways	Department of Highways
4.Mr.Nopparat Sangsawang (Executive Officer)	-ISO 14001:2015 Requirement -Preparation for applyin professional supervision licensed by Council of Engineers Thailand	-INDUCTION SAFETY & TRAINING EQUIPMENT CO.,LTD -Council of Engineers
5. Mr. Apichai Chumsri (Executive Officer)	-ISO 14001:2015 Requirement -ISO 14001:2015 internal Audit -OKRs in Action	-INDUCTION SAFETY & TRAINING EQUIPMENT CO.,LTD -The Khon kaen Chamber of Commerce
6.Mr. Chatchai Kantawirut (Executive Officer)	-ISO 14001:2015 Requirement -ISO 14001:2015 internal Audit -Encouragement for Corporate Social Responsibility	-INDUCTION SAFETY & TRAINING EQUIPMENT CO.,LTD -Ministry of Social Development and Human Security
7.Mr.Phard Pimrin (Executive Officer)	-ISO 14001:2015 Requirement -ISO 14001:2015 internal Audit -Chabot on Line OA -Encouragement for Corporate Social Responsibility -Supervision of Information Technology	INDUCTION SAFETY & TRAINING EQUIPMENT CO.,LTD Jump Space Co., Ltd -Ministry of Social Development and Human Security -Political Science Association of Thammasat University under The Royal Patronage

The participants are 7 persons out of total 19 persons. (Committee and Executive Director) The Company is also responsible for IOD registration for benefit on information and knowledge receiving.

(Unit : Hour)

Average of in-house/external training hours (per person, per year)	2017	2018	2019
Senior manager Executive Management	11.58	31.17	28.50
Department manager	23.63	25.23	27.30
Staff	7.70	9.23	17.08
Total	42.91	65.63	72.88

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 0.89 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	2017	2018	2019
External/in-house training expenses	3.23	4.38	0.89
Total	3.23	4.38	0.89

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, 2019, 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 ques-

tions. The chairman of BOD or chairman of the meeting 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

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 excellent level for Corporate Governance Report of Thai Listed Companies (CGR) 2019. The report published by Thai Institute of Directors (IOD) which the details of reports 2015-2019 shown as following.

Year	Result (%)		
	Point of CHO	Level	Average point of Thai Listed Companies
2019	92%	Excellent 	82%
2018	92%	Excellent 	81%
2017	90%	Excellent 	80%
2016	89%	Very Good 	78%
2015	87%	Very Good 	75%

AGM Assessment

The company has been improving AGM continually with the assessment point of 98 for the AGM Checklist 2019 project held by the Thai Investors Association. The results of 2015-2019 are as follows.

Year	Result (Total 100 point)		
	Point of CHO	Level	Average point of Thai Listed Companies
2019	98	Excellence	93.70
2018	96	Excellence	92.42
2017	96	Excellence	91.97
2016	100	Excellence	91.62
2015	100	Excellence	92.68

Unaccomplishment performances in good corporate governance

In 2019, the company's had followed the principle of good corporate governance except:

Unaccomplishment Tasks	Reason
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 2019, 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 2/2020 dated 25 February, 2020.

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, 2019

The company has conducted Sustainable Report 2019 in order to report the company's performance between 1 January – 31 December 2019 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 5 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) and CSR committee. The scope of the directors' authorities being shown as follows:

2.1 Board of Directors

As at December 31, 2019, 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 2019, the Company has 3 audit committee comprises of:

Name	Position
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 state ments 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, 2019, 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 Taveesangsakulthai	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, 2019, the company's 15 persons of executive committee, comprising of:

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

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

Remark : Ms. Somnuk Sangin The Executive Director/Vice President has vacated a position due to resign from the company on May 1, 2019

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 February 25, 2020, the Company has 14 persons of Executive Directors comprising of:

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

Remark: -The Executive Committee's meeting no. 3/2018 held on January 30, 2018 had a resolve to Change organization structure on Executive Directors position's name 2-14, and the Board of Director's meeting No.2/2020 acknowledged the resolve on February 25, 2020, and the appointment was effective on February 24, 2020 onwards.

- Ms. Somnuk Sangin The Executive Director/Vice President has vacated a position due to resign from the company on May 1, 2019

Scope of duties and responsibilities of Executive Committee

- 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 ^{/2} (baht/ transaction)
The Board of Directors	>1,000,000,000	>50,000,000	
The executive committee	100,000,001 – 1,000,000,000	≤ 50,000,000	> 2,000,001
President and Chief Executive Officer	≤ 100,000,000	≤ 20,000,000	≤ 2,000,000
Senior Vice President / Vice President	≤ 10,000,000	- no authorization-	20,000 – 100,000
Chief Officer	≤ 10,000,000	- no authorization-	≤ 20,000 ^{/1}

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 and KPMG Phoomchai Audit Limited in 2019 as follows:

(Unit : Baht)

	Year 2017	Year 2018	Year 2019
1. Annual audit fee			
1.1. CHO and consolidated financial statements	1,580,000	1,650,000	2,000,000
1.2. CTV-TMT	605,000	650,000	650,000
1.3. ARK	-	-	50,000
2. Fee for reviewing interim financial statements			
2.1. CHO and consolidated financial statements	765,000	750,000	600,000
2.2. CTV-TMT	0	0	0
Grand total	2,950,000	3,050,000	3,300,000
Total for CHO	2,345,000	2,400,000	2,600,000

Remark : Amornrattanakosin Company Limited "ARK" (a subsidiary company) has established on October 30, 2018 do not have annual audit fee in 2017 - 2018.

2. Non Audit Fee

260,480 Baht

7. Implementation of the Principle of Good Governance for Listed Company in 2019

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 2019, the committee had reviewed the following topics:

- In the quarter 1/2019, the Executive Committee's Meeting no. 1/2019 considered on the operation in 2018, and policy for the improvement of risk management in the quarter 1/2019
- In the quarter 2/2019, the Executive Committee's Meeting no. 5/2019 considered on 3 topics:
 - The score of an assessment of the Annual General Meeting 2019 by Thai Investors Association.
 - Reviewing on the Good Governance concerning Law issues
 - Reviewing on management and risk management in the quarter 2/2019

- In the quarter 3/2019 the Executive Committee's meeting no 3/2019 considered on 2 topics:
 1. Considering on the Good Corporate Governance principle in the quarter 3/2019
 2. Considering on management and risk management in the quarter 3/2019
- In the quarter 4/2019 the Executive Committee's meeting no 3/2019 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 2019 performance.
 3. Considering on determining remunerations of Chief Executive Officer, the company's Committee, Sub-committee and Executive Committee for the year 2020.

8. Other treatment complied with Good Governance

In 2019, 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 2019

In 2019, there were 7 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	6/7
2.Mr. Suradech Taweesaengsakulthai	6/7
3.Mr. Anusorn Tamajai	7/7
4.Mr. Chatchawan Triamvicharnkul	7/7
5.Mr. Asa Prateepasen	7/7
6.Ms. Asana Taweessangsakulthai	7/7
7.Mr. Siriwat Taveesangsakulthai	5/7

Statistical data of Audit Committee attending the meeting in 2019

In 2019, there were 10 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	10/10
2. Mr. Chatchawan Triamvicharnkul	10/10
3. Mr. Asa Prateepasen	10/10

Remark : In 2019, there were 3 times of the independent meeting between Audit Committee and KPMG Phoomchai Audit Limited

Statistical data of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee attending the meeting in 2019

In 2019, 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 Taveesangsakulthai	5/5

Statistical data of Executive Committee attending the meeting in 2019

In 2019, there were 12 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	4/12
2. Ms. Asana Taweesaengsakulthai	6/12
3. Mr. Siriwat Taveesangsakulthai	2/12
4. Mr. Narong Ongartmaneerut	11/12
5. Mr. Nititorn Deeumpai	11/12
6. Mr. Prasobsuk Boonkwan	6/12
7. Mr. Sven Markus Gaber	10/12
8. Mr. Nopparat Sangsawang	11/12
9. Mr. Apichai Chumsri	11/12
10. Mr. Nirut Sumongkol	11/12
11. Mr. Padungdetch Euasookkul	0/12
12. Mr. Bamrung Chinsombat	11/12
13. Mr. Sakarin Unnim	11/12
14. Mr. Chatchai Kantawirut	12/12
15. Mr. Phard Pimrin	11/12

Remark :

- Mr. Suradech Taweesaengsakulthai participated 4 of 12 meeting as he were on urgent duty
- Mr. Siriwat Taveesangsakulthai participated 2 of 12 meeting as he were on duty
- Mr. Padungdetch Euasookkul participated 0 of 12 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

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

The company had monitored and reported to all complaint and opinions. In 2019, there was no any complaint.

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

In 2019, 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 2020 remunerations consideration. There were 3 types of self-assessment including a committee assessment, a self-assessment, and a crossover 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 2019, there was an assignment of 3 independent directors to evaluate performance of the Chairman and Chief Executives of the company, then proposed to the Broad 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.

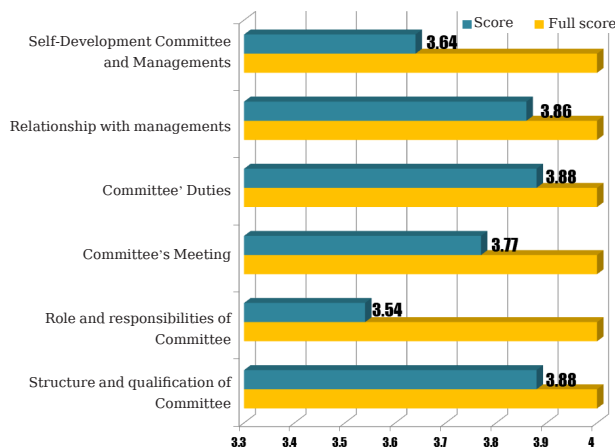
5. Secretary of the Corporate Governance Committee sum up the result of the Assessment, and report to the Board of Directors.

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 2019, 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 2019



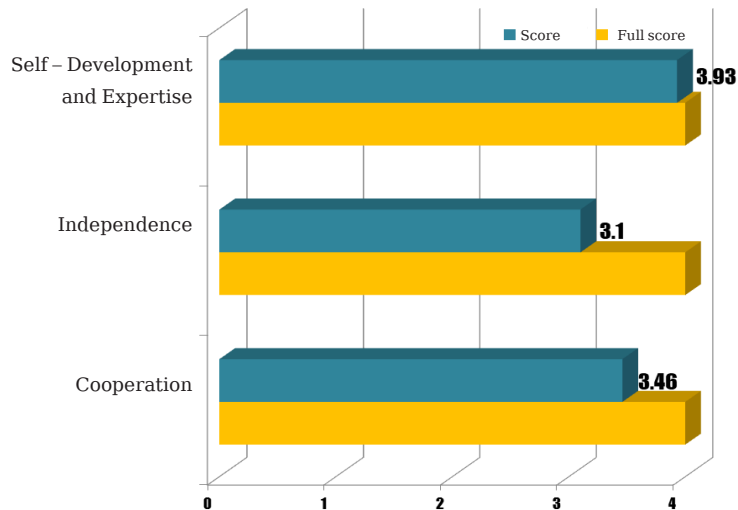
Summary of overall committee assessment

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

9.2 Crossover assessment of individual committee

In 2019, 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 2019



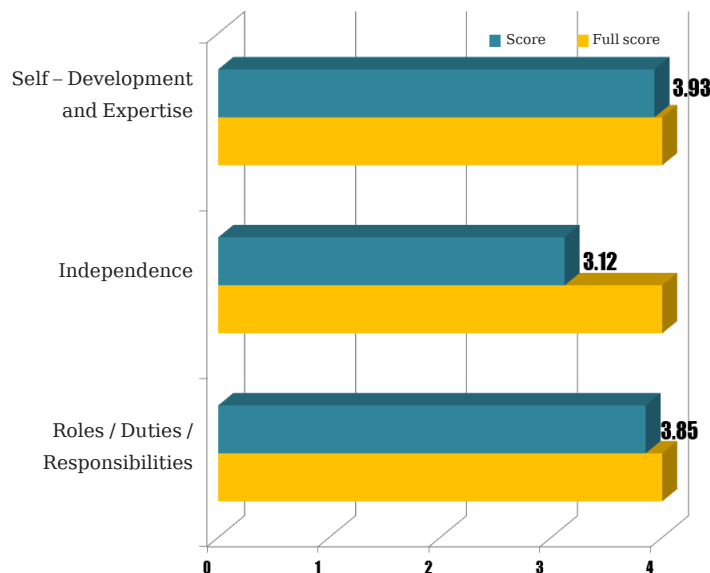
Summary of individual committee crossover assessment

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

9.3 Crossover assessment of individual committee

In 2019, 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 2019



Summary of individual committee crossover assessment

Average score of 3.63
90.83 %
(Full score 4.00)

9.4 Assessment of President and Chief Executive Officer

In 2019, 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.

Category no.	Topic	Full score	Score	Percent
1	Competency	700	566	80.86
2	Main duty			
	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

Assessment results

Category 1 Competency

- A full score of 100%, average score of 80.86%, this was due to the net profit in 2019 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

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

Issues that need to be improved

- Scheduling for effective tasks monitoring
- Maintaining standard for the sustainability of the organization

9.5 Result of Sub-Committee Self-Assessment

Result of Audit Committees Self-Assessment yearly 2019 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 2019 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 2019 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	95
2. Role / Duties / Responsibilities of Committee	100
3. Committee's Meeting	100

Result of the Executive Committee Self-Assessment Yearly 2019

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 95.86

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 and Other Important Information

General Information as at December 31, 2019

The company issuing stocks Symbol The company's registration number Business	Cho Thavee Public Company Limited CHO (registered in The Market for Alternative Investment "mai") 0107556000027 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.
Authorized Capital	588,998,932.50 Baht (Five hundred and eighty-eight million, nine hundred and ninety-eight thousand nine hundred thirty-two Baht and fifty satang.)
Paid-up Capital	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.)
Par value	Common Stock, 0.25 Baht (Twenty-five satang)
Preferred Stock	-None-
Telephone Number	043-043-880-90
Facsimile Number	043-043-899
Location of branch office 1 (Bangkok)	96/25 Vibhawadee Rangsit road, Talad Bangkhen, Laksi district, Bangkok 10210. Telephone No. 0-2973-4382-4 Fax No. 0-2973-4385
Location of branch office 2 (Chonburi)	66/5 Moo 2, Tambol Pong, Amphor Banglamung, Chonburi , 20150. Telephone No. 038-227-378 Fax No. 038-227-378
Location of branch office 3 (Phra Nakhon Si Ayutthaya)	62 Moo 2, Tambol Lamsai, Amphor Wangnoi, Phra Nakhon Si Ayutthaya 13170. Telephone No. 035-257-085 Fax No. 035-257-086
Location of branch office 4 (Laem Chabang, Chonburi)	37/30 Moo 1 Tambol Nong Kham, Amphor Si Racha ,Chonburi, 20230 Telephone No. 033-005131 Fax No. 033-005132

Website (URL)	www.cho.co.th
The subsidiary company The company registration number Business characteristic Head office and the plant location Telephone Number Facsimile Number	1. Cho Thavee Thermotech Co., Ltd. 0405548000302 Do the business of designing, manufacturing, assembling, and Installing of light-weighted fiberglass fresh box for truck. 265 Moo 4 Klang Muang Road, Muangkhaeo, Muang Khon Kaen, Khon Kaen, 40000 043-043-877-78 043-043-879
The subsidiary company The company registration number Business characteristic Head office and the plant location Telephone Number	2.Amornrattanakosin Co., Ltd. (ARK) 0105561186808 Management the Smart Bus Operation 96/25 Vibhawadee Rangsit road, Laksi district, Bangkok 10210. 0-2973-4382-84 / 0-2973-4385
The associated company The company registration number Business characteristic Head office and the plant location Telephone Number	KLRT Company Limited (KLRT) 0405560004886 Transportation, goods transportation and passenger 555/56 Moo 13 Kasikon Thung Sang Rd., Nai Muang, Muang Khon Kaen, Khon Kaen, 40000 061-8230318
Investor Relation Telephone Number Facsimile Number Email address	 043-043-888 extension 1120 043-043-899 ir@cho.co.th
The registrar of stocks Location of the office Telephone Number Facsimile Number Website (URL)	Thailand Securities Depository Company Limited (“TSD”) 1st Floor 93 , Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok, 10400 0-2-009-9999 0-2-009-9476 www.tsd.co.th
The auditor company The auditor Location of the office Telephone Number Facsimile Number Website (URL)	KPMG Phoomchai Audit Ltd. 50th Floor, Empire Tower 1 South Sathorn Road Yannawa, Sathorn Bangkok 0-2-677-2000 0-2-677-2222 www.kpmg.com/th

Other Important Information

Usage of Funds from Bond Offering

1. The use of funds from Debentures offering of Cho Thavee Public Company Limited no. 1/2018, redemption due in 2020, valued 201,100,000 Baht

Use of Funds	Amount of Funds	Period
For working capital of the maintenance hiring project by Royal Thai Army Ordnance Department, Project value 429,605,000 Baht	21.54 million Baht / Cashier Cheque as a guarantee for hiring contract with Royal Thai Army Ordnance Department	Sep. 21, 2018
Loan repayment	150.11 million Baht	Sep. 2018
For working capital of the company	29.45 million Baht	Sep. – Dec. 2018

2. The use of funds from Debentures offering of Cho Thavee Public Company Limited no. 1/2019, redemption due in 2021, valued 545,300,000 Baht

Use of Funds	Amount of Funds	Period
For an investment in new projects : expansion of One Stop Service Center “Siblor 24-hour”, and for working capital of the current projects and/or new projects and/or for an investment in the construction of bus maintenance building in 4 bus operation zones	<ul style="list-style-type: none"> Light Gun Restoration Project: 18.96 million Baht Siblor 24-hour Service Center at Surat Thani (10 million Baht) 489 NGV buses Project with maintenance service center: 7 million Baht 	<p>Feb. - Mar. 2019</p> <p>Jun. 2019</p> <p>Feb. - Mar. 2019</p>
For loan repayment	154.90 million Baht	Feb. – Mar. 2019
For working capital	354.44 million Baht	Feb. – Mar. 2019

3. The use of funds from Debentures offering of Cho Thavee Public Company Limited no. 2/2019, redemption due in 2021, valued 300,000,000 Baht

Use of Funds	Amount of Funds	Period
For investment in new projects, to improve product potential of the project management product group, large bus and truck maintenance service, investment in Special Design product for an expansion of production capacity of catering truck, special designed commercial vehicle, equipment used for production and maintenance, and to be used as a fund for large projects' operation that payments will be gradually paid	<ul style="list-style-type: none"> Construction of building for Light Gun Restoration: 5.00 million Baht and Surat Thani service center: 10 million Baht Light Gun Restoration Program: 15.00 million Baht 	<p>Oct. – Dec. 2019</p> <p>Oct. 10, 2019</p>
For loan repayment During the time that the funds does not spend as planned, the company will repay the loan from financial institutions to maintain the D/E ratio of not over 3.00 times	221.50 million Baht	Oct. – Dec. 2019
For working capital	48.5 million Baht	Oct. - Dec. 2019

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 103 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 21 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 fleeting 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 2017-2019

(unit : million baht)

Item	2017	2018	2019
The research and development expenses	0.018	0.59	0.00
Total	0.018	0.59	0.00

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
Projects in the future of CHO		
1.) "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	2017-2022
2.) Khon Kaen City Development Project	600 Million Baht	2018-2021
3.) Smart Bus management project	600 Million Baht	2019-2022
Project of subsidiary company		
1.) Factory Nearby Bangkok	50 Million Baht	2021-2024
2.) Building a Polyurethane foam (PU Foam) manufacturing plant	20 Million Baht	2021-2022

1. Project of One Stop Services Center expansion around Thailand

CHO has a project to invest in One Stop services centers under the name of “SIB LOR 24 hours by CHO”. The company has opened the first branch in Chonburi province, there are 2 more branches at Surat Thani and nearby Suvarnabhumi, Bangkok. The branches are under construction, and it's expected to be operated in 2020. There are 5 more branches to be opened in 2020-2022 throughout Thailand. The investment for the branches are approximately 350 million baht. The service centers will provide services in repairing and maintenance for the engines, Body, electrical systems, fully systems. The services at the service centers are initiated from the company's original services center which opened for business since 2011 and the operating incomes have been satisfying. In addition, the survey of the domestic logistics businesses in Thailand found that this type of service center is in demand. The company plans to expand its services to the vehicle registration service, renew license, plate service, ready-to-purchase vehicle insurance service, and accessories parts for sales and services. The services will be provided by the professional engineers and modern technology as well as the services will be recorded into a profile which every of the company's service centers can access to each vehicle records.

2. Khon Kaen City Development Project

The company has conducted bid in 2 projects.

- 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>1. Cho Thavee Public Company Limited : 49%</p> <p>2. KhonKaen Cho Thavee (1993) Company Limited : 45%</p> <p>(Taweesaengsakulthai group is the major shareholder with the proportion of 97% shares)</p> <p>3. Ktech Building Contractors Co., Ltd. : 6%</p> <p>(Ktech Construction PLC. is the major shareholder with the proportion of 99.99% shares)</p> <p>4. MCC Overseas Limited : -not invested yet-</p> <p>(China Metallurgical Corporation, a Chinese government-owned company, is the shareholder with the proportion of 100% shares)</p> <p>If awarded, the investment ratio will be changed as follows:</p> <p>1. Cho Thavee Public Company Limited : 25%</p> <p>2. KhonKaen Cho Thavee (1993) Company Limited : 23%</p> <p>3. Ktech Building Contractors Co., Ltd. 3%</p> <p>4. MCC OVERSEAS LIMITED : 49%</p>
Date of establishment	December 19, 2017

- 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.

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

3. 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 2021.

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 2/2021, and the foam manufacturing can be run in the quarter 3/2021 onwards.

Overall Policy and 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. ("LINFOX"), 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 developmen
- 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 importance 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 have 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 businessman 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 businessman held in a portion of 20% of the 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).

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

Year	Major Developments
2017	<ul style="list-style-type: none"> • 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. • 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) • 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) • On June 15, 2017 the company has signed a lease agreement with the Bangkok Mass Transit Authority (BMTA) for lent out electronic ticket system with equipment (E-Ticket) on 2,600 buses. The company awarded the biding with the project value of THB 1,665,000,000.

2017	<ul style="list-style-type: none"> On October 31, 2017 the company has signed an MOU with Krung Thai Bank (KTB), Khonkaen City Development Co., Ltd. (KKTT) and JUMPUP to create a project of financial management through the 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. On December 7, 2017 the company has formed a consortium with Scan Inter Public Company Limited in the name of “SCN-CHO cooperation” to co-propose the quotation for the trade and maintenance for NGV air-condition vehicle for the Bangkok Mass Transit Authority (BMTA). The contract was signed on December 27, 2017 with a project value of THB 4,261 million (VAT included), comprised of vehicle valued THB 1,891 million (VAT Included) and 10-year maintenance service contact valued THB 2,370 million (VAT Included). 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%. On December 25, 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 bidding result. 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)
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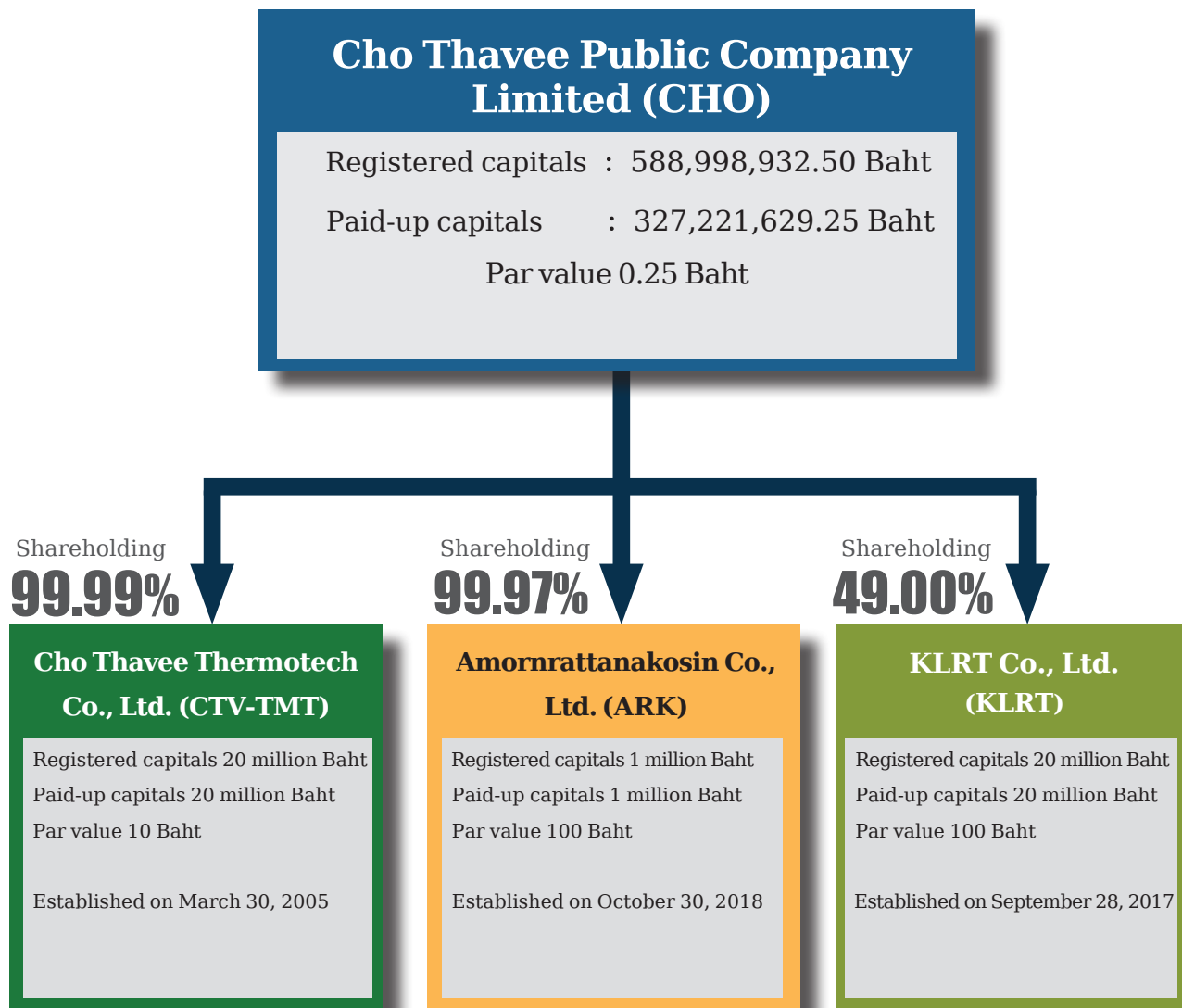
Year	Major Developments
2018	<ul style="list-style-type: none"> On January 22, 2018 the company has signed an agreement for a reservation of shares offered to Macquarie Bank Limited, in a total amount of not exceeding 185,000,000 shares at the par value of 0.25 Baht per share. On January 25, 2018 the 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. 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 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.

Year	Major Developments
2018	<ul style="list-style-type: none"> 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. 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 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. 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. 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. 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. On October 30, 2018 the company notified for a formation of Amornrattanakosin Company Limited "ARK" (a subsidiary company), for doing a business of Smart Bus management. 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.

	<ul style="list-style-type: none"> 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. 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 Chongchavano 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.
Year	Major Developments
2019	<ul style="list-style-type: none"> On March 12, 2019, the company on behalf of “SCN-CHO Cooperation” has delivered NGV buses to the Bangkok Mass Transit Authority (BMTA) to meet the contract requirement in an amount of 489 units. On March 21, 2019 the company received a notice for contract termination regarding the E-Ticket project from the BMTA, the contract termination valued 1,665,000,000 Baht. On May 21, 2019 the company decreased its registered capital, which is the remaining from the ordinary share issuance (under General Mandate basis) without conversion right exercising as conditions and terms from 460,279,620.25 Baht to be 327,221,629.25 Baht by cancellation of 532,231,964 shares at par value of 0.25 Baht. On May 22, 2019 the company increased its registered capital from 327,221,629.25 Baht to be 588,998,932.50 Baht by an issuance of newly issued ordinary shares of 1,047,109,213 shares, at par value of 0.25 Baht, to support the offering of ordinary shares (General Mandate) and to support the exercise of warrants series 2 (“CHO-W2”) After capital increase, the company then registered its capital of 588,998,932.50 Baht, divided into ordinary shares of 2,355,995,730 shares. On December 30, 2019, there was the exercise of rights regarding the warrants CHO series 2 (“CHO-W2”), first time exercising, in an amount of 13,014,520 units. The company registered its paid-up capital on January 7, 2020, from 327,221,629.25 Baht to be 330,475,259.25 Baht. The company had a capital increase of 11,192,487.20 Baht used as the company working capital.

1.3 Shareholder Structure

As of December 31, 2019 the Company had 2 subsidiaries namely Cho Thavee Thermotech Co., Ltd. and Amornrattanakosin Co., Ltd. KLRT Co., Ltd. is an associated company. The structure of the group being shown below:



The subsidiary company

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 Taweesaengsakulthai 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% <div>Total 2,000,000 shares 100.00%</div>		

The subsidiary company

Name	Amornrattanakosin Co., Ltd. (ARK)		
Business characteristic	Provide Transportation service using Smart bus		
Location of H.O. & factory	No. 96/25 Vibhavadee Rangsit Rd., Bangkhen, Laksi district, Bangkok 10210		
Telephone/Fax	0-2973-4382 / 0-2973-4385		
Registered capitals	1.00 million Baht		
Paid-up registered capitals	1.00 million Baht		
Par value	100 Baht per share		
Amount of shares	10,000 shares		
List of directors	1) Mr. Suradech Thaweesaengsakulthai 2) Mr. Prasobsuk Boonkwan 3) Mr. Nopparat Sangsawang		
List of shareholders	1) Cho Thavee Public Company Limited 9,997 shares 99.97 % 2) Other minor shareholders 3 shares 00.03 % <div>Total 10,000 shares 100.00 %</div>		

The associated company

Name	KLRT Company Limited (KLRT)		
Business characteristic	Provider of Transportation and business related to the transportation.		
Location of H.O. & factory	555/56 Moo 13, 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		
Paid-up registered capitals	20 million Baht		
Par value	100 Baht per share		
Amount of shares	200,000 shares		
List of directors	1) Mr. Suradech Thaweesaengsakulthai 2) Mr. Chokechai Khunwasi 3) Mr. Channarong Buristrakul 4) Mr. Thana Sirithananchai 5) Mr. Bordin Sereeyothin		
List of shareholders	1) KKTT Holding Company Limited 101,997 shares 50.9985 % 2) Cho Thavee Public Company Limited 98,000 shares 49.0000 % 3) Other minor shareholders 3 shares 0.0015 % Total 200,000 shares 100.0000 %		

Jointly-Control Entity

Name	KLRT Company Limited (KLRT)
Business characteristic	Provider of Transportation and business related to the transportation.
Location of H.O. & factory	555/56 Moo 13, 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
Paid-up registered capitals	20 million Baht
Par value	100 Baht per share
Amount of shares	200,000 shares
List of directors	1) Mr. Suradech Thaweesaengsakulthai 2) Mr. Chokechai Khunwasi 3) Mr. Channarong Buristrakul 4) Mr. Thana Sirithananchai 5) Mr. Bordin Sereeyothin
List of shareholders	1) KKTT Holding Company Limited 101,997 shares 50.9985 % 2) Cho Thavee Public Company Limited 98,000 shares 49.0000 % 3) Other minor shareholders 3 shares 00.0015 % Total 200,000 shares 100.0000 %
Name	TSP-CTV Joint Venture
Business characteristic	Sale and installation service of light bulb and electrical equipment
Date of establishment	August 2, 2013
Investment ratio	- Cho Thavee Public Company Limited : 50% - TSP Energy Saving Lighting Company Limited : 50%
Registered capitals/ Paid-up capitals	20,252,500 Baht
* Remark	TSP-CTV liquidated on September 20, 2019

Jointly-Control Entity

Name	JVCC Joint Venture
Business characteristic	Manufacturing, assembly and maintenance for NGV Bus
Date of establishment	June 25, 2013
Investment ratio	- Cho Thavee Public Company Limited : 50% - Khonkaen Cho Thavee (1993) Co., Ltd. : 50%
Registered capitals/Paid-up capitals	-N/A-
Name	LeKise & Cho Thavee Joint Venture
Business characteristic	Installing LED lighting system
Date of establishment	May 9, 2016
Investment ratio	- Cho Thavee Public Company Limited : 10% - Lekise Lighting Co., Ltd.: 90%
Registered capitals/ Paid-up capitals	- N/A -
Name	JVCKK Joint Venture
Business characteristic	Providing steel structure workshop for building the Offshore Patrol Vessel
Date of establishment	June 17, 2016
Investment ratio	- Cho Thavee Public Company Limited : 60% - Khonkaen Cho Thavee (1993) Co., Ltd. : 40%
Registered capitals/ Paid-up capitals	- N/A -

Jointly-Control Entity

Name	JVOPV Joint Venture
Business characteristic	Producing blocks of the Offshore Patrol Vessel (OPV)
Date of establishment	May 19, 2016
Investment ratio	- Cho Thavee Public Company Limited : 50% - Khonkaen Cho Thavee (1993) Co., Ltd. : 50%
Registered capitals/ Paid-up capitals	- N/A-
Name	KLRTT Joint Venture
Business characteristic	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)
Date of establishment	December 11, 2017
Investment ratio	- KLRT Company Limited : 60% (a subsidiary) - Thep Nakhon KhonKaen Route Company Limited : 40%
Registered capitals/ Paid-up capitals	- N/A-
Name	Joint Venture SCN-CHO
Business characteristic	Working on the project trade and maintenance for 489 units of NGV air-conditioned bus for the Bangkok Mass Transit Authority (BMTA)
Date of establishment	December 7 , 2017
Investment ratio	- Cho Thavee Public Company Limited : 50% - Scan Inter Public Company Limited : 50%
Registered capitals/ Paid-up capitals	- N/A-

Jointly-Control Entity

Name	CKKM Joint Venture
Business characteristic	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
Date of joint venture agreement	December 19, 2017
Investment ratio	- Cho Thavee Public Company Limited : 49% - Khonkaen Cho Thavee (1993) Co., Ltd. : 45% - K-TECH BUILDING CONTRACTORS COMPANY LIMITED : 6%
Registered capitals/ Paid-up capitals	- N/A-

1.4 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

Name	Alls Holdings Co., Ltd.
Business characteristic	Import vehicle, vehicle parts or engines for manufacturing, using for sale or hire-purchase
Date of establishment	November 23, 2018
Registered capitals/ Paid-up capitals	400 million Baht / 400 million Baht
The relationship	The company holds 6.25% shares of registered capitals.
Reason of not being classified in group	The Difference in Business Characteristic, however, there is an agreement of not to do the same competitive business to eliminate a conflict of interest

The related companies

Name Business characteristic Date of establishment Registered capitals/ Paid-up capitals The relationship Reason of not being classified in group	<p>Khonkaen City Development Co., Ltd. (KKT)</p> <p>Funds raising for KhonKaen City development projects</p> <p>January 9, 2015</p> <p>200 million Baht / 200 million Baht</p> <p>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. SuradechTaweesaengsakulthai</p> <p>The difference in business characteristic and it is The family business</p>
Name Business characteristic Date of establishment Registered capitals/ Paid-up capitals The relationship Reason of not being classified in group	<p>Khonkaen Cho Thavee (1993) Co., Ltd. (Formerly known as “Cho Ruamthavee Industry Co., Ltd.)</p> <p>Sell of the head of the truck, every type of trailer, and offer hire purchase loan for a truck.</p> <p>May 4, 1990</p> <p>325 million Baht/325 million Baht</p> <p>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</p> <p>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.</p>
Name Business characteristic Date of establishment Registered capitals/ Paid-up capitals The relationship Reason of not being classified in group	<p>Volrep Truck and Bus Co., Ltd.</p> <p>Doing business of repair service for engine and head of trucks</p> <p>September 8, 1992</p> <p>20 million Baht/ 20 million Baht</p> <p>- One director of the company is the shareholder of The related company which is Ms. Asana Taweesaengsakulthai holds 0.50% of Registered capitals. - There is one related director- Ms. Asana Taweesaengsakulthai.</p> <p>The difference in business characteristic. Anyway, there is an agreement by not competing in order to get rid of the conflict of interest.</p>

The related companies

Name	Ruamthavee Khonkaen Co., Ltd.
Business characteristic	Seller of cars, car's spare parts, and provider of cars repairing service.
Date of establishment	October 6, 1955
Registered capitals/ Paid-up capitals	287 million Baht / 287 million Baht
The relationship	One director of the company is the shareholder of The related company which is Mr. Siriwat Taweasangsakulthai holds 19.16% of Registered capitals. -There is one related director – Mr. Siriwat Taweasangsakulthai
Reason of not being classified in group	The difference in business characteristic and it is the family business.
Name	Tang Hua Sing NakhonPathom Limited Company
Business characteristic	Retailer of engine spare parts, and sale distributor of HINO truck's head.
Date of establishment	August 25, 2019
Registered capitals/ Paid-up capitals	5 million Baht/5 million Baht
The relationship	One director of the company is a partner of the related company which is Mrs. PhenphimolVejvarut, Partner and Managing Partner
Reason of not being classified in group	The difference in business characteristic
Name	O J Development Co., Ltd.
Business characteristic	Rental retail area, real estate trading
Date of establishment	July 9, 2009
Registered capitals/ Paid-up capitals	10 million Baht / 10 million Baht
The relationship	One director of the company is a partner of the related company which is Ms. Asana Taweasangsakulthai holds 44.99% of registered capitals. - There is one related director- Ms. Asana Taweasangsakulthai.
Reason of not being classified in group	The difference in business characteristic and it is the family business.

The related companies

Name	KKTT Holding Co., Ltd.
Business characteristic	Transportation and cargo service provider, including passengers transportation
Date of establishment	August 15, 2017
Registered capitals/ Paid-up capitals	80 million Baht/ 80 million Baht
The relationship	<p>One director of the company is a shareholder of the related company which is Mr. Suradech Taweessangsakulthai holds 6.90% of registered capital.</p> <p>- There is one related director- Mr. Suradech Taweessangsakulthai.</p>
Reason of not being classified in group	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 103 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 21 items.

1. Income structure of the Company

Table of income structure (consolidated income statement) year 2017-2019

Type of income	2017		2018		2019	
	Million baht	%	Million baht	%	Million baht	%
Income as per contract	1,390.94	87.16	2,052.69	89.71	1,185.39	73.66
Income from sales and services ^{/1}	194.96	12.22	214.15	9.36	339.20	21.08
Total incomes	1,585.90	99.38	2,266.84	99.07	1,524.59	94.74
Other income ^{/2}	9.92	0.62	21.37	0.93	84.62	5.26
Grand total incomes	1,595.82	100	2,287.59	100	1,609.21	100

Remarks : /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:

2.1 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:

2.1.1 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.

2.1.2 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.



2.1.3 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.



2.1.4 Transferring of know how work (Know How)

The Company designs, invents, and develops various types of vehicle's body model. The company owns 103 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 21 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.



2.2

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:

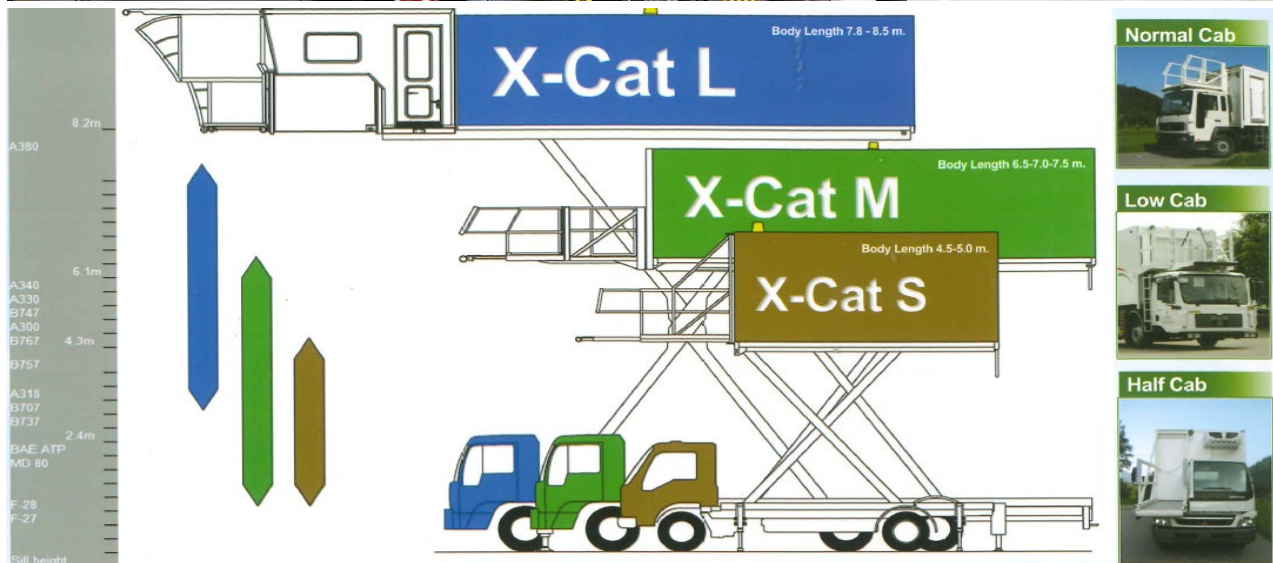
2.2.1 Ground Support Equipment : GSE

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 A380/1
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



2.2 Special Design Product Group

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.



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.



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.

On 30th 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 worldwide airline such as: the baggage cart, the baggage rickshaw, the truck for baggage fleeting in airplane, for the manufacture and the marketing of ground support equipment



2.2.2 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 Pakkred, 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.

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.

2.2 Special Design Product Group



2.2.3 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.



2.2.4 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.



2.2.5 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.



2.3 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:

Project Management

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). 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 management, and in production of block of the second OPV.

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.

2. 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 Lamlukka 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, Ayudhdhya 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.



3. 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.



Services Group

1. 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.



2. 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 2022 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. 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), on March 12, 2019, 489 units of NGV bus were delivered according to the contract, on April 11, 2019, the company has received payment in full according to the contract and still remaining for repair and maintenance of buses for a period of 10 years.



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
4	40 units 60 units 89 units	February 20, 2019 February 28, 2019 March 12 2019	Payment received on March 15, 2019 and April 11, 2019

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 2019, the Company's most portion of sale in foreign countries was the special designed products as follows:

- Approximately 86% of sale in foreign countries derived from the customers in Asia, such as Singapore, Korea, Hong Kong, Japan and Vietnam.
- Approximately 14% 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: Binder truck, 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	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd (BFS Ground)	Catering hi-loaders truck
2	United Farmer&Industry Co., Ltd	Sugar cane sidedrump truck
3	Bangkok Mass Transit Authority (BMTA)	NGV Bus
4	Bangkok Air Catering Co., Ltd.	Catering hi-loaders truck
5	Mitr Phol Sugar Corp. Ltd.	Sugar cane sidedrump truck

No.	Foreign customers	Country	Products sold
1	Shimizu	Japan	Rescue truck
2	Real Motors	Honk Kong	Catering hi-loaders truck
3	Automation Electrotex Rearmaties	Singapore	Container truck
4	Morita	japan	Container 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:

Airline Business

International Air Transport Association (IATA) predicted that the 2020 aviation business would have a net profit of 29.3 billion dollars, or approximately 893,650 million baht, an increase of 13.12 percent from 2019, which is expected to have a net profit of 25.9 billion dollars or approximately 789,950 million baht.

The forecast is a result of the IATA's prediction of the economic trend in 2020 to be better than 2020. The global economy in 2020 will grow by at least 2.7 percent, up from the rate of 2019 grow by 2.5 percent. At the same time, it is expected that world trade in 2020 will improve from 2019. It is expected

that by 2020, world trade will expand by not less than 3.3 percent compared to the year 2019 with the expansion rate only 0.9 percent in 2019 compared to 2018.

Alexandre de Juniac, Director and Executive Chairman of the IATA, states that 2020 is the year that the US Presidential Election will be held. Causing pressure on President Donald Trump to reduce trade pressure with China which is the pressure on world trade today ensuring that world trade in 2020 is likely to expand better than 2019, which will make air exports grow at a better rate.

“The year 2019 is the year that faced with the uncertainty situation in many issues, including the trade war. Political instability and the uncertainty of leaving EU in England makes 2019 the year that the global economy is slowing and has a direct impact on the aviation business causing airlines to encounter problems and need to manage costs to overcome the crisis in the past,” said Alexandra de Juniac.

While the cost of fuel, which is about one-fifth of the cost of aviation. It is likely to decrease from the level of oil prices that dropped from 77 dollars per barrel in 2019 to 75.60 dollars per barrel in 2020, causing the cost of oil in 2020 to decrease compared to 2019, with the oil cost of the industry expected down to 182,000 million dollars or 22.1 percent of total expenses in 2020, when compared to the cost of oil at 188,000 million dollars or 23.7 percent of total expenses in 2019.

With this trend, IATA predicts that the return on investment in the aviation business will be at 6 percent in 2020, compared to 5.7 percent in 2019. Net profit margins are expected to be 3.4 percent (up from 3.1% for the year 2019)

Total industry revenue is expected to reach 872 billion dollars. An increase of 4 percent compared to total industry revenue of 838,000 million dollars in 2019

The industry's operating expenses are expected to increase 3.5 percent to 823 billion dollars from 796 billion dollars in 2019. The number of passengers is expected to reach 472,000 million people, an increase of 4.0 percent from 454,000 million people in 2019. Air freight is expected to recover to 62.4 million tons, up 2.0 percent from 61.2 million tons in 2019 which is the lowest figure in three years strong economic growth should support passenger growth (RPK) at 4.1 percent, close to that of 2019 which has a growth rate of 4.2 percent but lower than past trends. Average net profit per departing passenger at 6.20 dollars in 2020, higher than in 2019 at 5.70 dollars.

Logistics Business

According to the annual transportation statistics as of 31 December 2019, it appears that the total number of registered trucks (cumulative) nationwide is a total of 1,149,668 vehicles, increasing by 2.46 percent from the same period in 2018 and the number of business licenses. Transported by truck (cumulative) nationwide as of 31 December 2019 with a total of 383,060 copies, an increase of 0.44 percent from the same period in 2018.

An annual transport statistics table showing the number of registered trucks (cumulative) nationwide as of December 31, 2018 and 2019

Type of Trucks	Units		Percentage change 2018/2019
	December 31, 2018	December 31, 2019	
Total	1,122,057	1,149,668	2.46
Divided by - Without routes	315,789	339,124	0.07
- Personal	806,268	810,544	0.53

(Source : Transport Statistics Sub-Division, Department of Land Transport , 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, 2018 and 2019

Type of Trucks	Number of trucking operator licenses		Number of transportation entrepreneur	
	2018	2019	2018	2019
Total	383,060	384,734	383,060	384,734
Divided by - Without routes	26,936	30,364	26,936	30,364
- Personal	356,124	354,370	356,124	354,370

(Source : Transport Statistics Sub-Division, Department of Land Transport 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
<u>Domestic</u>		
Panus Assembly Co., Ltd.	Thailand	Truck, trailer/semi-trailer
Sammitr Motors Manufacturing Public Company Limited.	Thailand	Truck, trailer/semi-trailer
RCK Rung Charoen Co., Ltd.	Thailand	Truck, trailer/semi-trailer
Chase Enterprises (Siam) Co., Ltd.	Thailand	Fire fighting truck
<u>Foreign</u>		
Aero Mobiles Pte Ltd.	Singapore	Catering hi-loaders truck/ Ground Service equipment
Mallaghan Engineering Ltd.	Ireland	Catering hi-loaders truck/ Ground Service equipment
DOLL Fahrzeugbau GmbH	Germany	Catering hi-loaders truck/ Ground Service equipment

4. Products and Services Procurement

Production

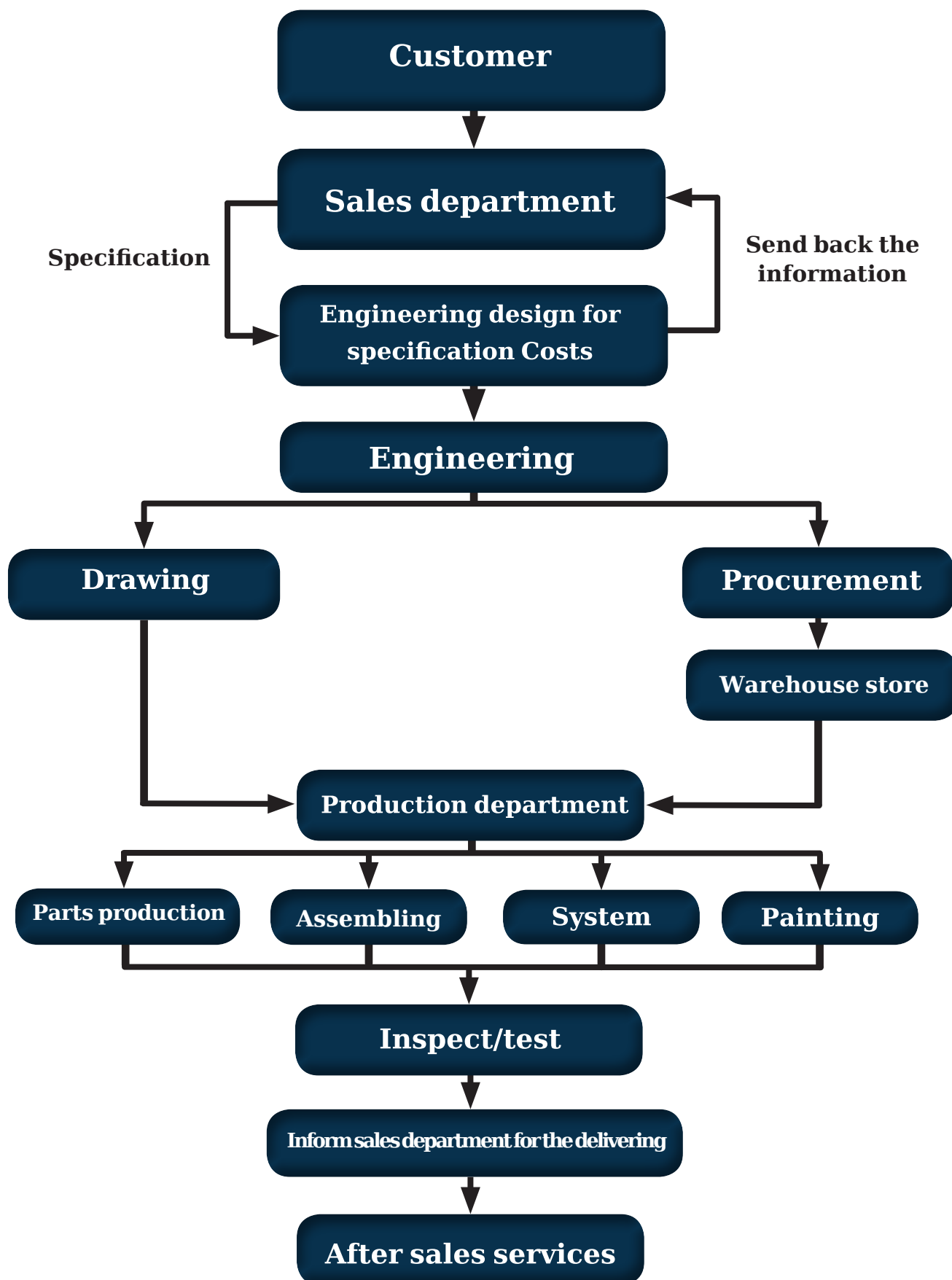
The Company manufactures the products as per customers' requirement (made to order). The Company applies modern engineering technique and the skills of employees in designing, manufacturing, assembling, and installing engineering system for various types of truck. It takes about 120 days in average from 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.

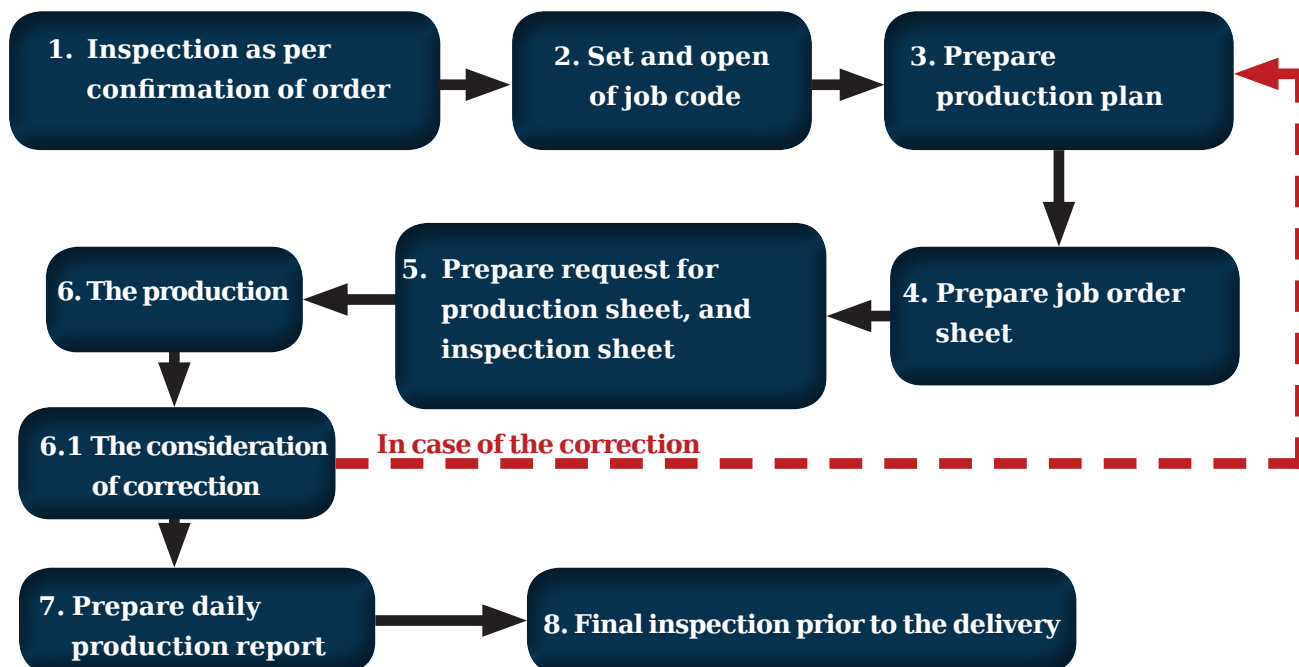
The Procurement Process chart



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



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.

- **Domestic 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 2017-2019

Amount of purchase	2017		2018		2019	
	Million baht	%	Million baht	%	Million baht	%
Domestic	708.76	79.04	1,563.86	80.45	1,392.60	83.07
Foreign	187.99	20.96	380.05	19.55	283.76	16.93
Total	896.75	100.00	1,943.91	100.00	1,676.36	100.00

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.

6. Marketing and Competition Strategy of the Subsidiary Company

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.

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.

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.

Competition

The competitors	Country	Type of product
Lumberet Asia Co., Ltd.	Thailand	Manufacturing and installing of GRP
Rujolarn Co., Ltd.	Thailand	Manufacturing and installing of stainless steel Wall chiller
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 31st December 2019 in total amount of 1,556.08 million Baht, comprising of 1,556.08 million Baht for the company, and 12.96 million Baht for the subsidiary company. The details of customer with the value exceeding 10% are as follows:

NO	Contractor	Project	Date of Agreement	Delivery date as per contract	Contract amount	Balance as at 31st Dec 2019
Non-delivered job – The company:					Unit : Million Baht	
1	SCN-CHO Cooperation	Repair and maintenance NGV buses for Bangkok Mass Transit Authority	27 Dec. 17	25 Jun. 18	1,395.81	1,241.91
2	Department of Ordance	Light gun repair	24 Sep. 18	12 Mar. 21	401.50	150.60
Non-delivered job – The subsidiary company:						
1	Lanna Agro Industry Co., Ltd.		11 Sep. 19	30 Apr. 20	1.36	1.36

Securities and Shareholder Information

1. Securities

As at December 31, 2019, the company had its registered capital of 588,998,932.50 Baht (Five hundred eighty-eight million nine hundred ninety-eight thousand nine hundred thirty-two Baht and fifty Satang) and 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 Shareholder of December 31, 2019 as follows:

Rank	Major Shareholder	Shares	% Shares
1	Group of Mr. Suradech Taweesaengsakulthai	514,299,632	39.293
	1.1 Mr. Suradech Taweesaengsakulthai	440,947,303	33.689
	1.2 Mr. Suradech Taweesaengsakulthai (shares deposited in Thailand Securities Depository Co., Ltd. for depositors)	4,712,329	0.360
	1.3 1.1 Mrs. Wadsana Taweesaengsakulthai	68,640,000	5.244
2.	Mr. Marat Sae-lim	81,788,744	6.249
3.	Thai NVDR Company Limited.	50,790,204	3.880
4.	Ms. Asana Taweesaengsakulthai	39,505,460	3.018
5.	Mr. Thanong Suwachanagol	29,493,000	2.253
6.	Thailand Securities Depository Company Limited for Depositors	22,770,598 ^{/1}	1.740
7.	Mr. Puttipat Vejvarut	26,980,975	2.061
8.	THE BANK OF NEW YORK MELLON	26,225,000	2.004

Remarks : /1 = 4,712,329 shares of Mr. Suradech Taweesaengsakulthai has been deducted from Thailand Securities Depository Co., Ltd. for Depositors

Rank	Major Shareholder	Shares	% Shares
9.	Mr. Surapol Thaveesangsakulthai	22,336,000	1.706
10.	Mr. Kitimeth Vejvarut	12,613,500	0.964
Total major Shareholders for top 10			
	Minor Shareholders		5,593
	Thai Nationality Shareholders		5,594
	Foreign Nationality Shareholders		9

3. Other Securities

3.1 Details about warrants for purchasing the company ordinary shares

Type of Securities	Warrants for Purchasing of Newly Issued Ordinary Shares of Cho Thavee Public Company Limited series 2 (“Warrant” or “CHO-W2”)
Type of Warrant	Name-registered and transferable warrant
Registration date	July 15, 2019 (trading date July 15, 2019)
Secondary market	mai stock exchange
Offering Amount	654,443,258 units
Offering Price	0.00 Baht per unit (zero Baht)
Allocation	Allocation to existing shareholders at a rate of 2 shares : 1 unit of warrant as free warrants
Allocation amount	649,415,238 units
Number of shares reserved for the exercise	649,415,238 shares (par value at 0.25 Baht per share)
Issuance Date	July 1, 2019
Duration of Warrant	1 year and 6 months from the issuance date.
Duration of Warrant	December 30, 2020, the last exercise date (warrants shall invalid from being securities in the next day)
Rights of Warrants	<u>Exercise ratio of Conversion rights**</u> Warrant 1 unit has the right to purchase 1 ordinary share <u>Conversion price**</u> 0.86 Baht per share

Exercise period	<p>The first exercise date is December 30, 2019 and Jun 30, 2020</p> <p>The last exercise date is December 30, 2020</p> <p>** Exercise ratio and price may be changed later, according to conversion conditions ** (For details, please see conditions on the company or SET website)</p>
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3.2 Details of warrants allocation

	Thai Investors		Foreign investors		Total
	Juristic person	Individual	Juristic person	Individual	
Number	3	5,878	5	4	5,890
Allocated share	26,453,517	606,790,969	16,104,200	66,552	649,415,238
Allocated proportion	4.07%	93.44%	2.48%	0.01%	100.00%

Remark: Details of warrants allocation as of June 21, 2019

4. Securities holding of Directors

The securities holding of the Board of Directors and Executive Administrators in Cho Thavee Public Company Limited (CHO) between the years 2018-2019 detailed as follows:

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
		As at 31 Dec 2018	%	As at 31 Dec 2019	%	
Committees						
1.	Ms. Phenphimol Vejvarut Spouses and immature child	330,000 --	0.025 --	330,000 --	0.025 --	None
2.	Mr. Suradech Taweesaengsakulthai Spouses and immature child	447,619,730 68,640,000	34.199 5.244	445,659,632 68,640,000	34.049 5.244	Transferred out None
3.	Ms. Asana Taweesangsakulthai Spouses and immature child	39,541,700 --	3.021 --	39,505,460 --	3.018 --	Sold in SET
4.	Mr. Siriwat Taveesangsakulthai Spouses and immature child	-- --	-- --	-- --	-- --	

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
		As at 31 Dec 2018	%	As at 31 Dec 2019	%	
Committees						
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.	Mr. Narong Ongartmaneerut	--	--	--	--	
	Spouses and immature child	--	--	--	--	
2.	Mr. Nititorn Deeumpai	7,150	0.0005	7,150	0.0007	None
	Spouses and immature child	--	--	--	--	
3.	Mr. Prasobsuk Boonkwan	12,490	0.001	12,490	0.001	None
	Spouses and immature child	--	--	--	--	
4.	Mr. Sven Markus Gaber	--	--	--	--	
	Spouses and immature child	--	--	--	--	
5.	Mr. Nopparat Sangsawang	132,330	0.010	132,330	0.010	None
	Spouses and immature child	--	--	--	--	
6.	Mr. Apichai Chumsri	54,360	0.004	54,360	0.004	None
	Spouses and immature child	--	--	--	--	
7.	Mr. Nirut Sumongkol	182,820	0.014	221,430	0.017	Transferred in Transferred out
	Spouses and immature child	38,610	0.003	--	--	
8.	Mr. Padungdetch Euasookkul	6,710	0.0005	6,710	0.0005	None None
	Spouses and immature child	330,000	0.025	330,000	0.025	
9.	Mr. Bamrung Chinsombat	--	--	--	--	
	Spouses and immature child	--	--	--	--	

No.	Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
		As at 31 Dec 2018	%	As at 31 Dec 2019	%	
Directors						
10.	Mr. Sakarin Unnim	120,560	0.009	120,560	0.009	None
	Spouses and immature child	--	--			
11.	Mr. Chatchai Kantawirut	2,640	0.0002	2,640	0.0002	None
	Spouses and immature child	--	--			
12.	Mr.Phard Pimrin	136,570	0.010	136,570	0.010	None
	Spouses and immature child	--	--	--	--	

5. 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 a condition that the operation must yield highest benefit to shareholders, such as use the money as investment fund to expand Company's business, as a 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. The 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.

The dividend payment in 2018 complied with the policy, paid by cash of 49 million Baht and dividend stock with the following details:

1. Paid by Cash at a rate of 0.0058 Baht per share
2. Paid by ordinary shares at a rate of 10 shares per 1 dividend share, equivalence to 0.025 Baht per share
3. Total dividend payment of 0.0308 Baht per share
4. Total value of 28.28 million Baht

The dividend payment regarding the operation in 2017, the 2018 AGM had a resolve for no dividend payment due to the 2017 Separated Financial Statement reported deficit.

The dividend payment regarding the operation in 2018, the 2019 AGM had a resolve for no dividend

payment due to the 2018 Separate Financial Statement reported accumulate deficit.

The dividend payment regarding the operation in 2019, the Board of Directors had a resolve for the dividend payment by cash for the operation in 2019, pay to shareholders at a rate of 0.021 Baht per share regarding the net profit of 2019, equivalence to the dividend payment of 27,759,921.78 Baht, which is dividend payment of 51.65% of the net profit (Separated Financial Statement) after the deduction of accumulated deficit and legal reserve. It would be effective when the AGM 2020 holds on April 24, 2020 has a resolve for an approval.

Dividend Payment Historical Compared to net profit (Separate financial statements) 2015-2019

Detail	2015	2016	2017	2018	2019
Net Profit (Loss) after legal reserve deduction (Separate financial statements) (million Baht)	35.50	(69.99)	(27.67)	41.70	69.47
Dividend Payment (million Baht)	28.28 ^{/1}	0	0	0 ^{/2}	27.76
Dividend rate ^{/1} (%)	79.66	N/A	N/A	N/A	51.65

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

/2 = Dividend cannot be paid due to the separate financial statement reported loss 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 2019, also online at 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. As well as, there is an internal control assessment at least once a year.

The Board of Directors has assigned the Audit Committee to be responsible for Internal Control System, Risk Management System, and Corporate Governance System to be appropriate and efficient, as well as the responsibility for laws and regulations compliance, and monitoring related transactions to avoid the conflict of interest and to prevent corruption. 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 an internal control system and risk management by applying the international standard framework of COSO (The Committee of Sponsoring Organizations of the Tread way Commission), the Enterprise Risk Management framework, and audit regulations of the Stock Exchange of Thailand and Thai Institute of Directors applying for more efficiency and effectiveness of the internal control.

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

At the Board of Directors Meeting No. 2/2020 held on February 25, 2020, 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 2020 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's risk management to ensure that the overall organization is achieved at an 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 uncertainly 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 Management, 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 Audit department is independent in performing audit and evaluation of an Internal Audit system, and tracking on the result of the working procedures revision to be suitable and cover the company and subsidiaries' working procedures. The Internal Audit Department is directly reported to the Audit Committees, to ensure that the company operation consisted of an adequate, appropriate and effective control system, together with risk management to meet an acceptable level and to achieve the company operational objectives. There are Internal Audit department's charters and Internal Auditor's Ethics as a clear guideline for the operation.

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. The risk is considered by the Company that may significantly have negative effects to the business, financial position, and operation results to be mentioned hereinafter. In addition, there may be other risks that the Company may not know at this time, or risks that are considered as no damages against the Company's business. The significant risks which may impact the business goals are as follows.

1. Risk of Business Operation

1.1 Risk of Unstable Income

The business concerning manufacturer of trailers, and air-conditioned bus is the business which has high competition on price, so the success in business depends on the Company's competitiveness with effectiveness and continuation.

The Company has to compete with other bodybuilders and trailer manufacturers from both domestic and overseas. The competition in Preventive Maintenance (PM) and after sale service is an important role in doing business. In the future, customers will focus on economy and vehicle monitoring system for ready-to-operate conditions. If the Company is unable to compete with competitors effectively and continually, it will negatively affect the business and the Company operations.

Risk management As the Company invent new innovation, offering to customers in the government sector and the private sector, and an expansion of 24-hour service center under the brand CHO SIBLOR 24, it was a value added to the Company business for the short term and long term period. The Company has an effective management team with experiences of more than 15 years, resulting in the efficiency and effectiveness in management. The Company has its own Technician Academy for the development of knowledge and skill regarding service center management. Especially, the employee training, they must pass the training program. There is a training center located in Khon Kaen, for the training to meet service quality with the same level of service standard. The new 24-hour service center at Suratthani is under construction, from the existing 8 locations to 9 service centers. It considered as an increase of service channel in the future, the risk of competition could be reduced and sales volume could be increased.

1.2 Risk of Fluctuated Raw Materials Price

Since the production cost is an important expense of the Company. If raw materials, most of which are imported from overseas, have its price vary according to demand and supply, because there

are only few overseas suppliers. In the event that raw materials price trend to rise, it affected the Company for purchasing the materials with higher price. However, the Company cannot immediately adjust the product price to be higher to compensate the increased materials price, or it can be partly compensated. This may affect the revenue and profit of the Company significantly.

Risk management The Company has measures to control materials cost as follows: (1) The projected sales volume has been calculated for the materials requirements, for the purchasing plan regarding quantity, to meet the timeline of the Company's sales plan. (2) To prevent the fluctuated price, there is a contract making with suppliers in advance with contractors' obligations as agreed by contractors, such as 6 months or 1 year, details of price, quantity and delivery period are determined clearly. (3) There is regularly a comparison of the change of raw materials price that may impact the total materials costs, it will be used as a guideline for price adjustments as deemed necessary and possible. The action according to these measures is to reduce the risk of fluctuated materials price and to maintain the materials costs at the reasonable level.

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 2019 separated to the revenue from standard product is 8.83%, special design product 65.19%, project management and service 20.75% and other 5.18% 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	129.63 million baht	equivalent to	8.83 %
Total revenue from special design product	956.57 million baht	equivalent to	69.19 %
Total revenue from project management	305.10 million baht	equivalent to	20.79 %
Other revenue	76.04 million baht	equivalent to	5.18 %

Risk management The Company assigned a product design team and marketing team to invent new products regarding agricultural vehicle, such as, vehicle for sugarcane transport, vehicle for cassava transport, and vehicle for paddy transport. In 2019, the Company launched new products, which is sugar cane carrying trailer for sugar cane transport to sugar production plant, which the main customer is Mitre Phol sugar plant. The technology from Australia had been adopted by the Company for the development of cutting-edge product, to facilitate farmers, to reduce the problem of sugarcane field burning reducing the impact of smoke pollution that affect the environment. The value had been created for farmers, so they can sell sugarcane with higher price. There is an after sale service providing to customers in the upper northeastern region, and there is a plan to expand to other region of Thailand in 2020. Regarding the sales to governmental agencies, the Company keeps closely monitor the drive of budget spending on projects of infrastructure construction, projects for various sizes of truck procurements that the Company is able to compete with. There is a team building for their knowledge of air-conditioned bus maintenance, which will be expanded to other governmental agencies, they need a vehicle leasing program together with a maintenance service with long term service contract.

2. Management Risk

2.1 Skilled Labor Shortages Risk and Human Resource Risk

Due to the business of the Company is production and service, so that human resource is a key factor to drive the business. The Company planned to open 24-hour service center every year, there should be technicians of about 20-30 person per 1 service center. The Company should have a plan to support the opening of such service center. Hence, if the Company cannot recruit new employees to support the expansion of a new branch or to replace employees who retire or resign from the Company in timely manner, it may significantly impact the service and operation of the Company.

Risk management The Company interested in and intend to solve the problem, to make the employee be able to work with the Company as long as possible. The Company emphasizes on working under the “CHO Species”, and care for every level of employee, opportunities are given to employees who has ability, they can get promoted to executive level in the future, the fairness of remuneration and welfare are taking care, the training for improvement of skill and knowledge under the project of Cho Thavee Technology Academy, as well as taking care of employees as if they are family. The work application can be recommended by words of mouth, so the recruitment for applicants who wish to work with the Company can still be found. New employees must be participated training courses in accordance with the program arranged by the Education department of the Company; the program can make employees understand the Company culture and can operate under the standard stipulated by the Company.

2.2 Information and Technology Risk

For the improvement of the potential of the Company and customer service, the Company has adopted Information and Technology system to support the data storage process, financial transactions, accounting, production, inventory, purchasing system, sales and after sales service. To overseas the cost of each section for the decision making, to reduce working hours and reduce mistakes in working. If the information and technology system fails or unexpected events that make the system unavailable, it may affect the business of the Company

the Company foresees the importance of Information and Technology system, so the guideline for IT development has been determined. It is for the innovative, focusing on the development of the working system that is important to the above mentioned business operation, as well as communication between headquarters and countrywide branches. The IT system development will be able to collect the data to be delivered to the management in analysis, consider, therefore, the Company is confident that the IT system is continually evolving. In case of system fail, the Company can continue its business because all units have operational manual and working procedure, data backup system, password change, assignment of the right to access information, and antivirus system. And for the seamless operation of system, CCTV connecting system in every branch and VDO Conference system for communication were improved, making users be able to access any system at any time. There is always data backup every day, just in case a situation where problem occurred with data centers, making it unable to use, the Company cooperates with partners who expert in IT system to install system that suit with and be able to compensate the main data center in temporary. Previously, there was no such problem.

3. Financial Risk

3.1 Exchange Rate Fluctuation Risk

The majority of products have the essential parts that the Company imported from abroad for about 30% of the production cost. The price and payment are mostly quoted in Euro (EUR) and United States Dollar (USD) currencies. There are about 10% of overseas sales pricing in United States Dollar, and 90% of local sales pricing in Thai Baht (THB). When the sales price and service charges are agreed with customers, it cannot be changed. In the situation that foreign currency is appreciate, the Company cannot immediately decrease the product price to comply with the product cost. Therefore, the Company may be affected by exchange rate fluctuations that affect the cost of goods and the Company's gross profit.

The graph below shows exchange rate in the past between THB and USD during 19 July 2019 to 15 January 2020.



Risk management The Company quotes sales price for overseas customers mostly in USD currency including the foreign exchange risk charge at 3-5% of the total cost. There is a policy to reduce risk by the situation evaluation for risk prevention, and the foreign currency movements are closely monitored. Forward Contract is prepared by the Company, 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 is still the important 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 the trend of 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 as of December 31, 2019. In 2018, the Company had overdue debtors equivalent to 168.84 million Baht or 11.51% 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.

4. Legal Dispute Risk

Legal issues

The lawsuit that Company filed and/or was filed to lawsuits proceedings of the Company and subsidiaries are as follows:

(1) Administrative Case, Black Case No. 294/2559 in pursuance with the project about bidding for trade and maintenance of Natural Gas Vehicle (NGV) bus in an amount of 489 units, offering price 1,735,550,000 Baht, and maintenance service hiring valued 2,446.35 Million Baht. Baker & McKenzie Ltd. assigned as a legal advisor, who is responsible for the case between JVCC Joint Venture (Plaintiff) and Bangkok Mass Transit Authority (Defendant). The case was sued on February 24, 2016, currently it is under consideration by the judge, considering on the documentary evidences that both parties have submitted. The procedure approached the conclusion of the case, and the both parties will be appointed to attend the statement for case closing (No progress).

(2) Civil Case, Black Case no. 1509/2562 sued on March 21, 2019 at the Civil Court between Cho Thavee Public Company Limited (Plaintiff) and Siam Standard Energy Co., Ltd. (Defendant case no.1) and Mr Samrit Wanprapa (Defendant case no.2), sued for the compensation of 133,967,729.14 Baht. On July 10, 2019, the court determined the day of settlement of issues to define the issues of the case, and witnesses of both parties has been called on February 4-6, 2020 at 9.00 a.m.

(3) Administrative Case, Black Case No.1998/2562 dated September 4, 2019 at the Central Administrative Court between

- Plaintiff: Cho Thavee Public Company Limited, and
- Defendant: Bangkok Mass Transit Authority "BMTA"
- The ground of action was from the bidding for trade and maintenance of Natural Gas Vehicle bus (NGV) of 489 units by the BMTA announced that JVCC awarded the bidding at the price of 1,735,550,000 Baht and the bus maintenance service hiring including spare parts for a period of 10 years, contract value of 2,286,312,531.75 Baht, with the contract signing invitation letter no. SorKorMor. 1414/2558, dated July 12, 2015. On December 2, 2015, the BMTA has submitted a contract termination letter to the Company.

The Company has filed a request for the temporary protection order demanding the BMTA for not to take its right to demand the security money. On October 15, 2019 the court has a judicial order to dismiss the request, by a reason that the damage incurred by a bank guarantee payment had been paid to the BMTA. The Company can be able to claim for the main case, currently, the Legal department is

discussing with a Legal Advisor in consideration on the appeal filing of such order or not.

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 the 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 assessment. 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) 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 2017-2019 ending 31st December 2017, 31st December 2018 and 31st December 2019 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 Dec 2019	31 Dec 2018	31 Dec 2017		
1. Knon kaen Cho Thavee (1993) Co., Ltd. - Mr. Suradech Tawee-saengsakulthai (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	129.62	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	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	0.64	0.96	0.96	Legal service and lawsuit consultant service	Being appropriate and according to the company policy
	The company sales other tools	0.00	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	0.56	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 transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
1.Knon kaen Cho Thavee (1993) Co., Ltd. (continue)	Transportation fee and service fee by E-Ticket Project	0.00	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 KKU Smart Transit in Khon Kaen University	0.36	0.36	0.36	It is parking lots for KKU Smart Transit project in Khon Kaen University	
	The Company and the subsidiary company have the interest receivables	13.20	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 The Company has other receivables from expenses charged	221.61 12.50	112.34 0.03	139.23 0.01	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

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
1. Knon kaen Cho Thavee (1993) Co., Ltd. (continue)	The Company and the subsidiary company have the interest receivable	22.10	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
	The Company has the lending for the advance money for fuel	0.00	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	0.62	0.41	0.24	The Company has granted credit terms as per normal trade	Condition is closed to other person, and there is no transaction in 2012
	The Company has other account payables relating to such transaction at the end of period	0.00	0.00	1.87		
2. Volrep Truck and Bus Co., Ltd. - Ms. Asana Taweesang-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	1.06	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	1.70	1.33	0.26	The Company has received the credit terms as per normal business	

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
2. Volrep Truck and Bus Co., Ltd. (continue)	The Company has the income from bus/ truck rental	0.13	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.	25.25	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	3.58	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	1.28	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	1.94	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 transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
2. Volrep Truck and Bus Co., Ltd. (continue)	The subsidiary company rented car to serve the executive of company	0.25	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	0.00	0.03	Other expenses charged	Being appropriated as per normal business, the price and condition closed to that of other person
3. Ruamthavee Khonkaen Co., Ltd. - Mr. Siriwat Taveesangsakulthai (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	0.15	0.000	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	0.20	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	2.40	8.47	97.38	The company has bought raw materials and spare parts as to normal trade	Being appropriated and the condition

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
3. Ruamthavee Khon kaen Co., Ltd. (continue)	The Company has trade account payables from such transaction at the end of accounting period.	0.63	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
	The Company has interest payables	0.00	0.29	0.00	The accrued interest payable according to delayed payment	Being appropriated according to business condition
4. Tang Hua Sing Nakon Pathom Limited Partnership - 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	0.00	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	16.21	46.41	167.38	The company has bought raw materials and spare parts as to normal trade	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 end of period	2.26	0.00	30.61	The Company has outstanding creditors from selling products, spare parts and services as normal business	
	The Company has account receivables from such transaction at the ending of period	0.00	0.00	0.09	The Company has outstanding debts from selling products and services as normal business	

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
5. TSP-CTVJOINT VENTURE 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.	0.00	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
	The Company has other account receivables from such transaction at the end of account period	0.00	4.94	3.49		
	The Company has account receivable from advance money at the end of account period	0.00	0.02	0.02		
6. JVCC JOINT VENTURE. The Company has signed joint venture agreement with Khon kaen Cho Thavee (1993) Co., Ltd. with joint responsibility	The Company has other account receivables from advance money at the end of account period	5.10	5.08	5.50	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.	Being appropriated and corresponded with short-term necessity, with not much amount as significant
7. JVOPV Joint Venture The Company has signed joint venture agreement with Khon kaen Cho Thavee (1993) Co., Ltd. with joint responsibility	The Company has other account receivables from advance money at the end of account period	0.06	0.06	0.03	The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and private sector	Being appropriated and corresponded with short-term necessity, with not much amount as significant

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
8. KHON KAEN City Development Co., Ltd. Mr. Suradech Taweesaengsakulthai (director) holds 6.86% and being the director of such company	The company has provided making video presentations and other tasks	0.00	0.17	0.17	The company has provided the Khon Kaen Think Tank Co., Ltd. and billing to them	Being appropriated as to the company's pricing policy
	The Company has outstanding debts from such transaction at the end of account period	0.00	0.14	0.14	The company has provided accounting consultancy service	Being appropriated and corresponded with short-term necessity, with not much amount as significant
9. Mr. Suradech Taweesaengsakulthai - The major shareholders of the company with the portion of 34.049% of paid-up registered capitals as at closing date on 31/12/2019 - 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 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	0.00	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 loan account receivables at the end of account period	111.07	0.00	0.00		
	The Company has interest receivable	3.24	0.00	0.00		
	The Company has interest payable	0.40	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	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

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
10. Ms. Asana Tawe-sangsakulthai - The Company's shareholder in the portion of 3.018% of paid-up capitals as at 31/12/2019 -Director -The executive committee -First 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 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 paid for rental fee at the Bangkok office	1.20	1.20	1.20	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
	The creditor from such transaction at the end of accounting period	0.60	0.20	0.20		
11. OJ Development Co., Ltd. - Ms. Asana Tawe-sangsakulthai (director) holds 44.99% and being the director of such company	The company has provided legal consultant service	0.40	0.60	0.60	Legal service and lawsuit consultant service	Being appropriated as to the company's pricing policy
	The Company has account receivables from such transaction at the ending of period	0.00	0.32	0.00	The Company has outstanding debts from selling products and services as normal business	

Name of the related person/relationship	Characteristic of related transactions	Value (million baht)			The essential and the reasonable	The opinion of audit committee
		31 Dec 2019	31 Dec 2018	31 Dec 2017		
12. Joint Venture SCN-CHO 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	540.33	1,159.54	0.00	The Company has signed the sale and maintenance agreement of 489 NGV buses for 10 years	Being appropriated as to the company's pricing policy
	The Company has account Receivables included deposit from such transaction at the ending of period	20.60	293.56	0.00	The Company has outstanding debts from selling products and services as normal business	
	Loan from the payment for substitution expenses	0.00	117.91	0.00	The Company has borrowed 3.5 million for paid the consultant expense and 165.74 million for paid import Tax & VAT	
	The retentions	0.00	102.46	0.00	SCN-CHO has cash as collateral with BMTA recorded to responsible for 50%	It is the joint venture agreement that was approved and appropriated

2. Audit committee's opinion

The audit committee's meeting No. 2/2020 on 25th February 2020 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 2019 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")

Group of shareholders/ person(s) with control power	:	<u>The holding of shares</u> - Mr. Suradech Taweesaengsakulthai holds 97.38% of registered capitals <u>The director</u> Mr. Suradech Taweesaengsakulthai
Business model	:	Selling of truck's head, every type of trailer, and leasing for truck
Assets in ownership (Audited financial statements as at 31st December 2018)	:	162.02 million baht
Reason of not being in the group	:	The difference in business model with the company
Measure in protecting conflict of interest	:	Agreement dated 15th 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
The binding time	:	Start from date of signing agreement until the related contractor agree on the change

2. Volrep Truck and Bus Co., Ltd. (“Volrep”)

Group of shareholders/ person(s) with control power	:	<u>Holding of shares</u> - Ms. Asana Taweessangsakulthai holds 0.50% of registered capitals <u>The directors</u> Ms. Asana Taweessangsakulthai
Business model	:	Selling of truck's head, trailer, spare parts of truck, and engine repairing
Assets in ownership (Audited financial statements as at 31st December 2018)	:	89.56 million baht
Reason of not being in the group	:	The difference in business model with the company
Measure in protecting conflict of interest	:	Agreement dated 15th 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
The binding time	:	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.

Report on The Board of Director's Responsibilities for Financial Statements

The Board of Directors of The Cho Thavee Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report

The Board is confident that the internal control system and the internal audit of the Cho Thavee Public Company Limited and its subsidiaries represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.



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



(Mr. Suradech Taweesaengsakulthai)
President / Chief Executive Officer

Financial Position and Operation Results

A) Auditor and summary of Auditor opinion

The auditor has audited financial reports of the company and its subsidiary company for the year 2017-2019 with the summary as follows:

Audited	accounting period for year 2017 ending 31st December 2017
Auditor	PricewaterhouseCoopers ABAS Limited by Mr. Sudwin Panyawongkhanti CPA Registration No.3534, the auditor with the permission from the SEC
Auditor's Opinion	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.

Audited	accounting period for year 2018 ending 31st December 2018
Auditor	PricewaterhouseCoopers ABAS Limited by Mr. Sudwin Panyawongkhanti CPA Registration No.3534 the auditor with the permission from the SEC
Auditor's Opinion	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.

Audited	accounting period for year 2019 ending 31st December 2019
Auditor	KPMG Phoomchai Audit Limited by Mr. Waiyawak Kosamarnchaiyakij CPA Registration No.6333 the auditor with the permission from the SEC
Auditor's Opinion	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 2019, 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 and its Subsidiaries						
Statement of Financial Position						
Consolidated financial statements						
	Unit : Million Baht					
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2017	%
Assets						
Current assets						
Cash and cash equivalents	12.93	0.40	3.71	0.10	2.61	0.11
Trade and other accounts receivables	471.58	14.50	720.44	19.79	346.52	14.88
Contract assets	387.49	11.92	567.81	15.60	420.51	18.06
Inventories	715.42	22.00	765.18	21.02	360.13	15.47
Other current assets	144.74	4.45	58.63	1.61	47.95	2.06
Total current assets	1,732.16	53.27	2,115.77	58.11	1,177.73	50.58
Non-current assets						
Restricted deposit at fiancail institution	62.86	1.93	41.40	1.14	37.00	1.59
Investments in subsidiaries	2.46	0.08	2.55	0.07	2.68	0.11
Other long-term investment	25.00	0.77	-	-	-	-
Investment properties	-	-	81.58	2.24	81.58	3.50
Property, plant and equipment	1,108.73	34.10	1,097.86	30.15	976.60	41.94
Intangible assets	20.81	0.64	36.69	1.01	33.25	1.43
Deferred tax assets	10.97	0.34	12.65	0.35	7.71	0.33
Refundable deposits	236.52	7.27	236.32	6.49	0.88	0.04
Other non-current assets	52.28	1.61	15.98	0.44	10.87	0.47
Total non-current assets	1,519.63	46.73	1,525.04	41.89	1,150.56	49.42
Total asset	3,251.79	100.00	3,640.80	100.00	2,328.28	100.00

	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2017	%
Liabilities and equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	571.92	17.59	1,077.80	29.60	966.86	41.53
Trade and other accounts payables	199.38	6.13	444.23	12.20	328.18	14.10
Contract liabilities	2.00	0.06	1.59	0.04	9.30	0.40
Current portion of long-term loans from other parties	24.90	0.77	42.27	1.16	-	-
Short-term loans	298.15	9.17	769.77	21.14	0.92	0.04
Current portion of finance lease liabilities	11.43	0.35	10.91	0.30	10.64	0.46
Current portions of debenture	299.04	9.20	125.85	3.46	299.40	12.86
Current tax payable	2.21	0.07	6.23	0.17	-	-
Other current liabilities	8.33	0.26	9.43	0.26	7.70	0.33
Total non-current liabilities	1,417.36	43.59	2,488.07	68.34	1,623.01	69.71
Non-current liabilities						
Long-term loans from other parties	-	-	24.90	0.68	-	-
Finance lease liabilities	1.30	0.04	13.65	0.38	20.52	0.88
Debentures	841.34	25.87	198.53	5.45	-	-
Non-current provisions for employee benefits	<u>33.62</u>	<u>1.03</u>	<u>26.91</u>	<u>0.74</u>	<u>22.46</u>	<u>0.96</u>
Total non-current liabilities	876.26	26.95	263.99	7.25	42.98	1.85
Total liabilities	2,293.62	70.53	2,752.06	75.59	1,665.99	71.55
Equity						
Share capital						
Authorised share capital	<u>589.00</u>		<u>460.28</u>		<u>295.74</u>	
Issued and paid-up share capital	327.22	10.06	327.22	8.99	295.74	12.70
Share premium						
Premium on ordinary shares	524.90	16.14	524.90	14.42	375.90	16.15
Premium on ordinary shares	29.01	0.89	29.01	0.80	29.01	1.25
Discount from increment of investments in subsidiary	(5.63)	(0.17)	(5.63)	(0.15)	(5.63)	(0.24)
Retained earnings (Deficit)						
- Appropriated - Legal reserve	9.65	0.30	6.82	0.19	6.82	0.29
- Unappropriated (Deficit)	<u>73.03</u>	<u>2.25</u>	<u>6.42</u>	<u>0.18</u>	<u>(39.55)</u>	<u>(1.70)</u>
Equity attributable to the parent	958.18	29.47	888.74	24.41	662.29	28.45
Non-controlling interests	-	-	-	-	0.0036	0.00
Total equity	958.18	29.47	888.74	24.41	662.30	28.45
Total liabilities and equity	3,251.79	100.00	3,640.80	100.00	2,328.28	100.00

CHO Thavee Public Company Limited and its Subsidiaries						
Statement of comprehensive income						
Consolidated financial statements						
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2017	%
Revenues						
Revenue from contract	1,185.39	73.66	2,052.69	89.71	1,390.94	86.99
Revenue from sales and services	339.20	21.08	214.15	9.36	194.96	12.19
Other income	84.62	5.26	21.37	0.93	13.13	0.82
Total revenues	1,609.21	100.00	2,288.22	100.00	1,599.03	100.00
Cost of contract	(932.90)	(57.97)	(1,711.54)	(74.80)	(1,244.85)	(77.85)
Cost of sales and services	(262.84)	(16.33)	(165.89)	(7.25)	(150.01)	(9.38)
Total Costs	(1,195.73)	100.00	(1,877.43)	100.00	(1,394.86)	100.00
Gross profit	328.86	20.44	389.41	17.02	191.04	11.95
Profit before expense	413.47	25.69	410.79	17.95	204.17	12.77
Selling expenses	(32.39)	(2.01)	(39.85)	(1.74)	(43.49)	(2.72)
Administrative expense	(160.53)	(9.98)	(179.02)	(7.82)	(130.16)	(8.14)
Financial cost - interest expenses	(145.65)	(9.05)	(141.45)	(6.18)	(50.64)	(3.17)
Share of profit (loss) from investment in associates	(0.09)	(0.01)	(0.12)	(0.01)	(0.14)	(0.01)
Profit (loss) before income tax	74.81	4.65	50.34	2.20	(20.12)	(1.26)
Tax income (Income tax expense)	(8.95)	(0.56)	(4.87)	(0.21)	0.76	0.05
Other comprehensive income (expense) for the year, net to tax	65.86	4.09	45.47	1.99	(19.36)	(1.21)
Other comprehensive income (expense)						
Item that not reclassified to profit or loss						
• Remeasurements of post-employment benefit obligations	4.48	0.28	0.63	0.03	0.99	0.06
• Income tax on remeasurements of post-employment benefit obligations	(0.90)	(0.06)	(0.13)	(0.01)	(0.20)	(0.01)
Profit (loss) for the year	3.58	0.22	0.50	0.02	0.79	0.05
Other comprehensive income (expense) for the year, net of tax	69.44	4.32	45.97	2.01	(18.57)	(1.16)
Profit (loss) attributable to :						
Owners of the parent	69.44	4.32	45.47	1.99	(19.50)	(1.22)
Non-controlling interests	(0.0020)	(0.00)	-	-	0.0008	0.00
	69.44	4.32	45.47	1.99	(19.50)	(1.22)
Total comprehensive income expense attributable to :						
Owners of the parent	69.44	4.32	45.97	2.01	(18.71)	(1.17)
Non-controlling interests	(0.0020)	(0.00)	-	-	0.0008	0.00
	69.44	4.32	45.97	2.01	(18.71)	(1.17)
Profit (loss) per share						
Basic profit (loss) per share (Baht)	0.0335		0.0379		(0.0165)	

CHO Thavee Public Company Limited and its Subsidiaries			
Statement of Cash Flows			
Consolidated financial statements			
	Unit : Million Baht		
	2019	2018	2017
Cash flow from operating activities :			
Profit for the year	65.86	45.47	(19.50)
Adjustment to reconcile profit to cash receipts (payments)			
Tax expense	8.95	4.87	(0.76)
Depreciation and amortisation	57.75	54.39	50.88
Interest income	(17.26)	(0.30)	(0.39)
Finance costs	145.65	141.45	50.64
Unrealised gain loss on exchange and others	(5.97)	(0.24)	(0.02)
Employee benefit expenses	11.19	5.54	4.41
Share of loss from investment in associate	0.09	0.12	0.14
(Reversal of) bad and doubtful debts expenses and loss on inventories devaluation	(16.72)	21.22	1.12
Provision for warranty	-	(1.08)	(0.87)
Income from late payment penalty from related parties	-	(8.91)	-
Gain on disposal of inventories devaluation	(40.69)	0.31	0.49
Non-controlling interests	-	0.00	-
Dividend income	-	-	(0.01)
	208.86	262.87	86.12
Changes in operating assets and liabilities			
Trade and other accounts receivables	265.02	(527.61)	(393.23)
Inventories	50.24	(410.94)	(30.42)
Contract assets	180.32	(7.71)	(9.47)
Other current assets	24.96	(235.44)	(0.19)
Other non-current assets	(31.56)	(133.97)	(69.26)
Trade and other accounts payables	(232.99)	101.01	(32.34)
Contract liabilities	0.41	-	-
Proviisions for employee benefits	-	(0.47)	(0.69)
Other current liabilities	(1.11)	1.50	0.31
Net cash flows generated from (used in) operating	464.14	(950.76)	(449.17)
Taxes paid	(8.02)	(9.01)	(7.52)
Net cash from (used in) operating activities	456.12	(959.77)	(456.69)
Cash flow from investing activities :			
Increase in restricted deposit at financial institution	(21.46)	(4.40)	-
Decrease (increase) in short-term loans to related parties	(111.07)	-	-
Cash paid for investment in other investment	-	-	-
Cash paid for purchase of fixed assets	26.94	(167.05)	(168.23)
Cash paid for purchase of intangible assets	-	(3.03)	(7.18)
Interest received	0.22	-	-
Net cash used in investing activities	(105.37)	(174.48)	(175.42)

CHO Thavee Public Company Limited and its Subsidiaries			
Statement of Cash Flows			
Consolidated financial statements		Unit : Million Baht	
	2019	2018	2017
Cash flows from financing activities :			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(505.88)	107.86	605.59
Cash received from held-to-maturity investment	-	-	1.00
Cash paid for purchase on investment in associates	-	-	(2.82)
Increase (decrease) in short-term loans	(488.99)	769.03	-
Interest paid	(150.83)	-	-
Repayment for finance lease liabilities	(11.84)	(11.71)	(12.00)
Repayment of long-term loan	-	(17.45)	(0.92)
Proceeds on long-term loan	-	83.00	-
Proceeds from issue of debentures	816.00	24.14	-
Proceeds from issue of ordinary shares	-	180.48	-
Net cash from (used in) financing activities	(341.54)	1,135.35	590.85
Net increase in cash and cash equivalents	9.22	1.10	(41.25)
Cash and cash equivalents at 1 January	3.71	2.61	43.86
Cash and cash equivalents at 31 December	12.93	3.71	2.61

(C) Summary of Major Financial Ratio		Consolidates financial statement		
		2019	2018	2017
Liquidity Ratio :				
Curent ratio	(Time)	1.22	0.85	0.73
Quick ratio	(Time)	0.34	0.29	0.22
Cash flow liquidity ratio	(Time)	0.23	(0.47)	(0.40)
Account receivables turnover ratio	(Time)	2.56	4.25	6.40
Collection period	(Days)	141	85	56
Inventory turnover ratio	(Time)	1.62	3.34	4.01
Average day sales	(Days)	223	108	90
Account payables turnover ratio	(Time)	3.72	4.86	4.59
Payment period	(Days)	97	74	78
Cash cycle	(Days)	267	119	68
Profitability ratio				
Gross profits	(%)	21.57	17.18	12.05
Operating profits	(%)	13.71	8.39	1.92
Other profits	(%)	5.26	0.93	0.82
Cash to earning	(%)	2.07	(5.00)	(14.89)
Net profits	(%)	4.09	1.99	(1.21)
Earning per share	(%)	7.13	5.86	(2.88)
Efficiency ratio				
Return on assets	(%)	1.91	1.52	(0.96)
Return in fixed assets	(%)	5.60	3.35	1.56
Assets cycle	(Time)	0.47	0.77	0.79
Financial policy ratio				
Debts to equity ratio	(Time)	2.39	3.10	2.52
Interest bearing debt to total equity ratio ¹	(Time)	2.14	2.55	1.96
Operating EBITDA margin ²	(Time)	13.60	9.18	15.92
Debt Service Coverage Ratio (DSCR) ³	(Time)	1.36	(5.36)	(1.47)
Cash interest coverage ratio ⁴	(Time)	4.19	(5.75)	(8.03)
Interest coverage ratio ⁵	(Time)	1.03	1.74	1.61
Cash basis ⁶	(Time)	3.49	(2.97)	(1.92)
BE size to interest bearing debt ratio	(Time)	0.45	0.43	0.68
Debt with interest with 1 year due to debt with interest expenses ratio	(Time)	0.59	0.90	0.98
Loan from financial institutions to total debt ratio	(Time)	0.25	0.39	0.58
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.
- 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

Overall Performance

The company is a leader in designing, creating, manufacturing and installing of engineering systems for commercial vehicle, as well as a world class technology Integrator regarding rail system, logistics, and national defense technology. The integration combined with professional management, such as Catering Hi-loaders Truck, Fire Fighting Truck, Rescue Truck, Truck for agricultural, trailers, special semi-trailers, project management for the building of Offshore Patrol Vessel (OPV), maintenance management project for Linfox regarding truck, trailer, semi-trailer of Tesco Lotus project, 489 units of Bus Maintenance Service Project for the BMTA with a 10-year period, and One Stop Services center providing for general customers who need repair services of engine, suspension system and containers and vehicle body. The first service center opened in an area near Laem Chabang, Chonburi province. There is a plan to open 8 service centers across the country within 2022. The company's products are made-to-order products by custom design to meet proposes and budget of private sectors and governmental agencies in both domestic and overseas.

For the fiscal year 2017, 2018, and 2019, the company and subsidiaries reported total revenue of 1,599.03 million Baht, 2,288.22 million Baht, and 1,609.21 million Baht respectively. Total Profit (loss) for the period were (18.57) million Baht, 45.97 million Baht, and 69.44 million Baht respectively.

1.1 Operating performance

Revenues

Total revenues of the company and subsidiaries in 2017, 2018, and 2019 were 1,599.03 million Baht, 2,288.22 million Baht and 1,609.21 million Baht respectively. The changes can be described as follows.

The table of revenues classified by financial statements in 2017, 2018, and 2019

Type of revenues	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Revenue from contracts	1,390.94	86.99	2,052.69	89.71	47.58	1,185.39	73.66	(42.25)
Revenues from sales & services	194.96	12.19	214.15	9.36	9.84	339.20	21.08	58.39
Total	1,585.90	99.18	2,266.85	99.07	42.94	1,524.59	94.74	(32.74)
Other revenues	13.13	0.82	21.37	0.93	62.76	84.62	5.26	295.94
Grand total revenues	1,599.03	100.00	2,288.22	100.00	43.10	1,609.21	100.00	(29.67)

The table of revenues classified by countries in 2017, 2018 and 2019

Country	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Thailand	1,358.63	85.67	1,986.66	87.64	46.23	1,399.91	91.82	(29.53)
Singapore	21.81	1.37	77.84	3.42	256.04	-	-	(100.00)
Korea	10.98	0.69	32.04	1.41	191.79	5.78	0.38	(81.95)
Japan	28.75	1.81	55.75	2.46	93.93	29.12	1.91	(47.76)
Hong Kong	58.53	3.69	27.94	1.23	(52.27)	26.57	1.74	(4.88)
Vietnam	-	-	-	-	-	41.44	2.72	100.00
Malaysia	50.27	3.17	-	-	(100.00)	-	-	-
Other countries	56.94	3.59	86.83	3.83	52.47	21.76	1.43	(74.94)
Total	1,585.90	100.00	2,266.85	100.00	42.94	1,524.59	100.00	(32.74)

From the table data classified by countries, showing that in 2019 the company and subsidiaries had increased domestic sales, because of the revenue recognition from the completion of work regarding the project of 189 buses production and revenue from maintenance service provided to the BMTA for according to the contract with a period of 10-year. Revenues from the export concerning Catering truck were decreasing. However, in 2019, the company gained more revenue from maintenance service by Sib Lor 24-hour service center opened at Laem Chabang, Chonburi province and, 489 units of bus maintenance service as the 10-year maintenance service contract with the BMTA.

For Special Design Product group, regarding Catering Hi-Loader Truck, the company focused on domestic marketing by sales to domestic airline caterers. The company exported Fire Fighting Trucks for 100%. But in 2019, there was a slowdown in aviation business from global economic conditions, making the export regional sales volume decelerated. For the Project Management, the company has increased contract entering with Standard Product customer group and logistics customer group. In 2019, after opening the first One Stop Service center at Chonburi, the second place in Surat Thani was under construction. It was located in an area of large logistics providers in the Southern region, expecting that the operation will be started in the second quarter of 2020. There is a plan to open more service center in 6 places to support the truck maintenance service nationwide within 2022. This will result in an increase of revenue from maintenance services.

Revenue from contracts

Revenue from contracts is a hiring contract for products manufacturing to meet the company's requirements and design, with the price specified clearly in the contracts. The company recognizes the revenue based on the Percentage of Completion Method. When the contractual work can be reliably estimated regarding the success stage of work, the revenue will be recorded in the Statement of Comprehensive Income calculated from the completion of work under the contract at the report date. The completion of work under the contract is calculated by the ratio of costs upon contract completion date to the report date, compared with the estimated cost of the entire contract.

In the event that there is a probability that the total cost of the project exceeds contract revenues, the company will recognize the loss as an expense in the Statement of Comprehensive Income. The recognized revenue that is not due according to the contract will be indicated in the Financial Statements as the value of finish work that is uncollected from customers.

Revenue from contracts consisted of revenue from providing chassis design, body production and engineering system installation for commercial vehicles. There are 2 product groups, including Standard Product and Special Design Product. The revenue from design, production and installation of lightweight fiberglass cargo box by a subsidiary will be recorded as the Standard Product group. In 2017, 2018, and 2019, the Company and Subsidiaries had revenues classified by product group as follows.

The table of revenues classified by product group in 2017, 2018 and 2019

Product group type	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Standard Product Group	572.80	41.18	131.62	6.41	(77.02)	200.90	16.95	52.64
Special Design Product Group	818.14	58.85	1,921.08	93.59	134.81	984.50	83.05	(48.75)
Total	1,390.94	100.00	2,052.69	100.00	47.58	1,185.39	100.00	(42.25)

The company and subsidiaries recorded the revenue base on the Percentage of Completion Method. The revenue of the Standard Product group consisted of revenues from design, production and assembly of products, truck, semi-trailer or vehicle that does not use a complex manufacturing technique. In 2017, 2018 and 2019, the revenue of Standard Product reported 572.80 million Baht, 131.62 million Baht, and 200.90 million Baht. The revenue of Special Design Product has more proportion than the Standard Product as it is the product that requires special expertise with fewer competitors. In 2017, 2018, and 2019, the Company reported revenues of 818.14 million Baht, 1,921.08 million Baht and 984.50 million Baht, or 58.82%, 93.59% and 83.05% of revenue from contracts respectively. In 2019, the company focused on the market group of Special Design Product, such as truck for agricultural, Catering Hi-Loader Truck, Fire Fighting Truck and special vehicle as customer requirements. As the Company experts in this product group, there are various models adjustment, technology development and production process development in order to the faster production. As a result, the company has received good responds from Flight Caterer customers from many countries worldwide. It required Engineering knowledge and precision in engineering system technology. Moreover, the company developed other vehicle as customer requirements such as patient-carrying vehicle, rescue truck, sugar cane carrier. The Company focused on the production capacity of Special Design Product, which has many orders continually.

Revenue from sales and services

The Company and Subsidiaries recorded revenues from Sales and services in the Comprehensive Income Statement after the significant risks and benefits transferred to the buyer. Revenue from sales consisted of Spare Part sales, some of which need to be ordered and imported from foreign countries for the production of customer's works. More than 50% is spare part sales to overseas customers who ordered vehicle from the Company, especially Catering Hi-Loader Truck, and the remaining 50% is spare part sales to domestic customers. Revenue from sales also consists of prototype product sales and in-stock product sales.

The table of revenues from Project Management, Sales and Services product group

Item	2017	2018	% Change	2019	% Change
	Million Baht	Million Baht	Y-o-Y	Million Baht	Y-o-Y
Project management, sales and services group	194.96	214.15	9.84	339.20	58.39

The company had revenues from Project Management sales and service in 2017, 2018 and 2019 of 194.96 million Baht, 214.15 million Baht and 339.20 million Baht respectively. The company records revenues from Project Management, and Sales and Services when the delivery is complete. The revenues were from truck and bus maintenance service, including customer vehicle service after the warranty expired, and Project Management customers, trailer truck and semi-trailers truck from Linfox Transport (Thailand) Co., Ltd. and Ek-Chai Distribution System Co., Ltd. ("Tesco-Lotus") with more than 1,000 vehicles in the project. The Maintenance Service Center located at Tesco-Lotus

area, including 5 places, including Lumlukka district, Wang Noi district, Sam Khok district, Bang Bua Thong district and Surat Thani province. The Company foresees an opportunity to increase revenue from maintenance service, so the company rent an area of about 4 Rai at Wang Noi District, Phra Nakhon Sri Ayutthaya in order to operate the Truck Maintenance Service center. The service center is for repairing accident trucks that need a long time to be repaired, and for providing maintenance service for customers of other company and general customers. Therefore, the company can improve the potential to oversee customers in the central area, which are nearby Bangkok and surrounding areas, and it also increases a chance of providing maintenance service work from Linfox and Tesco-Lotus. In 2017, the company had expanded the service center to be One Stop Services, providing engine and body reparation service at Chonburi province, and it will be expanded throughout the country within 2022. Moreover, the company has revenue from maintenance service contract for the bus delivery in March 2019. As a result, the company will have revenue from maintenance service for 10 years from the bus delivery date. This will achieve the goal of revenue similarly distribution of 3 product groups, in order to diversify the risks of world economy in doing one business in the future.

Other Revenues

The Company and Subsidiaries reported other revenues in 2017, 2018 and 2019 of 13.13 million Baht, 21.37 million Baht, and 84.62 million Baht respectively, or 0.82%, 0.93% and 5.26% of total revenues respectively. In 2019, the company recorded a profit from sales of property of 40.69 million Baht, and revenue from the reversal of doubtful accounts of 16.16 million Baht.

Cost and Gross Profit:

Contract Cost consisted of materials cost, salary, labour cost related to the production by departments, other labour cost of third party, and cost of production. The company will record the contract cost in the Comprehensive Income Statement based on the Percentage of Completion at the report date, when the contractual work can be estimated reliably regarding the success stage of work. In the event that the total cost of the project exceeds the revenue from contracts, the company will record an expected loss in the Comprehensive Income Statement immediately. If the Company is unable to estimate the effect of contract work reliably, the cost will be recorded as an expense in the Comprehensive Income Statement for the period in which the cost incurred.

Cost of sales and services consisted of the cost of goods, salary, labour cost of related departments, and expenses shared with common expense.

The company has determined policy regarding the pricing of contract work, which the profit should not lower than 15%. It determined that there should be production cost reviews to comply with actual cost in quarterly or when there are any factors that significantly affect the cost of such work.

In 2017, 2018, and 2019 the Company and Subsidiaries reported contract cost of 1,244.85 million Baht, 1,711.54 million Baht and 932.90 million Baht respectively, or 89.50%, 83.38%, and 78.70% of revenue from contract respectively. A proportion of contract cost declines steadily as the company has improved its production procedure for cost reduction, so the gross profit ratio increases continually.

Expenses of Sales and Management

Expenses of Sales and Management of the Company and Subsidiaries including an expense of human resource, an expense for goods exported to customers, an expense for domestic transportation and other management expenses.

Table of Expenses of Sales and Management

Item	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Expense of Sales	43.49	25.04	39.85	18.21	(8.37)	32.39	16.79	(18.73)
Expense of Management	130.16	74.96	179.02	81.79	37.53	160.53	83.21	(10.33)
Total	173.65	100.00	218.87	100.00	26.04	192.92	100.00	(11.86)

In 2017, 2018, and 2019, Expenses of Sales and Management of the company and subsidiaries were 173.65 million Baht, 218.56 million Baht and 192.92 million Baht respectively. In 2019, the expenses decreased 11.86% YOY, as in 2018 the company has set a doubtful account of 15.32 million Baht, and an Obsolete Inventory of 5.90 million Baht according to the company's policy.

Earnings Before Interest and Taxes (EBIT)

Table of Earnings Before Interest and Taxes

Item	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
EBIT	30.52	1.91	191.79	8.38	528.43	220.46	13.70	14.95
Total revenues	1,599.03	100.00	2,288.22	100.00	43.10	1,609.21	100.00	(29.67)

Earnings Before Interest and Taxes of the Company and Subsidiaries for the year 2017, 2018, and 2019 were 30.52 million Baht, 191.79 million Baht, and 220.460 million Baht respectively, or 1.91%, 8.38% and 13.70% of the total revenues respectively. The total revenues and profit margin have been increased from 2017 to 2019, which were from an expansion in Project Management Group and Sales and Services increased from Truck maintenance service with a long-term contract, Project of Bus for Rent, and project management for public transportation of governmental agencies and private sectors.

Financial costTable of Financial Cost

Item	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Financial Cost	50.64	3.17	141.45	6.18	528.43	145.65	9.05	2.97
Total revenues	1,599.03	100.00	2,288.22	100.00	43.10	1,609.21	100.00	(29.67)

In 2017, 2018 and 2019, the financial cost of the company and subsidiaries were 50.64 million Baht, 141.45 million Baht and 145.65 million Baht respectively. The financial costs were from financial institution loan, Debentures issuance, and loan from related business and person as a security for the project that the company operates. An increase of financial cost in 2019 was from an issuance of debentures for business investment, such as an expansion of the Truck Maintenance Service Center, the project of 489 units of bus maintenance service with the BMTA for a 10-year period, and the project of Light Gun Restoration with the Royal Thai Army for a 3-year period. In 2019, the company invested in an expansion of Maintenance Service Center for truck and large bus in Surat Thani province, and invested in the repair shop with equipment in the area of BMTA's bus operation zone 4, and invested in the purchase of equipment and hiring of expertise for the project of 22 units of Light Gun Restoration with the Royal Thai Army.

Corporate Income Tax

In 2017, 2018, and 2019, income tax of the company and subsidiaries were (0.76) million Baht, 4.87 million Baht, and 8.95 million Baht respectively. The minus corporate income tax in 2017 was because of a calculation of accumulated loss deducted from net profit. In 2018 and 2019, the company and subsidiaries calculated Corporate Income Tax by the Revenue Department's criteria.

Net Profit (Loss), Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)Table of Net Profit (Loss), Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

Item	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Net Profit (Loss)	(19.36)	(1.21)	45.47	1.99	(334.87)	65.86	4.09	44.84
EBITDA	81.40	5.09	246.19	10.76	202.45	278.21	17.29	13.01
Total Revenues	1,599.03	100.00	2,288.22	100.00	43.10	1,609.21	100.00	(29.67)

In the fiscal year 2017, 2018 and 2019 the company and subsidiary has profit (loss) of (19.36) million Baht, 45.47 million Baht, and 65.86 million Baht respectively, or (1.21) %, 1.99%, and 4.09% of the total Revenues respectively. The EBITDA were 81.40 million Baht, 246.19 million Baht and 278.21 million Baht. The increased Profit and EBITDA in 2018 and 2019 were from the increased proportion of Project Management and sales and services revenues. In 2019, the company had a profit from property sales of 40.69 million Baht, and an income from the reversal of doubtful accounts of 16.16 million Baht.

Return on Equity Ratio (ROE)

Table of Net Profit (Loss) and Equity on Average

Item	2017		2018		% Change	2019		% Change
	Million Baht	%	Million Baht	%	Y-o-Y	Million Baht	%	Y-o-Y
Net Profit (Loss)	(19.36)	(2.88)	45.47	5.86	(334.87)	65.86	7.13	44.84
Equity (Average)	671.65	100.00	775.52	100.00	15.46	923.46	100.00	19.08

In 2017, 2018, and 2019, the Company and Subsidiaries had ROE of (2.88) %, 5.86% and 7.13% respectively. Regarding the company performance, the ROE trend to increase from 2018 to 2019 as a proportion of net profit margin increased annually.

1.2 Financial status

Asset

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries had total assets of 2,328.28 million Baht, 3,670.80 million Baht and 3,067.23 million Baht respectively. The details of important asset items are as follows:

Cash and Cash Equivalence

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries reported Cash and Cash Equivalence of 2.61 million Baht, 3.71 million Baht and 12.93 million Baht respectively, consisting of petty cash and bank deposit, including saving accounts, current accounts and fixed deposit account. A decrease or increase is according to the financial management as of the end of each accounting period.

Accounts Receivables and Allowance for Doubtful Accounts

For the fiscal year 2017, 2018, and 2019, the company and subsidiaries had Accounts Receivables and other receivable of 346.52 million Baht, 720.44 million Baht, and 471.58 million Baht respectively. As of December 31, 2017, 2018 and 2019, the company had Accounts Receivables and other receivables as follows.

Item	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019
	Million Baht	Million Baht	Million Baht
Accounts Receivables			
Related person or company	139.56	259.22	253.84
Person or other company	193.36	319.99	129.72
Total	332.92	579.21	383.56
Deduction of Doubtful Accounts	(3.28)	(18.61)	(2.45)
Net	329.64	560.60	381.11
Other Receivables			
Related person or company	1.94	69.12	39.18
Person or other company	14.94	90.72	51.29
Total	16.88	159.84	90.47
Total Account Receivables and Other Receivables	346.52	720.44	471.58

The company has set new item of Account Receivables and Other Receivables in the Financial Statement as of December 31, 2017 and 2018, which was included in the Financial Statement for the purpose of comparison with 2019. There was a new item arrangement to comply with the 2019 Financial Statement as of December 31, 2019. A decrease in account receivables from December 31, 2018 was because the company has repaid debts regarding the 489 buses sold to the Bangkok Mass Transit Authority on May 2019. Account Receivables classified by period of outstanding payment in 2017, 2018, and 2019 are as follows.

Table of Accounts Receivables Classified by Maturity

Item	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019
	Million Baht	Million Baht	Million Baht
Accounts Receivables Classified by Maturity:			
Not due	52.49	390.49	66.51
Not over 3 months	245.72	52.84	86.55
Between 3 – 6 months	25.46	43.80	2.97
Between 6 - 12 months	5.58	37.66	139.70
Over 12 months	3.67	54.42	87.83
Total Accounts Receivables	332.92	579.21	383.56

The Company and Subsidiaries estimated allowance for Doubtful Accounts by a forecast from debtors who expected to be uncollectible, an analysis of debtor's payment history, and a forecast about further repayments of debtors for consideration on the maturity. For the Accounts Receivables who has more than 12 months overdue, the company will set a Doubtful Accounts in full amount unless in case that it is expected to receive payment of receivables. The management believes that allowance for doubtful accounts is set at a sufficient level.

Inventory

For the Fiscal Year 2017, 2018 and 2019, the company and subsidiaries had an inventory of 360.13 million Baht, 765.18 million Baht and 715.42 million Baht respectively. Mostly, the inventory are material, spare parts or components, including in-stock or in transit to the warehouse. It considered as the main components of the products. The remaining value consisted of products in process, finished goods, and consumable. In 2018 and 2019, the inventory value was increased due to the company expand its business, concerning the Truck Maintenance Service Center, and bus maintenance service received the 10-year maintenance service contract from the BMTA.

Restricted Deposit at Financial Institution

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries reported Fixed Deposit at Financial Institution of 37.00 million Baht, 41.40 million Baht and 62.86 million Baht respectively. Fixed Restricted Deposit applied as a security for loans from financial institutions, such as an Overdraft facility, and a Bank Guarantee credit facility. There is more necessary to use credit facilities as an increase of project value and contract.

Property for Investment

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries had Property for Investment of 81.58 million Baht, 81.85 million Baht, and 0.00 million Baht respectively. The Property for Investment was the land purchased by the company, which was a surplus from the Khon Kaen factory extension plan. In 2019, the company has sold the land, and gained a profit from sales of 46.69 million Baht.

Land, Building and Equipment

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries had land, building and equipment valued 976.60 million Baht, 1,097.86 million Baht, and 1,108.73 million Baht respectively. There was land of the Company Headquarter, factory building, building at branches, equipment, office decoration, durable goods, land for an office building in the future, vehicle, and under installation assets.

Sources of Fund Liabilities

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries reported liabilities of 1,665.99 million Baht, 2,752.06 million Baht, and 2,293.62 million Baht respectively. The important liabilities are as follows.

Short Term Loan from Financial Institution

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries reported overdraft and short term loan from financial institutions of 966.86 million Baht, 1,077.80 million Baht, and 571.92 million Baht respectively. It was a transaction of liabilities from credit facilities provided by financial institutions to support the Company and Subsidiaries as a working capital, for example, Overdraft, Trust Receipt, Packing Credit, Domestic Letter of Credit, Letter of Credit, Forward Contract, Security, and Promissory Note.

Accounts Payable and Other Creditors

For the fiscal year 2017, 2018, and 2019, the Company and Subsidiaries reported Accounts Payable and Other Creditors of 328.18 million Baht, 444.23 million Baht, and 199.38 million Baht respectively. Most of the Accounts Payable items are cost of products, raw material, material used for production, and spare parts used for maintenance service. The company has credit term from Account Payable in an average of about 60-90 days. The Average Payment Period as of December 31, 2017, 2018 and 2019 were 78 days, 74 days and 97 days respectively.

Defined Benefit Obligation

From January 1, 2011, the Company and Subsidiaries applied the Thai Financial Reporting Standards no. 19, Employee Benefits. The insurance mathematician estimates employee benefit liabilities. The management recorded reliabilities and benefits of employees occurred before 2011 by adjustment of net profit as at the beginning of the fiscal year 2011 according to the standards, and recorded liabilities and benefits of employees in the quarter 2/2019 according to the Labour Protection Act (No. 7) B.E. 2562, for employees who has a working period of more than 20 years.

For the fiscal year 2017, 2018, and 2019, the company and Subsidiaries had estimated Defined Benefit Obligation of 22.46 million Baht, 26.91 million Baht, and 33.62 million Baht respectively.

Shareholder's Equity

For the fiscal year 2017, 2018, and 2019 the Company and Subsidiaries had Major a Shareholder's Equity of 662.29 million Baht, 888.74 million Baht and 958.18 million Baht respectively. As of December 31, 2019, the company reported registered capital of 589.00 million Baht, the paid-up capital was 327.22 million Baht, share premium was 524.90 million Baht, and share premium from share based criteria was 29.01 million Baht. A discount from an increase of investment in subsidiaries was 5.63 million Baht. A legal reserve was 9.65 million Baht, increased by 2.83 million Baht from the previous year. An unallocated profit was 73.03 million Baht.

Liquidity

Item	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019
	Million Baht	Million Baht	Million Baht
Key Financial Ratio:			
Liquidity Ratio	0.73	0.85	1.22
D/E Ratio	2.52	3.10	2.39
Interest Bearing D/E Ratio	1.96	2.55	2.14

Liquidity ratio as of December 31, 2017, 2018, and 2019 were 0.73 times, 0.85 times, and 1.22 times respectively. This shows that in 2019 the company has a better liquidity ratio, 1.22 times. The current assets are sufficient to settle current liabilities. The D/E ratio as of December 30, 2019 was 2.39 times, decreased from the previous year. The Interest Bearing D/E Ratio was 2.14 times, decreased from the previous year. It was because the Company received payments, then repaid to the Accounts Payable, loan, and debentures.

Condition of Financial Ratio

The Company and Subsidiaries have an obligation to maintain the financial ratio due to the debentures issuance. The Interest Bearing D/E Ratio is required to maintain at a rate of not over 3 times. As of December 31, 2019, the Interest Bearing D/E Ratio of the Company was 2.14 times.

Expenses for Investment

In 2017, 2018, and 2019 the company had inbound cash flow (outbound) from investment activities of (175.42), (174.48), and (105.37) respectively. In 2017 and 2018, the company invested in the construction of the truck Maintenance Service Center at Chonburi, which was opened and its revenues were recognized. In 2019, the company invested in 1 more Service Center in Surat Thani under the name Sib Lor 24-hour. It is expected to operate within the second quarter of 2020. Also, there was an investment in equipment and other asset for the operation of 489 NGV buses Maintenance Service Center in 4 Bus Operation Zones of the Bangkok Mass Transit Authority.

**Cho Thavee Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2019
and
Independent Auditor's Report

Independent Auditor's Report**To the Shareholders of Cho Thavee Public Company Limited***Opinion*

I have audited the consolidated and separate financial statements of Cho Thavee Public Company Limited and its subsidiaries (the "Group") and of Cho Thavee Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Revenue and cost from contract work	
Refer to Note 2(c), 3(e), 3(n) and 3(t) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Revenue recognition</p> <p>The Group recognises revenue from contract work using percentage of completion that is determined by the proportion of contract costs incurred for work performed to date compared with the estimated contract cost.</p> <p>Management and engineer of the Group are required to apply judgment in estimating budget cost and appropriately adjust such budget until each project is completed and delivered. Therefore, I have determined that the stage of completion and contract cost estimation are important matters for examination.</p>	<p>My audit procedures in these areas included, among others:</p> <ul style="list-style-type: none"> • Understand the budget estimation process and adjustment in the estimated cost of contract work. • Test the estimated costs of contract work which were approved by the management, actual costs, revenue from contract work and unbilled revenue with related contracts and documents. • Compare the stage of completion with the actual costs and the estimated costs and trace against customers' acceptance documents. • Analyse the actual costs incurred against the estimated costs, gross profits analysis, work progress and inquire the rationale for differences from the management. • Evaluate the appropriateness of the revenue recognition and significant contract condition with customers in accordance with the relevant standards. • Test calculation on the stage of completions and unbilled revenue. • Test the subsequent actual costs incurred after the period ended with related documents. • Evaluate the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 25 February 2019.

Other Information

Management is 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 those charged with governance and request that the correction be made.

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

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

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

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

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

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 skepticism 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

(Waiyawat Kosamarnchaiyakij)
Certified Public Accountant
Registration No. 6333

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2020

Cho Thavee Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in thousand Baht)					
Current assets					
Cash and cash equivalents	5	12,932	3,712	12,671	3,631
Trade and other accounts receivables	4, 6	471,580	720,442	364,003	651,785
Contract assets	7	387,485	567,805	380,235	552,010
Short-term loans to related parties	4	111,067	-	267,718	82,870
Inventories	8	715,418	765,175	673,181	710,359
Other current assets		33,674	58,631	33,382	58,305
Total current assets		1,732,156	2,115,765	1,731,190	2,058,960
Non-current assets					
Restricted deposit at financial institution	14	62,860	41,400	59,860	38,400
Investment in associate	9	2,459	2,552	2,818	2,818
Investments in subsidiaries	11	-	-	23,600	23,600
Other long-term investment		25,000	-	25,000	-
Investment properties	12	-	81,577	-	81,577
Property, plant and equipment	13	1,108,725	1,097,864	1,052,563	1,038,440
Intangible assets		20,813	36,690	16,869	36,649
Deferred tax assets		10,974	12,653	9,982	11,824
Refundable deposits	10	236,517	236,318	236,517	236,318
Other non-current assets		52,283	15,981	52,283	15,876
Total non-current assets		1,519,631	1,525,035	1,479,492	1,485,502
Total assets		3,251,787	3,640,800	3,210,682	3,544,462

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

Cho Thavee Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans from financial institutions	14	571,918	1,077,796	554,617	1,046,898
Trade and other accounts payables	4, 15	199,380	444,226	192,941	419,354
Contract liabilities	7	1,999	1,590	1,625	1,436
Current portion of long-term loans from other parties	14	24,900	42,267	24,900	41,500
Short-term loans	14	298,146	769,767	298,146	750,867
Current portion of finance lease liabilities	14	11,427	10,911	11,427	10,911
Current portions of debenture	14	299,035	125,850	299,035	125,850
Current tax payable		2,213	6,226	1,825	6,226
Other current liabilities		8,328	9,434	6,039	8,453
Total current liabilities		1,417,346	2,488,067	1,390,555	2,411,495
<i>Non-current liabilities</i>					
Long-term loans from other parties	14	-	24,900	-	24,900
Finance lease liabilities	14	1,300	13,654	1,300	13,654
Debentures	14	841,337	198,525	841,337	198,525
Non-current provisions for employee benefits	16	33,622	26,910	31,512	25,602
Total non-current liabilities		876,259	263,989	874,149	262,681
Total liabilities		2,293,605	2,752,056	2,264,704	2,674,176
<i>Equity</i>					
Share capital	17				
Authorised share capital		588,999	460,280	588,999	460,280
Issued and paid-up share capital		327,222	327,222	327,222	327,222
Share premium					
Premium on ordinary shares	17	524,895	524,895	524,895	524,895
Share premium from share-based payment		29,013	29,013	27,068	27,068
Discount from increment of investments in subsidiary		(5,633)	(5,633)	-	-
Retained earnings (Deficit)					
Appropriated					
Legal reserve	18	9,649	6,820	9,649	6,820
Unappropriated (Deficit)		73,034	6,423	57,144	(15,719)
Equity attributable to the parent		958,180	888,740	945,978	870,286
Non-controlling interests		2	4	-	-
Total equity		958,182	888,744	945,978	870,286
Total liabilities and equity		3,251,787	3,640,800	3,210,682	3,544,462

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

Cho Thavee Public Company Limited and its Subsidiaries
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Revenues					
Revenue from contract	4	1,185,393	2,052,691	1,114,563	1,963,186
Revenue from sales and services	4	339,196	214,154	313,486	230,494
Other income	4, 12	84,617	21,371	93,713	31,237
Total revenues		1,609,206	2,288,216	1,521,762	2,224,917
Expenses					
Cost of contract	4	(932,897)	(1,711,544)	(878,618)	(1,648,710)
Cost of sales and services		(262,836)	(165,887)	(243,719)	(179,402)
Distribution costs		(32,385)	(39,850)	(28,723)	(35,626)
Administrative expenses	4	(160,534)	(179,020)	(145,582)	(175,499)
Finance costs	4, 22	(145,653)	(141,452)	(144,132)	(139,391)
Total expenses		(1,534,305)	(2,237,753)	(1,440,774)	(2,178,628)
Share of loss of investments in associate	9	(93)	(124)	-	-
Profit before income tax expense		74,808	50,339	80,988	46,289
Tax expense	23	(8,952)	(4,870)	(8,690)	(4,587)
Profit for the year		65,856	45,469	72,298	41,702
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gains on remeasurements of defined benefit plans		4,477	626	4,242	571
Income tax relating to items that will not be reclassified		(895)	(125)	(848)	(114)
Other comprehensive income (expense) for the year, net of tax		3,582	501	3,394	457
Total comprehensive income (expense) for the year		69,438	45,970	75,692	42,159
Profit attributable to:					
Owners of the parent		65,858	45,469	72,298	41,702
Non-controlling interests		(2)	-	-	-
Profit for the year		65,856	45,469	72,298	41,702
Total comprehensive income (expense) attributable to:					
Owners of the parent		69,440	45,970	75,692	42,159
Non-controlling interests		(2)	-	-	-
Total comprehensive income (expense) for the year		69,438	45,970	75,692	42,159
Earnings per share					
Basic earnings per share (Baht)	25	0.0503	0.0379	0.0552	0.0347
Diluted earnings per share (Baht)		0.0503	0.0379	0.0552	0.0347

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

Cho Thavee Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
Note	Retained earnings (Deficit)							Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on ordinary shares	Share premium from share-based payment	Discount from increment of investments in subsidiary	Legal reserve	Unappropriated (Deficit)				
							(in thousand Baht)			
Year ended 31 December 2018										
Balance at 1 January 2018										
	295,735	375,904	29,013	(5,633)	6,820	(39,547)	662,292	4	662,296	
17	Issue of ordinary shares	31,487	148,991	-	-	-	180,478	-	180,478	
Comprehensive income for the year										
	Profit for the year	-	-	-	-	45,469	45,469	-	45,469	
	Other comprehensive income	-	-	-	-	501	501	-	501	
	Total comprehensive income for the year	-	-	-	-	45,970	45,970	-	45,970	
Balance at 31 December 2018										
	327,222	524,895	29,013	(5,633)	6,820	6,423	888,740	4	888,744	
Year ended 31 December 2019										
Balance at 1 January 2019										
	327,222	524,895	29,013	(5,633)	6,820	6,423	888,740	4	888,744	
Comprehensive income for the year										
	Profit for the year	-	-	-	-	65,858	65,858	(2)	65,856	
	Other comprehensive income	-	-	-	-	3,582	3,582	-	3,582	
	Total comprehensive income for the year	-	-	-	-	69,440	69,440	(2)	69,438	
18	Transfer to legal reserve	-	-	-	-	2,829	(2,829)	-	-	
Balance at 31 December 2019										
	327,222	524,895	29,013	(5,633)	9,649	73,034	958,180	2	958,182	

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

Cho Thavee Public Company Limited and its Subsidiaries
Statement of changes in equity

Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Share premium from share-based payment <i>(in thousand Baht)</i>	Retained earnings (Deficit)		Total equity
					Legal reserve	Unappropriated (Deficit)	
Year ended 31 December 2018							
Balance at 1 January 2018							
Issue of ordinary shares	17	31,487	148,991	-	-	-	180,478
Comprehensive income for the year							
Profit for the year		-	-	-	-	41,702	41,702
Other comprehensive income		-	-	-	-	457	457
Total comprehensive income for the year		-	-	-	-	42,159	42,159
Balance at 31 December 2018							
		327,222	524,895	27,068	6,820	(15,719)	870,286
Year ended 31 December 2019							
Balance at 1 January 2019							
		327,222	524,895	27,068	6,820	(15,719)	870,286
Comprehensive income for the year							
Profit for the year		-	-	-	-	72,298	72,298
Other comprehensive income		-	-	-	-	3,394	3,394
Total comprehensive income for the year		-	-	-	-	75,692	75,692
Transfer to legal reserve							
	18	-	-	-	2,829	(2,829)	-
Balance at 31 December 2019							
		327,222	524,895	27,068	9,649	57,144	945,978

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

Cho Thavee Public Company Limited and its Subsidiaries**Statement of cash flows**

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	65,856	45,469	72,298	41,702
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	8,952	4,870	8,690	4,587
Depreciation and amortisation	57,751	54,395	53,174	49,160
Interest income	(17,256)	(299)	(21,953)	(7,469)
Finance costs	145,653	141,452	144,132	139,391
Unrealised gain loss on exchange and others	(5,971)	(9,912)	(2,772)	(5,765)
(Reversal of) bad and doubtful debts expenses	(16,155)	15,324	(16,154)	15,324
(Reversal of) losses on inventories devaluation	(568)	5,900	(137)	6,407
Gain on disposal of investment properties	(40,689)	-	(40,689)	-
Employee benefit expenses	11,189	5,544	10,152	5,285
Share of loss from investment in associate	93	124	-	-
	<u>208,855</u>	<u>262,867</u>	<u>206,741</u>	<u>248,622</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivables	265,017	(380,314)	303,936	(382,756)
Contract assets	180,320	(147,297)	171,775	(136,200)
Inventories	50,235	(410,942)	37,315	(397,410)
Other current assets	24,957	(9,125)	24,923	(8,856)
Other non-current assets	(31,556)	(235,438)	(31,407)	(235,437)
Trade and other accounts payables	(232,993)	101,009	(214,560)	89,895
Contract liabilities	409	(7,711)	189	(7,866)
Provisions for employee benefits	-	(466)	-	(466)
Other current liabilities	(1,106)	1,499	(2,414)	1,424
Net cash flows generated from (used in) operating	<u>464,138</u>	<u>(825,918)</u>	<u>496,498</u>	<u>(829,050)</u>
Taxes paid	<u>(8,016)</u>	<u>(9,007)</u>	<u>(8,016)</u>	<u>(8,985)</u>
Net cash from (used in) operating activities	<u>456,122</u>	<u>(834,925)</u>	<u>488,482</u>	<u>(838,035)</u>

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

Cho Thavee Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Increase in restricted deposit at financial institution	(21,460)	(4,400)	(21,460)	(4,400)
Decrease (increase) in short-term loans to related parties	(111,067)	-	(184,848)	5,052
Proceeds from sale of investment properties	122,266	-	122,266	-
Proceeds from sale of property, plant and equipment	5,472	-	5,472	-
Acquisition of other long-term investments	(25,000)	-	(25,000)	-
Acquisition of subsidiaries investments	-	-	-	(1,000)
Acquisition of property, plant and equipment	(75,796)	(167,048)	(74,513)	(166,798)
Acquisition of intangible asset	-	(3,027)	-	(3,027)
Interest received	219	463	808	8,851
Net cash used in investing activities	(105,366)	(174,012)	(177,275)	(161,322)
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(505,878)	107,863	(492,281)	114,655
Increase (decrease) in short-term loans	(488,988)	769,027	(469,321)	750,126
Interest paid	(150,829)	(125,307)	(144,724)	(123,479)
Repayment for finance lease liabilities	(11,838)	(11,711)	(11,838)	(11,711)
Repayment of long-term loan	-	(852)	-	-
Proceeds of long-term loan	-	66,400	-	66,400
Proceeds from issue of debentures	815,997	24,140	815,997	24,140
Proceeds from issue of ordinary shares	-	180,478	-	180,478
Net cash from (used in) financing activities	(341,536)	1,010,038	(302,167)	1,000,609
Net increase in cash and cash equivalents	9,220	1,101	9,040	1,252
Cash and cash equivalents at 1 January	3,712	2,611	3,631	2,379
Cash and cash equivalents at 31 December	12,932	3,712	12,671	3,631

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

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade and other accounts receivables
7	Contract assets and liabilities
8	Inventories
9	Investment in associate
10	Joint operations
11	Investments in subsidiaries
12	Investment properties
13	Property, plant and equipment
14	Interest-bearing liabilities
15	Trade and other account payable
16	Non-current provisions for employee benefits
17	Share capital
18	Legal reserve
19	Segment information
20	Employee benefit expenses
21	Expenses by nature
22	Finance costs
23	Income tax
24	Promotional privileges
25	Earnings per shares
26	Financial instruments
27	Commitments with non-related parties
28	Other matters
29	Events after the reporting period
30	Thai Financial Reporting Standards (TFRS) not yet adopted
31	Reclassification of accounts

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2020.

1 General information

Cho Thavee Public Company Limited, the “Company”, is incorporated in Thailand, and has its registered office 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, Talad Bang Khen District, Lak-Si, Bangkok
Branch 2	66/5 Moo 2, Tambol Pong, Amphur Banglamung, Chonburi
Branch 3	62/25 Moo 2, Tambol Lam Sai, Amphur Wang Noi, Ayutthaya
Branch 4	37/30 Moo 1, Tambol Nong Kham, Amphur Sriracha, Chonburi

The Company’s major shareholder during the financial period was Mr. Suradech Taweesaengsakulthai.

The principal business operations of the Company and subsidiaries are engaged in manufacturing, selling and providing service of trailer assembly, vehicles and special equipments. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 were as follows:

Name of the entity	Type of Business	Ownership interest (%)	
		31 December 2019	31 December 2018
<i>Direct subsidiaries</i>			
Cho Thavee Thermo Tech Co., Ltd.	Manufacturing, fabrication, assembly for panel and container	99.99	99.99
Amornrattanakosin Co., Ltd.	Public Transportation	99.97	99.97

The above direct subsidiaries were incorporated in Thailand.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies, however there is no material impacts on the financial statements. The Group also adopted TFRS 15 Revenue from Contracts with Customers (“TFRS 15”) which replaced TAS 18 Revenue (“TAS 18”), TAS 11 Construction Contracts (“TAS11”) and related interpretations.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such changes in accounting policies have no material impacts on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 30.

(b) Functional and presentation currency

The financial statements are prepared in Thai Baht which is the Company's functional currency. All financial information in note to the financial statement have been rounded to thousand Baht unless otherwise stated.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is the revenue recognition from contract revenue whether it should be over time or at a point in time.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have impact on the financial statements are included in the following notes:

Note 6	Measurement of allowance for doubtful debts of trade accounts receivable
Note 16	Measurement of defined benefit obligations: key actuarial assumptions;

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint operations (together referred to as the "Group") and the Group's interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

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 financial caption.

The Group has assessed the nature of its joint arrangements and determined them to be joint operations.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange risk arising from operational activity which consists of forward exchange contract. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Gains and losses from forward exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents / financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

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

Depreciation

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

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

Land improvement	5 years
Buildings and other constructions	20 years
Machinery and equipment	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5-10 years

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

No depreciation is provided on freehold land or assets under construction.

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

(j) Intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are approximately 10 years.

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

(k) Impairment

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

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

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

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(o) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payments

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.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(r) Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Chief Financial Officer.

Cho Thavee Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(s) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(t) *Revenue*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from contracts

Revenue from contracts comprise initial amount agreed in the contract plus contract modification, claims and incentive payments to the extent probable that they will generate revenue and can be measured reliably. When the work progress can be measured reliably, revenue and cost from contract will be recognised based on percentage of completion - cost to cost method, over time in profit or loss. Costs incurred during the year as related to future activities are presented as inventories.

Revenue from sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue from services is recognised over time based on stage of completion. The stage of completion is assessed based on cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(u) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(v) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(w) Income tax

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential instruments.

(y) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(z) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly selling, administrative, finance and other costs.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

4 Related parties

Related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Mr. Suradech		
Taweesaengsakulthai	Thailand	A major shareholder and director
Taweesaengsakulthai family	Thailand	A major shareholder, 44.17% shareholding of the Company and persons having authority and responsibility for planning, directing and controlling the activities of entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Cho Thavee Thermo Tech Co., Ltd.	Thailand	A subsidiary and/or common director
Amornrattanakosin Co., Ltd.	Thailand	A subsidiary and/or common director
KLRT Co., Ltd.	Thailand	An associate and/or common director
Joint Operation TSP-CTV	Thailand	Joint operations (Currently, there is no operation and in the process of business liquidation)
Joint Operation JVCC	Thailand	Joint operations
Joint Operation Lekise & Cho Thavee	Thailand	Joint operations (Currently, there is no operation and in the process of business liquidation)
Joint Operation JVCKK	Thailand	Joint operations (Currently, there is no operation and in the process of business liquidation)
Joint Operation JVOPV	Thailand	Joint operations
Joint Operation CKKM	Thailand	Joint operations (Currently, there is no operation and in the process of business liquidation)
Joint Operation SCN-CHO	Thailand	Joint operation between the Company and other joint operator, it has Company's management as director
Thaveeseangthai Co.,Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Bangkok CTV. Intertrade Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Khon Kaen Cho Thavee (1993) Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
A P S Multi-Trade Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
O J Development Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Cho Ruamthavee (Laksi) Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Khon Kaen City Development (KKT) Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Ruamthavee Motor Sales Co., Ltd.	Thailand	A related party and common director
Ruamthavee Khonkaen Co., Ltd.	Thailand	A related party and common director
Cho Ruamthavee Leasing and Real Estate Co., Ltd.	Thailand	A related party and common director
Tang Hua Singh Nakhonpathom Ltd., Partnership	Thailand	A related party and common partnership
Volrep Truck and Bus Co., Ltd.	Thailand	A related party and common shareholder

Cho Thavee Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

Name of entities	Country of incorporation	Nature of relationships
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Thailand	Common director
Smart Consulting and Services Co., Ltd.	Thailand	A related party and common director
Iphon Logistics Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director
Freedom Media for Reform Co., Ltd.	Thailand	A related party and common director
Apex Development Public Co., Ltd.	Thailand	A related party and common director
Thaveesaengthai Nongrue Rice Mill Ltd., Partnership	Thailand	A related party and common director
Star Universal Network Public Co., Ltd.	Thailand	A related party and common director
KKTT Holding Co., Ltd.	Thailand	A related party, shareholding by the major shareholder and common director

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

Transactions	Pricing policies
Revenue from contract	Mutually agreed contract price
Revenue from sales and services	Mutually agreed contract price
Administrative, rental and other income	Mutually agreed contract price
Purchase of raw materials	Mutually agreed contract price
Purchase and sale of property, plant and equipment and intangible asset	Mutually agreed contract price
Administrative, rental and other expenses	Mutually agreed contract price
Interest income and interest expense	Interest income 7 - 8% per annum Interest expense 8 - 15% per annum

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Subsidiaries				
Revenue from contract	-	-	1,509	783
Revenue from sales and services	-	-	7,494	17,243
Administrative income	-	-	1,325	3,000
Rental income	-	-	2,185	2,640
Interest income	-	-	12,030	7,197
Other income	-	-	3,054	26
Purchase of raw materials	-	-	16,268	29,123
Person or other related parties				
Revenue from contract	341,067	596,459	326,459	595,992
Revenue from sales and services	65,663	59,906	65,663	14,310
Administrative income	2,980	5,667	2,980	5,667
Rental income	487	504	487	504
Income from late payment penalty	-	8,908	-	5,840
Interest income	13,197	-	8,250	-
Purchase of raw materials	43,863	57,256	43,855	57,256

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Rental expense	1,560	1,812	1,560	1,560
Interest expense	2,699	214	2,515	-
Administrative and other expense	4,143	5,755	4,143	5,755

Key management personnel

Key management personnel compensation				
Short-term management benefits	20,446	19,370	20,446	19,370
Long-term management benefits	1,432	961	1,432	961

Balances as at 31 December with person or related parties were as follows:

Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Subsidiaries	-	-	3,597	8,138
Other related parties	253,836	259,221	173,094	190,196
Total	253,836	259,221	176,691	198,334

Other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
		(in thousand Baht)		
Subsidiaries	-	-	20,279	363
Other related parties	39,182	69,118	26,967	66,276
Total	39,182	69,118	47,246	66,639

Short-term loans to person or related parties

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			(in thousand Baht)		
Mr. Suradech Taweesaengsakulthai	8	111,067	-	-	-
Subsidiary - Cho Thavee					
Thermo Tech Co., Ltd.	7	-	-	267,718	82,870

During 2019, the subsidiary has entered into loan agreement with Director for loan facility of Baht 120 million with interest at the rate of 8% per annum. As of 31 December 2019, the loan to director has outstanding balance totaling Baht 111 million. The Director affirmed the objective of the loan to be used in project relating to main business activities of the Group in which the group will benefit from project's success. The Director committed to return the loan in full within 2020 with interest in accordance with the agreement. This transaction was approved by the Board of Directors.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Movements of loans receivable to person or related parties for the year ended 31 December 2019 and 2018 were as follows;

Short-term loans to director

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Mr. Suradech Taweesaengsakulthai				
At 1 January	-	-	-	-
Increase	154,005	-	-	-
Decrease	(42,938)	-	-	-
At 31 December	111,067	-	-	-

Short-term loans to subsidiary

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	82,870	87,922
Increase	-	-	312,744	70,807
Decrease	-	-	(127,896)	(75,859)
At 31 December	-	-	267,718	82,870

Trade and other accounts payables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	3,584	-
Person or other related parties	9,087	4,783	9,087	4,690
Total	9,087	4,783	12,671	4,690

Accrued interest expense

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Person or related parties	-	214	-	214

Short-term loan

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Person or related parties	-	77,854	-	58,954

Short-term loan from person or related parties have interest rate at 8 - 15 % per annum.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Movements of loans from related parties for the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	77,854	77,854	58,954	58,954
Decrease	(77,854)	-	(58,954)	-
At 31 December	-	77,854	-	58,954

Significant agreements with person or other related parties

As at 31 December 2019 the Group and the Company had various service agreements with related parties as follows:

- (A) The Company has a rental agreement to rent a parking space for transportation service with Khon Kaen Cho Thawi (1993) Co., Ltd. at the agreed rental rate. The contract has a period of 3 years and will be due in November 2021.
- (B) The Company has a building rental contract with the Company's director. The contract can be extended annually unless both parties agree for cancellation in written notice.
- (C) The Company has an office rental agreement with a subsidiary for 4 years and will be due in July 2022.
- (D) The Company has an office rental agreement with a subsidiary for 3 years and will be due in December 2021.
- (E) The Company has a management agreement with a subsidiary to provide operational assistance service and advice for business.
- (F) The Company has a contract with Khon Kaen Cho Thawi (1993) Co., Ltd. to obtain joint credit facilities from a financial institution in amount Baht 70 million by placing land of Khon Kaen Cho Thawi (1993) Co., Ltd. with a carrying amount Baht 101 million as mortgage. The Company agreed to pay Khon Kaen Cho Thawi (1993) Co., Ltd. in amount Baht 0.6 million per annum.
- (G) The Company has a short-term loan agreement with a subsidiary with credit amount of Baht 270 million, interest rate at 7% per annum and repayable on demand.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	365	359	296	313
Cash at banks - current accounts	12,388	3,281	12,196	3,246
Cash at banks - savings accounts	179	72	179	72
Total	12,932	3,712	12,671	3,631

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

6 Trade and other accounts receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Related parties	253,836	259,221	176,691	198,334
Other parties	129,724	319,987	91,596	314,893
Total	383,560	579,208	268,287	513,227
Less allowance for doubtful accounts	(2,450)	(18,605)	(1,474)	(17,628)
Net	381,110	560,603	266,813	495,599
Other receivables				
Related parties	39,182	69,118	47,246	66,639
Other parties	51,288	90,721	49,944	89,547
Net	90,470	159,839	97,190	156,186
Total	471,580	720,442	364,003	651,785
(Reversal of) bad debts and doubtful debts expense				
For the year ended 31 December	(16,155)	15,324	(16,154)	15,324

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	20,946	145,682	21,152	145,986
Overdue:				
Less than 3 months	30,071	3,602	11,495	1,337
3 - 6 months	950	38,660	950	6,085
6 - 12 months	123,553	28,662	120,031	7,785
Over 12 months	78,316	42,615	23,063	37,141
	253,836	259,221	176,691	198,334
Less allowance for doubtful accounts	-	-	-	-
	253,836	259,221	176,691	198,334

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	45,567	244,810	28,103	243,230
Overdue:				
Less than 3 months	56,481	49,234	39,448	46,696
3 - 6 months	2,015	5,144	2,015	5,144
6 - 12 months	16,151	8,997	13,497	8,997
Over 12 months	9,510	11,802	8,533	10,826
	<u>129,724</u>	<u>319,987</u>	<u>91,596</u>	<u>314,893</u>
Less allowance for doubtful accounts	(2,450)	(18,605)	(1,474)	(17,628)
	<u>127,274</u>	<u>301,382</u>	<u>90,122</u>	<u>297,265</u>
Net	<u>381,110</u>	<u>560,603</u>	<u>266,813</u>	<u>495,599</u>

The normal credit terms granted by the Group ranges from 30 days to 90 days.

The management vigorously follows up the repayment of related parties which are overdue. During January 2020, the Group entered into a repayment schedule agreement which will begin to repay in the first quarter of 2020 onwards. Management is confident that the payment will be received in full, and therefore no provision is reserved.

Other receivables

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Prepaid expenses	32,521	10,225	31,815	9,612
Advance payment	28,494	19,248	36,218	18,912
Retention receivable	477	110,069	477	110,069
Others	28,978	20,297	28,680	17,593
Total	<u>90,470</u>	<u>159,839</u>	<u>97,190</u>	<u>156,186</u>

7 Contract assets and liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Contract assets				
Work in progress and attributable profit	2,193,867	1,691,922	2,186,617	1,676,127
Progress billings	(1,806,382)	(1,124,117)	(1,806,382)	(1,124,117)
Total	<u>387,485</u>	<u>567,805</u>	<u>380,235</u>	<u>552,010</u>
Contract liabilities				
Work in progress and attributable profit	2,855	4,843	2,855	4,798
Progress billings	(4,854)	(6,433)	(4,480)	(6,234)
Total	<u>(1,999)</u>	<u>(1,590)</u>	<u>(1,625)</u>	<u>(1,436)</u>

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	22,140	23,341	22,048	23,249
Work in progress	375,356	89,360	366,674	78,836
Raw materials	245,199	376,802	212,016	331,884
Store supplies	12,829	16,472	12,152	15,869
Goods in transit	7,299	1,990	6,806	1,990
Advance for purchase of raw materials	63,171	268,354	63,171	268,354
Total	725,994	776,319	682,867	720,182
<i>Less allowance for decline in value</i>	<i>(10,576)</i>	<i>(11,144)</i>	<i>(9,686)</i>	<i>(9,823)</i>
Net	715,418	765,175	673,181	710,359

9 Investment in associate

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
As at 1 January	2,552	2,676	2,818	2,818
Share of loss from investment in associate	(93)	(124)	-	-
As at 31 December	2,459	2,552	2,818	2,818

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Investment in associate as at 31 December 2019 and 2018, and dividend income for the year ended 31 December 2019 and 2018 were as follows;

	Consolidated financial statements						Dividend income for the	
	Ownership interest	Paid-up capital	Cost	Equity			year ended 31 December	year ended 31 December
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			(in thousand Baht)				
<i>Associate</i>								
KLRT Company Limited	49	49	5,750	5,750	2,818	2,459	-	-
					2,818	2,552		
	Separate financial statements						Dividend income for the	
	Ownership interest	Paid-up capital	Cost	Impairment	Cost - net		year end 31 December	year end 31 December
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)			(in thousand Baht)				
<i>Associate</i>								
KLRT Company Limited	49	49	5,750	5,750	2,818	2,818	-	-
					-	-		

None of the Group's associate is publicly listed and consequently do not have published price quotation.

Associate was incorporated and operate in Thailand.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

10 Joint operation

In 2017, the Company entered into an agreement with other joint operator to establish a joint operation of “Joint Venture SCN-CHO” (“SCN-CHO”) to deliver 489 NGV buses and provide 10 years maintenance services when each bus starts operating to Bangkok Mass Transport Authority (“BMTA”). According to the agreement, the Company shares 50% of the profit or loss of the joint operation. The Group deposited, behalf of SCN-CHO, Baht 426 million (portion of the Company is Baht 213 million) as a guarantee for the agreement. The deposit is classified under non-current assets.

In the first quarter of 2019, SCN-CHO completed its delivery of the remaining 189 NGV buses to BMTA.

Assets and liabilities of the joint operation as at 31 December as follows:

	Consolidated / Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Current assets	26,623	117,189
Non-current assets	213,042	213,042
Current liabilities	(217,401)	(290,490)
Total net assets	22,264	39,741

Income and expenses of the joint operation which are included in statement of comprehensive income for the year ended 31 December as follows:

	Consolidated / Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Income	312,490	657,018
Expenses	(274,020)	(607,342)
Profit for the year	38,470	49,676

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

11 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income for the year ended 31 December 2019 and 2018 were as follows:

Separate financial statements								Dividend income for the year ended 31 December
	Ownership interest		Paid-up capital		Cost		Impairment	
	2019	2018	2019	2018	2019	2018		
	(in thousand Baht)							
Subsidiaries								
Cho Thavee Thermo Tech Co., Ltd.	99	99	20,000	20,000	22,600	22,600	-	-
Anomrattanakosin Co., Ltd.	99	99	1,000	1,000	1,000	1,000	-	-
					23,600	23,600	-	-

All subsidiaries were incorporated and mainly operate in Thailand.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

12 Investment property

During the year 2019, the Group sold investment property which was land to a non-related party and recognised gain on sale amounting to Baht 40.7 million presented under other income in separate and consolidated financial statements. The remaining investment property amounting to Baht 2 million was considered by management to reclassify to property, plant and equipment for operation purpose.

13 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during year ended 31 December were as follows:

	Consolidated financial statements						
	Land and land improvement	Building and other construction	Machinery and factory equipment	Office furniture, fixtures and equipment (in thousand Baht)	Vehicle	Assets under construction and installation	Total
Cost							
At 1 January 2018	371,094	365,049	176,389	23,494	96,810	235,586	1,268,422
Additions	-	8,587	9,509	2,060	5,914	144,435	170,505
Transfers	-	2,524	7,096	134	8,862	(18,616)	-
Disposals	-	-	(1,592)	(315)	(1,620)	-	(3,527)
At 31 December 2018 and 1 January 2019	371,094	376,160	191,402	25,373	109,966	361,405	1,435,400
Additions	2,266	7,056	6,883	3,967	3,470	40,301	63,943
Transfers	-	-	786	16,054	-	(16,840)	-
Disposals	-	-	(37,932)	(1,116)	(853)	(14)	(39,915)
At 31 December 2019	373,360	383,216	161,139	44,278	122,583	384,852	1,459,428
Accumulated depreciation							
At 1 January 2018	4,240	108,662	124,800	13,840	40,285	-	291,827
Depreciation charge for the year	79	17,907	15,967	3,525	11,447	-	48,925
Disposals	-	-	(1,326)	(270)	(1,620)	-	(3,216)
At 31 December 2018 and 1 January 2019	4,319	126,569	139,441	17,095	50,112	-	337,536
Depreciation charge for the year	78	18,292	17,089	3,874	12,926	-	52,259
Disposals	-	-	(37,846)	(652)	(594)	-	(39,092)
At 31 December 2019	4,397	144,861	118,684	20,317	62,444	-	350,703
Net book value							
At 31 December 2018							
Owned assets	366,775	249,591	51,961	8,278	17,094	361,405	1,055,104
Assets under finance leases	-	-	-	-	42,760	-	42,760
	366,775	249,591	51,961	8,278	59,854	361,405	1,097,864
At 31 December 2019							
Owned assets	368,963	238,355	42,455	23,961	14,582	384,852	1,073,168
Assets under finance leases	-	-	-	-	35,557	-	35,557
	368,963	238,355	42,455	23,961	50,139	384,852	1,108,725

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	Separate financial statements						
	Land and land improvement	Building and other construction	Machinery and factory equipment	Office furniture, fixtures and equipment	Vehicle	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>						
Cost							
At 1 January 2018	353,483	310,079	127,949	22,669	95,309	235,586	1,145,075
Additions	-	8,587	9,480	2,022	5,914	144,421	170,424
Transfers	-	2,524	7,097	133	8,862	(18,616)	-
Disposals	-	-	(1,592)	(315)	(1,620)	-	(3,527)
At 31 December 2018 and 1 January 2019	353,483	321,190	142,934	24,509	108,465	361,391	1,311,972
Additions	2,266	7,056	6,377	3,812	3,470	39,679	62,660
Transfers	-	-	786	16,054	-	(16,840)	-
Disposals	-	-	(446)	(770)	(853)	-	(2,069)
At 31 December 2019	355,749	328,246	149,651	43,605	111,082	384,230	1,372,563
Accumulated depreciation							
At 1 January 2018	3,841	94,967	82,216	13,215	38,784	-	233,023
Depreciation charge for the year	-	15,159	13,682	3,437	11,447	-	43,725
Disposals	-	-	(1,326)	(270)	(1,620)	-	(3,216)
At 31 December 2018 and 1 January 2019	3,841	110,126	94,572	16,382	48,611	-	273,532
Depreciation charge for the year	-	15,543	15,467	3,792	12,926	-	47,728
Disposals	-	-	(375)	(291)	(594)	-	(1,260)
At 31 December 2019	3,841	125,669	109,664	19,883	60,943	-	320,000
Net book value							
At 31 December 2018							
Owned assets	349,642	211,064	48,362	8,127	17,094	361,391	995,680
Assets under finance leases	-	-	-	-	42,760	-	42,760
	349,642	211,064	48,362	8,127	59,854	361,391	1,038,440
At 31 December 2019							
Owned assets	351,908	202,577	39,987	23,722	14,583	384,230	1,017,007
Assets under finance leases	-	-	-	-	35,556	-	35,556
	351,908	202,577	39,987	23,722	50,139	384,230	1,052,563

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 129.11 million and Baht 122.16 million, respectively. (2018: Baht 152.27 million and Baht 107.93 million).

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts and short-term loans from financial institutions				
- Unsecured	571,918	1,077,796	554,617	1,046,898
Short-term loans				
- Secured	-	691,913	-	691,913
- Unsecured	298,146	77,854	298,146	58,954
Current portion of long-term loans from other parties				
- Secured	24,900	42,267	24,900	41,500
Current portion of finance lease liabilities	11,427	10,911	11,427	10,911
Current portion of debenture	299,035	125,850	299,035	125,850
Total current	1,205,426	2,026,591	1,188,125	1,976,026
Non-current				
Long-term loans from other parties				
- Secured	-	24,900	-	24,900
Finance lease liabilities	1,300	13,654	1,300	13,654
Debenture	841,337	198,525	841,337	198,525
Total non-current	842,637	237,079	842,637	237,079

Details of interest-bearing liabilities as at 31 December 2019 as follows:

Unsecured bank overdrafts and short-term loans from financial institutions bear interest at rate 4.50 - 7.68% per annum.

Unsecured short-term loans from other parties bear interest at rate 9 - 15% per annum.

Secured long-term loans from other parties bear interest at rate 11.50% per annum. The loan is due during within October 2020.

The Company has debentures as below :

- 1) the unsubordinated, unsecured long-term debenture with name registered with bond holders' representative, offering to institution investors and High Net Worth Investors 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 2.06 million to be Baht 199.04 million). Interest was carried at the rate of 6.50% per annum, repaying quarterly. Debenture holds a lifespan of 2 years and will be matured on 21 September 2020.

- 2) the unsubordinated short-term debenture.
- Offering to specific investors on 21 June 2019 at 180,000 units in par value of Baht 1,000 per unit aggregating to Baht 180 million. Interest was carried at the rate of 7.25% per annum, unsecured. Debenture holds a lifespan of 6 months and will be matured in December 2019.
 - On 19 December 2019, the debentures were redeemed by 80,000 units at par value Baht 1,000 amounting to Baht 80 million while the remaining 100,000 units at par value of Baht 1,000 equivalent to Baht 100 million was agreed to extend for 182 days, and it will be matured in June 2020. The Company's shares held by a director and the Company's land were pledged as collateral.
- 3) the unsubordinated, unsecured debenture unsecured to public and institution investors and High Net Worth Investors.
- 3.1) At 545,300 units in per value of Baht 1,000 per unit aggregating to Baht 545.30 million (net of underwriting fee incurred for issuing the debenture in amount of Baht 1.32 million to be Baht 543.98 million). Interest was carried at the rate of 6.75% per annum, repaying quarterly. Debenture holds a lifespan of 2 years and will be matured in February 2021.
- 3.2) At 300,000 units in per value of Baht 1,000 per unit aggregating to Baht 300 million (net of underwriting fee incurred for issuing the debenture in amount of Baht 2.65 million to be Baht 297.35 million). Interest was carried at the rate of 7% per annum, repaying quarterly. Debenture holds a lifespan of 2 years and will be matured in October 2021.

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.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2019 and 2018 were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within one year	1,193,999	2,015,680	1,176,698	1,965,115
After one year but within five years	841,337	223,425	841,337	223,425
Total	2,035,336	2,239,105	2,018,035	2,188,540

Secured interest-bearing liabilities as at 31 December 2019 and 2018 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Deposit at financial institution	62,860	41,400	59,860	38,400
Land	317,608	365,680	301,569	349,641
Buildings	78,631	86,944	78,631	86,944
Investment properties	-	81,577	-	81,577
Total	459,099	575,601	440,060	556,562

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Finance lease liabilities

Finance lease liabilities as at December 2019 and 2018 were payable as follows

	Consolidated and separate financial statements					
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	11,796	369	11,427	11,834	923	10,911
After one year but within five years	1,341	41	1,300	14,164	510	13,654
Total	13,137	410	12,727	25,998	1,433	24,565

As at 31 December 2019, the Group has unused loan facilities agreement from financial institution amounting to Baht 679 million. (31 December 2018: Baht 1,150.84 million)

15 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		(in thousand Baht)			
Trade account payable		109,130	346,446	106,290	324,956
Accrued expense		46,504	56,938	42,905	53,647
Advances received - deposit		18,856	803	18,856	803
Others account payable		13,040	39,749	13,040	39,659
Advances received for share subscription	17	11,371	-	11,371	-
Retention		479	290	479	289
Total		199,380	444,226	192,941	419,354

16 Non-current provisions for employee benefits

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	26,910	22,458	25,602	21,354
Include in profit or loss:				
Current service cost	4,068	4,784	3,467	4,564
Interest on obligation	916	760	855	721
Impact from the amended Labor Protection Act	6,205	-	5,830	-
	11,189	5,544	10,152	5,285
Included in other comprehensive income				
Actuarial gain	(4,477)	(626)	(4,242)	(571)
Benefit paid	-	(466)	-	(466)
At 31 December	33,622	26,910	31,512	25,602

Estimation of actuarial gain recognised in other comprehensive income are from;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demography assumption	(1,645)	(1,134)	(1,505)	(1,058)
Financial assumption	252	958	258	906
Adjustment from experience	(3,084)	(450)	(2,995)	(419)
Total	(4,477)	(626)	(4,242)	(571)

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as at 31 December 2019 and past service cost for the year then ended in the consolidated and separate financial statements increased by Baht 6.2 million and Baht 5.83 million, respectively.

Principal actuarial assumptions

Principal actuarial assumptions at the reporting date (demonstrated by weight average method) are as follow;

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	3.03 - 3.07	3.17 - 3.31	3.03	3.17
Future salary growth	4.50 - 4.80	5.00	4.80	5.00
Employee turnover	5 - 35	5 - 30	5 - 35	5 - 30

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 14 years (2018:15 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2019				
Discount rate (1% Change)	(3,122)	3,625	(2,880)	3,342
Future salary growth (1% Change)	3,975	(3,471)	3,670	(3,208)
Employee turnover (10% Change)	(1,983)	2,187	(1,830)	2,018
At 31 December 2018				
Discount rate (1% Change)	(2,519)	2,940	(2,349)	2,738
Future salary growth (1% Change)	3,500	(3,022)	3,271	(2,829)
Employee turnover (10% Change)	(1,515)	1,658	(1,412)	1,545

Although this analysis does not take into account the full distribution of expected cash flows under the said project but showing estimates of sensitivity of various assumptions.

17 Share capital

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	0.25	1,841,118	460,280	1,182,942	295,736
Reduction of shares	0.25	(532,231)	(133,058)	-	-
Increase of new shares	0.25	1,047,109	261,777	658,176	164,544
Ordinary shares at 31 December	0.25	2,355,996	588,999	1,841,118	460,280
Issued and paid-up					
At 1 January					
- ordinary shares	0.25	1,308,887	327,222	1,182,942	295,735
Increase of new shares	0.25	-	-	125,945	31,487
Ordinary shares at 31 December	0.25	1,308,887	327,222	1,308,887	327,222

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Warrants to purchase shares

The Group issued warrants to purchase common shares CHO-W2 and started trading on 15 July 2019, detail is as follow:

Number of listed warrants (unit: warrants)	: 649,415,238
Exercise ratio (Warrant: Common stock)	: 1 : 1
Exercise price (Baht per share)	: 0.86
Term of warrants	: 1 year 6 months from issuance date
First exercise date	: 30 December 2019
Last exercise date	: 30 December 2020

On 30 December 2019, some warrant holders exercised the warrants and therefore the share capital will increase by 13,014,520 shares amounting to Baht 11 million (increase in value of share capital Baht 3 million and share premium of Baht 8 million). The shares were registered with Department of Business Development in January 2020. The remaining unexercised warrants as at 31 December 2019 were 636,400,718 warrants.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Changes in share capital for the year ended 31 December 2019 are below:

Decrease of share capital

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, which were the remaining from the issuance and unsold shares with inconvertible under stipulated terms and conditions of 532,231,964 ordinary shares at a par value of Baht 0.25 per share, totalling Baht 133,057,991.

The Company registered the capital reduction with Department of Business Development on 21 May 2019.

Increase of 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, 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 warrant exercises.

The Company registered the capital increase with the Department of Business Development on 22 May 2019.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Changes in share capital for the year ended 31 December 2018 are below:

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 newly 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.

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, totalling 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, totalling 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.

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, totalling Baht 88,720,632.75 and private placement for 118,294,177 ordinary shares with a par value of Baht 0.25, totalling 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, totalling Baht 142,891,000. The Company registered those shares with the Department of Business Development.

18 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

19 Segment information

The management determined that the Group has 3 reportable segments which are the Group's strategic division that are different. The following summary describes the operations in each of the Group's reportable segments:

- *Segment revenue from contracts such as standard products, special products and project contract.*
- *Segment revenue from sale such as sale of spare parts and vehicle prototype.*
- *Segment revenue from service such as maintenance service center.*

Each segment's performance is measured based on revenue and profit margin as included in the internal management reports that are reviewed by the Group's CODM. Revenue and profit margin are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The Group's revenue from major customers for year ended 31 December 2019 and 2018 were Baht 501.64 million and Baht 1,210.61 million, respectively.

Information about reportable segments

<i>For the year ended 31 December</i>	Consolidated financial statements				
	Revenue from contract		Revenue from sales		Total
	2019	2018	2019	2018	
Revenue	1,185,393	2,052,691	48,613	201,233	2,266,845
Gross profit	252,496	341,147	8,589	41,464	389,414
<i>(in thousand Baht)</i>					
Unallocated distribution and administrative expenses and finance costs			6,803	201,583	1,524,589
Other income				67,771	328,856
Share of loss of investments in associate					(338,572)
Profit before tax					50,339
Investment in associates					2,459
Segment assets					3,251,787
Segment liabilities					2,293,605
					3,640,800
					2,752,056

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Geographical segments

The Group and the Company geographical segment is in domestic and overseas. The presentation of segment revenue from contract and sale of goods and rendering of services is based on the geographical location of customers below:

<i>For the period ended 31 December</i>	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Thailand	1,399,912	1,986,658
Hong Kong	26,573	27,936
Japan	29,123	55,745
Vietnam	41,438	-
Korea	5,784	32,044
Singapore	-	77,637
Others	21,759	86,825
Total	1,524,589	2,266,845

All operating non-current assets are located in Thailand.

20 Employee benefit expenses

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Wages and salaries		232,508	220,731	216,861	208,136
Defined benefit plans	16	11,189	5,544	10,152	5,285
Defined contribution plans		10,160	9,172	9,470	8,570
Others		7,746	9,569	7,160	8,672
Total		261,603	245,016	243,643	230,663

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate 2% of their basic salaries and by the Group at rates 2% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

21 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress	(284,796)	892	(286,637)	(243)
Raw materials and consumables used	1,223,877	1,567,929	1,172,312	1,556,454
Employee benefit expenses	261,603	245,016	243,643	230,663
Depreciation and amortisation	57,751	54,395	53,174	49,160
Others	130,217	228,069	114,150	203,203
Total cost of sales, distribution costs and administrative expenses	1,388,652	2,096,301	1,296,642	2,039,237

22 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Interest expenses				
Interest from debenture	60,515	23,735	60,515	23,735
Loan and overdraft from financial institutions	82,439	117,503	81,102	115,656
Person or related parties	4 2,699	214	2,515	-
Total	145,653	141,452	144,132	139,391

23 Income tax

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss				
Current tax expense	(8,068)	(9,935)	(7,697)	(9,935)
Deferred tax				
Movements in temporary differences	(884)	5,065	(993)	5,348
Total tax expense	(8,952)	(4,870)	(8,690)	(4,587)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		74,808		50,339
Income tax using the Thai corporation tax rate	20	14,962	20	10,068
Income tax reduction		(2,452)		(117)
Expenses not deductible for tax purposes		2,687		318
Current year losses for which no deferred tax asset was recognised		5,529		333
Recognition of previously unrecognised tax losses		(11,774)		(5,732)
Total	12	8,952	10	4,870

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Reconciliation of effective tax rate

	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		80,988		46,289
Income tax using the Thai corporation tax rate	20	16,198	20	9,258
Income tax reduction		(2,452)		(117)
Expenses not deductible for tax purposes		2,686		318
Current year losses for which no deferred tax asset was recognised		4,032		174
Recognition of previously unrecognised tax losses		(11,774)		(5,046)
Total	11	8,690	10	4,587

24 Promotional privileges

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Group was granted several promotion privileges include:

- exemption from payment of import duty on machinery approved by the Board of Investment.
- 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
- 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.
- 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.
- exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

Due to received investment promotion, the Group has to comply with conditions and restrictions described in the investment promotional certificate.

Financial performance for the year ended 31 December 2019 and 2018 were all from non-promotional revenue because the tax promotion privileges has been expired.

Cho Thavee Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

25 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2019 and 2018 were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht/ thousand share)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	65,858	45,469	72,298	41,702
Weighted average number of ordinary shares outstanding	1,308,887	1,200,523	1,308,887	1,200,523
Basic earnings per share (Baht)	0.0503	0.0379	0.0552	0.0347

Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2019 and 2018 were based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusting for the effects of all diluted potential instruments as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht/ thousand share)</i>			
Profit attributable to ordinary shareholders of the Company (basic and diluted)	65,858	45,469	72,298	41,702
Weighted average number of ordinary shares outstanding	1,308,887	1,200,523	1,308,887	1,200,523
Effect of all diluted potential instrument	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	1,308,887	1,200,523	1,308,887	1,200,523
Diluted earnings per share (Baht)	0.0503	0.0379	0.0552	0.0347

26 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Loan interest rates of the Group are mainly fixed so it is not exposed to interest rate risk from its borrowings. Currently the Group is not using any financial derivatives to manage the fluctuation in interest rates as the interest rate is at market rate.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of raw material and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and assets and liabilities recognition.

The Group uses derivative financial instruments to manage its risk on foreign debts. This is in compliance with the policy and guidelines agreed and approved by the Board of Directors of the Company, and there are controls on operating procedures for compliance with the policy.

The financial derivatives considered to apply are forward exchange contract to hedge the foreign currency risk as arisen in raw material purchase from overseas. Furthermore, the Group also has some income from export sales in foreign currencies to reduce the impact of exchange rate fluctuations.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Carrying amount and fair values

The Group applies the method and assumption in measuring fair values of the financial instrument below:

Fair value of cash and cash equivalents, loans receivables, trade account receivables, and trade account payables are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

Fair value of bank overdrafts, short-term loans and debentures are taken to approximate the carrying values as its interest is market rate.

The Group does not have significant financial assets or liabilities measured at fair value level 3.

27 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Buildings and other constructions	20,503	-	20,503	-
Machinery and equipment	32,662	138,233	32,662	138,233
Total	53,165	138,233	53,165	138,233
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	40,745	6,371	38,470	6,071
1 - 5 years	95,650	5,388	95,170	5,356
After 5 years	25,004	-	25,004	-
Total	161,399	11,759	158,644	11,427

Other commitments

	Consolidated and separate financial statements			
	Contract amount			
	Forward foreign currency buying contract			
	Foreign currency		Equivalent to Baht	
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
	2019	2018	2019	2018
GBP	541	-	20,983	-
EUR	-	100	-	3,760
USD	46	500	1,374	16,305
JPY	7,966	20,000	2,250	5,880
Total			24,607	25,945

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Consolidated and separate financial statements

	Contract amount			
	Forward foreign currency selling contract			
	Foreign currency		Equivalent to Baht	
	2019	2018	2019	2018
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
USD	100	239	3,022	7,858
EUR	-	234	-	8,925
SGD	-	423	-	10,049
Total			3,022	26,832

Fair value of the forward foreign currency contracts computed using the rate as stipulated by the counterparty bank has no material difference from the contract price. This fair value is level 2.

Separate financial statements

	Contract amount			
	Unused letter of credit			
	Foreign currency		Equivalent to Baht	
	2019	2018	2019	2018
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
THB	17,469	-	17,469	-
EUR	148	135	5,041	5,046
JPY	12,260	-	4,884	-
USD	-	1,803	-	58,817
Total			27,394	63,863

Consolidated financial statements

	Contract amount			
	Unused letter of credit			
	Foreign currency		Equivalent to Baht	
	2019	2018	2019	2018
	<i>(in thousand)</i>		<i>(in thousand Baht)</i>	
THB	17,469	-	17,469	-
EUR	148	135	5,041	5,046
JPY	12,260	-	4,884	-
USD	75	1,857	2,287	60,563
Total			29,681	65,609

Consolidated and separate financial statements

	2019	2018
	<i>(in thousand Baht)</i>	
Bank guarantees		
Working contract guarantee	295,910	324,134
Electricity guarantee	1,155	1,200
	297,065	325,334

Cho Thavee Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

28 Other matters

The Company received a notice of contract termination regarding the E-Ticket project from the BMTA on 21 March 2019. The cancelled project value is Baht 1,665 million. According to the notice, claiming that the Company does not comply with the contract and was unable to deliver the work under the contract (E-Ticket system with equipment) within the period determined in the contract, therefore, the BMTA request for the right to terminate the contract.

In the past, the Company has complied with the contract by installing the E-Ticket system in all 2,600 buses along with the actual system activation, and the Cash Box system has been installed in 800 buses. The BMTA notified the Company to wait for clarification to complete the installation and utilising only the E-Ticket system. In addition, the BMTA submitted a letter to the Comptroller General's Department to discuss amendments to the contract or to terminate the contract in part by cutting off the Cash Box system from the entire contract.

On 4 September 2019, the Company filed a petition against the government agent at the Central Administrative Court, undecided case no. 1998/2019 between the Company and the BMTA, claiming for damages or services or rental charges that should be paid to the Company amounting to Baht 1,556 million (price exclusive of tax) with an annual interest rate of 7.5% calculated by the date after filing a petition to the payment date. The contract security must be returned to the Company with a late return charge arising from the late return of such security.

29 Events after the reporting period

At the Board of Directors' meeting of the Company held on 25 February 2020, the directors approved to propose to the Annual General Meeting of Shareholders for dividend payment for the year 2019 at the rate of Baht 0.021 per share to the shareholders entitled to receive dividends totalling to approximately Baht 27.8 million and is scheduled for payment on 22 May 2020. The dividend is subject to the approval of the Annual General Meeting of Shareholders that will be held on 24 April 2020.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

30 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* *TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying TFRSs (a) and (b) on the financial statements.

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

31 Reclassification of accounts

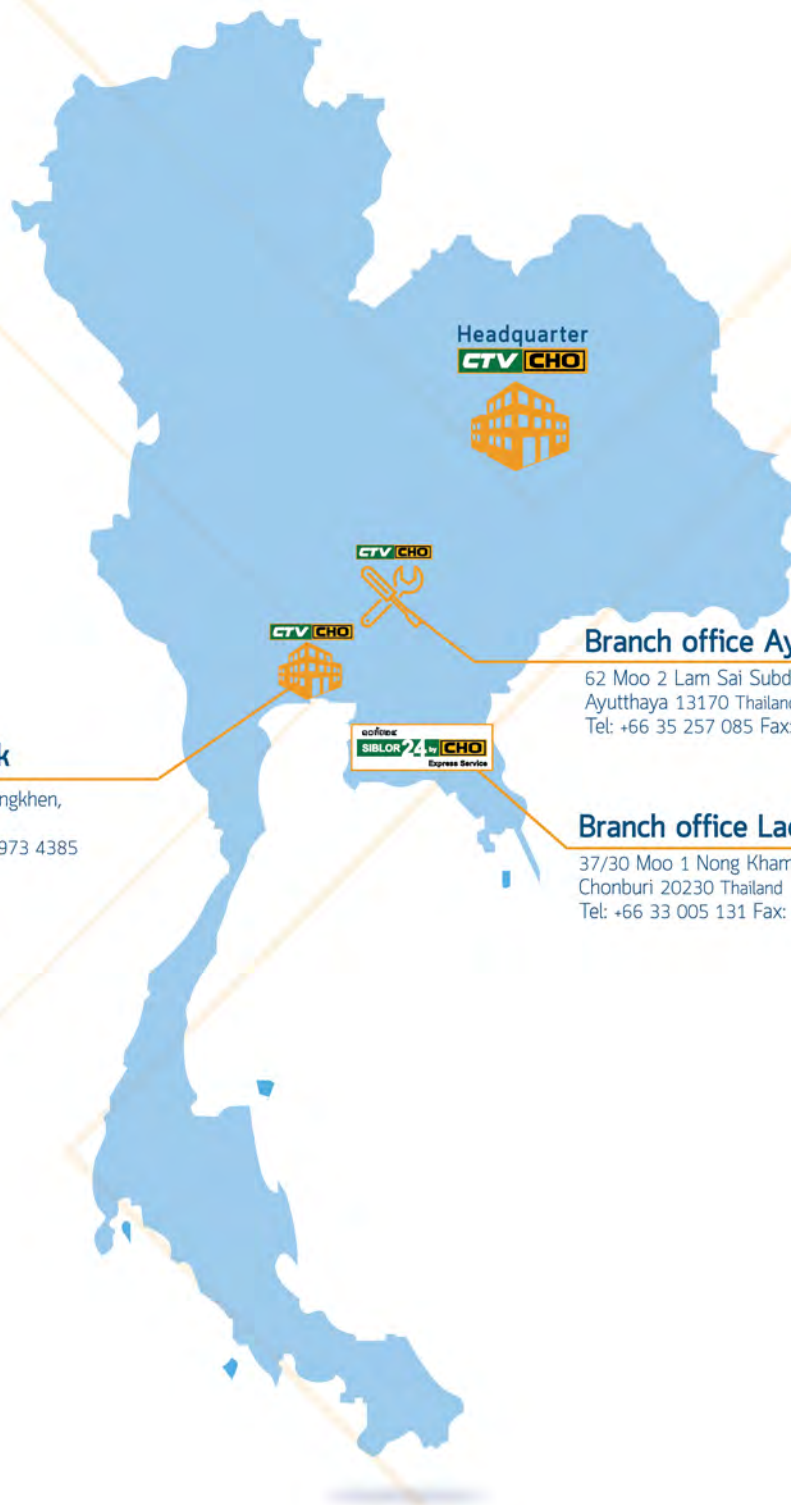
Certain accounts in the statement of financial position as at 31 December 2018 and the statement of comprehensive income for the year ended 31 December 2018, which are included in the 2019 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 financial statements. The significant reclassification as follows:

	2018		
	Consolidated financial statements		
	Before reclass	Reclass	After reclass
	(in thousand Baht)		
Statement of financial position as at			
31 December 2018			
Trade accounts receivable and other receivables	1,288,061	(567,619)	720,442
Contract assets	-	567,805	567,805
Current portion of employee receivables under finance lease agreements (net)	186	(186)	-
Financial instrument assets	236	(236)	-
Value added tax	58,395	(58,395)	-
Other current assets	-	58,631	58,631
Employee receivables under finance lease agreements (net)	155	(155)	-
Income tax receivable	15,826	(15,826)	-
Other non-current assets	-	15,981	15,981
Provision for warranty	3,995	(3,995)	-
Value added tax	1,320	(1,320)	-
Other current liabilities	4,119	5,315	9,434
		-	
Statement of comprehensive income			
year ended 31 December			
Administrative expenses	178,709	311	179,020
Net loss on write-off fixed asset	311	(311)	-
Gain on exchange rates	617	(617)	-
Other income	20,754	617	21,371
		-	

Cho Thavee Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

	2018		
	Separate financial statement		
	Before reclass	Reclass	After reclass
	(in thousand Baht)		
<i>Statement of financial position as at</i>			
<i>31 December 2018</i>			
Trade accounts receivable and other receivables	1,203,610	(551,825)	651,785
Contract assets	-	552,010	552,010
Current portion of employee receivables under finance lease agreements (net)	186	(186)	-
Financial instrument assets	236	(236)	-
Value added tax	58,068	(58,068)	-
Other current assets	-	58,305	58,305
Employee receivables under finance lease agreements (net)	155	(155)	-
Income tax receivable	15,722	(15,722)	-
Other non-current assets	-	15,876	15,876
Provision for warranty	3,595	(3,595)	-
Value added tax	1,319	(1,319)	-
Other current liabilities	3,538	4,915	8,453
		-	
<i>Statement of comprehensive income</i>			
<i>year ended 31 December</i>			
Administrative expenses	175,188	311	175,499
Net loss on write-off fixed asset	311	(311)	-
Gain on exchange rates	802	(802)	-
Other income	30,435	802	31,237
		-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.



Branch office Bangkok

96/25 Vibhavadirangsit Road, Bangkhen,
Laksi, Bangkok 10210 Thailand
Tel: +66 2973 4382-4 Fax: +66 2973 4385

Headquarter



CTV CHO

CTV CHO



office
SIBLOR 24 HOURS
Express Service

Branch office Ayutthaya

62 Moo 2 Lam Sai Subdistrict, Wang Noi,
Ayutthaya 13170 Thailand
Tel: +66 35 257 085 Fax: +66 35 257 086

Branch office Laem Chabang

37/30 Moo 1 Nong Kham, Sriracha,
Chonburi 20230 Thailand
Tel: +66 33 005 131 Fax: +66 33 005 132



Cho Thavee Public Company Limited

Headquarter 265 Moo 4 Muangkhae,
Muang, Khon Kaen 40000 Thailand
Tel : +66 43 043 888-890
Fax: +66 43 043 899
Email : info@cho.co.th
Website:www.cho.co.th

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