

รายงานประจำปี 2560  
ANNUAL REPORT 2017



บริษัท ระยองไวร์ อินดัสตรีส์ จำกัด (มหาชน)  
RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED

# วิสัยทัศน์

บริษัท ระยองไวร์ อินดัสตรีส์ จำกัด (มหาชน) มีเป้าหมายที่จะเป็นผู้นำ 1 ใน 3 ของประเทศด้านการจำหน่ายและผลิตผลิตภัณฑ์สินค้าลวดเหล็กแรงดึงสูง ภายในปี 2020

บริษัทดำเนินธุรกิจเป็นผู้ผลิตและจำหน่ายผลิตภัณฑ์จากลวดเหล็กที่มีคุณภาพรวมถึงการให้บริการที่เป็นไปตามความต้องการของลูกค้าอย่างต่อเนื่อง โดยคำนึงถึงความสำคัญในการปรับปรุงการดำเนินงานอย่างสม่ำเสมอ เพื่อให้ลูกค้าเกิดความพอใจ

# พันธกิจ

บริษัทมุ่งเน้นความสามารถในการตอบสนองความต้องการของลูกค้าอย่างมีประสิทธิภาพ มีการพัฒนากระบวนการผลิตอย่างต่อเนื่องและให้ความสำคัญในการบริการหลังการขาย อีกทั้งพัฒนาความรู้ความสามารถของบุคลากร ระบบบริหารงานทั่วทั้งบริษัทต้องเป็นที่น่าเชื่อถือ และวางใจได้จากลูกค้าและสังคมโดยรวม ตามมาตรฐานอุตสาหกรรมและข้อกำหนดของมาตรฐาน ISO 9001:2008 พร้อมดูแลสิ่งแวดล้อมภายใต้มาตรฐานอุตสาหกรรม ISO 14001:2004

# CONTENT

## สารบัญ

### การประกอบธุรกิจ

- 1 ข้อมูลสำคัญทางการเงิน
- 2 รายงานจากคณะกรรมการบริษัท
- 3 ผลดำเนินงานของบริษัท
- 5 ลักษณะการประกอบธุรกิจ
- 16 ปัจจัยความเสี่ยง

### การจัดการ

- 17 โครงสร้างบริหารจัดการ
- 18 โครงสร้างการถือหุ้นและการจัดการ
- 38 รายการระหว่างกัน
- 40 การควบคุมภายในและบริหารความเสี่ยง
- 43 รายงานของคณะกรรมการพิจารณาค่าตอบแทน
- 44 ข้อมูลส่วนบุคคลของคณะกรรมการบริษัท ผู้บริหาร และเลขานุการบริษัท
- 52 คณะกรรมการบริษัท
- 53 ข้อมูลทั่วไปและข้อมูลสำคัญอื่น

### การกำกับดูแลกิจการ

- 55 การกำกับดูแลกิจการ
- 94 ความรับผิดชอบต่อสังคม

### ฐานะการเงินและผลการดำเนินงาน

- 105 คำอธิบายและการวิเคราะห์ฐานะการเงินและผลการดำเนินงาน
- 114 รายงานการกำกับดูแลกิจการของคณะกรรมการตรวจสอบ
- 118 รายงานความรับผิดชอบต่อสังคมของบริษัทต่อรายงานทางการเงิน
- 119 รายงานของผู้สอบบัญชีรับอนุญาต
- 125 งบการเงิน
- 132 หมายเหตุประกอบงบการเงิน
- 172 คำตอบแทนของผู้สอบบัญชี

## CONTENT

### Business

- 173 Important information in term of financial
- 174 Report from the Board of Directors
- 175 Business Operations
- 186 Risk Factors

### Management

- 187 Management Structure
- 188 Shareholding and Management Structure
- 207 Related Transaction
- 209 Internal Control and Risk Management
- 212 Report from the Remuneration Committee
- 213 Personal Information of Directors and Executives
- 220 General Information and Other Importance Information

### Corporate Governance

- 222 Corporate Governance
- 256 Corporate Social Responsibility

### Financial Status and Business Operation

- 264 Explanation and Examination of Financial Status and Business Operation Performance
- 274 Corporate Governance Report from Audit Committee
- 278 Report on Responsibilities of the Board of Directors on Financial Reporting
- 279 Audit report of Certified Public Accountant
- 284 Financial Statement
- 290 Notes to Financial Statements
- 320 Auditor's Remuneration



### Importance information in term of financial

Operating Results (Million Baht)	2017	2016	2015
<b>REVENUES</b>			
Revenues from Sales	926	598	628
Other Income	19	10	11
Total Revenues	945	608	639
<b>Profit (Loss)</b>			
Earnings before Interest, tax, Depreciation and Amortization (EBITDA)	118	28	2
Earnings (Loss) before Income Tax	96	13	(19)
Net Earnings (Loss)	81	13	(18)
<b>Financial Status (Million Baht)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total Assets	1,355	990	955
Total Liabilities	326	51	29
Total Shareholders' Equity	1,029	939	926
<b>Per Share Data (Baht)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Par Value	0.50	0.50	0.50
Net Earnings (Loss)	0.13	0.02	0.03
Book Value	1.70	1.57	1.54
Market Price	2.02	2.42	1.96
<b>Financial Ratios (%)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Profitability's Ratios</b>			
Return on Equity	8.15	1.47	(1.94)
Return on Sales	8.49	2.26	(2.83)
Net Profit Margin	6.84	1.41	(1.66)
<b>Investment Structure</b>			
Debt to Equity to Shareholders (Time)	0.32	0.05	0.03
<b>Growth Opportunities</b>			
Total Assets	36.87	3.69	(21.66)
Total Liabilities	543.51	71.49	(89.27)
Equity to Shareholders	9.53	1.52	(1.92)
Total Revenues	55.21	(4.76)	(25.16)
Profit (Loss)	453.52	178.01	(122.61)

## Report from the Board of Directors

Dear Shareholders,

During the previous year of 2017, steel industry sector of Thailand expected that construction investment in basic infrastructure by government would be the major factors driven the national economic through transportation and logistics development project, resulting the positive to local steel consumption. However, these positive factors might not affect to steel industry of Thailand due to the production and export of Thai Steel products still facing some risks. Even though, the steel price has been increased due to the fluctuation of world steel price based on raw material price and steel situation of manufacturer and the biggest main consumers such as China.

From the above mentioned factors, the Company realized that any risks might occur. Then, Company had set up policy to closely monitor the changing of raw material price, as well as to better manage the cost of raw material by purchasing quality raw material from local, in addition of import the raw material from abroad. The Company also focused on the market expansion into ASEAN, including developed the new product in order to add value to the Company.

During the business operation, Board of Directors and Executive emphasized on the appropriate management of Internal Control, committed to manage in compliance with Good Corporate Governance with transparency, morality, auditable, by providing written Anti-Corruption Policy and Code of Conduct, together with the procedure and instruction in order to create the solid and concrete practice guideline to support Anti-Corruption Measure and importance participation on social and environmental responsibilities.

Finally, on behalf of the Board of Directors, we would like to thank you to Shareholders, Trading Partners, Financial Institution, Public and Private Sectors and all sectors who always support to the business operation of the Company always, and look forward to continuing to be supported in the future. The Board of Directors, Executives and Employees will dedicate, cooperate and commit together to fulfill our mission with accountability in order to drive the Company to achieve the sustainable and continue success.



(Mr. Wutichai Leenabanchong)  
Chairman & Executive Chairman

## **Business Operations**

### **Overall and development of Business Operations**

Rayong Wire Industries Public Company Limited as nature of business is manufacturer and selling quality of production of steel wire. It can be divided company products into 2 groups as follows:

#### **1. Construction Products group**

- 1.1) Steel Wires for Pre-stressed Concrete Wire or “PC-Wire”
- 1.2) Steel Wires Strand for Pre-Stressed Concrete or “PC-Strand”
- 1.3) Wire Mesh “WM”
- 1.4) Ordinary Low Carbon Steel Wires or “OLC”

#### **2. Industrials Products group**

- 2.1) Gas Metal Arc Welding Wire or “GMAW”
- 2.2) Hard Drawn Wire or “HDW”

### **Income Structure**

Most income of company came from manufacturer and selling steel wire for Pre-Stressed concrete wire and Pre-Stressed concrete strand. Most of our customers are manufacturer in concrete piles, electricity poles, hollow-core slaps, concrete slaps and Gurder, accounted for about 69% and the contractors who bid for government / The Electricity Authority accounted for about 26% and foreign customers accounted for about 5% of total revenue.



1. Income Structure of company during 2015 - 2017 classify by type of products

Type of income	2017		2016		2015	
	Million baht	%	Million baht	%	Million baht	%
<b>Income</b>						
- Pre-stressed concrete wire	544.05	57.58	408.33	67.07	442.36	69.20
- Pre-stressed concrete strand wire	348.53	36.88	179.88	29.55	181.17	28.34
- Wire Mesh	15.15	1.60	3.41	0.56	0.33	0.05
- Low carbon steel wire	11.87	1.26	6.79	1.11	4.21	0.66
- Welding wire	2.04	0.22	0.29	0.05	0.22	0.03
- Spring wire			-	-	-	-
Total	3.88	0.41	598.70	98.34	628.29	98.28
Other income	925.52	97.95	10.10	1.66	10.95	1.71
<b>Grand Total</b>	<b>19.36</b>	<b>2.05</b>	<b>608.80</b>	<b>100.00</b>	<b>639.24</b>	<b>100.00</b>

**Other income:** Include interest income, revenue from sales of wire scrap resulting from the production process and the fine in case of late payment, etc.



## 2. Nature of Product

Company's business is to produce and distribute PC wire, PC strand, welding wire, other wires. With production capacities in year 2017 of 72,000 tons per year which consists into 6 categories as follows:

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

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

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

4. Hard drawn wire or HDW with diameter 2.0- 7.0 millimeters. The product is used in mattress industry, auto parts industry, wire mesh industry and spring industry.

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

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

## 3. Marketing and competition status

### • Marketing Strategy

1. Due to produce and distribute various products by each product objective is difference. The strategy of company is willing to access the target volume which can be classified into many categories. First consideration for contractor are price while automotive customers are interested in quality.

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

3. Most companies focus on customers used a lot of product and attention all customers which has contact, such as calibration services and also inquire about problem and service to improve the customer satisfaction in the quality of products and services of the company even more.

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

5. The total sales of company customers, 60 % are in Thailand, relationship with customers all over the country is important.

6. The company has a policy to expand the product line to be more and more to reduce the risk of operation and it can also serve customers. Customers can order many kinds of products from the company and the company can expand the market through existing marketing channels by no additional cost or resources.

7. The company is focusing on human resource development to strengthen knowledge and understanding of the management and operation and the company has developed The ERP System (Enterprise Resource Planning) to manage the production process and to reduce the loss. Also use the quality management system to produce quality products according to customer need, there to focuses on the management of Inventory to make the most profit with the company.

- **Types of customers and target customers**

The company has distributed all products to local market and export markets clarify as follows:

**Pre-stressed concrete wire (PC-Wire) and Pre-stressed concrete strand wire (PC-Strand)**

as group of customers consists of

1. Domestic Customers

1.1 Private Sector which equivalent to 95% of Pre-stressed concrete sold as consists of

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

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

2. Export Customers

2.1 Distributed directly to the user of the steel wire country. It is a user who uses steel wire for the production of concrete products such as pile manufacturing, concrete piles, and concrete poles.

2.2 Selling through distributors of that country

**Gas Metal Arc Welding Wire (GMAW)** as group of customers consists of

1. Distributor of welding wire industrial which equivalent to 91 percent
2. Direct sale to welding wire industrial which equivalent to 9 percent

**Spring wire (HDW)** as group of customers consists of

1. Mattress Industry
2. Automotive Industry
  - Shock absorbers
  - Chain
  - Spokes
  - Car Seat
  - Hard Drawn in General Motive
3. Wire Meshes Industry
4. Hard Drawn Industry

**Cold Drawn Steel Wire** as group of customers consists of

1. Concrete Distributor such as finished pipe group, manufacturer of electric pole or pile
2. Construction Group
3. Finished wall Group
4. Route Construction Group
5. Government Sector
6. Dealer or construction material store

**Wire Mesh** as group of customers consists of

1. Concrete Distributor such as finished pipe, plank
2. Construction Group and auction of government sector
3. Finished wall Group
4. Route Construction Group
5. Government Sector such as Department of Highways, building and restoration a Bridge, Public Works Department, Royal Irrigation Department, National Housing Authority.
6. Dealer or construction material store

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

- **Pricing Policy**

Rayong Wire Industries Public Company Limited (RWI) has policy on pricing strategy by cost plus margin however, in order to set final pricing will rely on need of consumer and competitive condition within the industry in each period wherewith steel industry is fluctuates follows major business cycle.

- **Distribution and distribution channels**

**Distribution**

1. Maintain distribution channels of the company by maintaining a customer base that purchases steel wire from the company in 2017, in 2018 the use of steel wire must not be less the original.
2. Increase selling of Project clients who will have in the future.
3. Distributed through distributors
4. Increase sales channels to foreign

- **Industry and Competition Status**

**Industrial Structure of Rayong Wire Industries Public Company Limited (RWI)**

**PC-Wire and PC-Strand Industries**

Overview of trend for future construction is in good direction, basic construction of public sector turns out for construction industry in a good way meanwhile world economy situation and the domestic economy is not very good as a result, the overall market slightly up in 2017. Present, there are 12 manufacturers of production steel wire and the company has a market share of 10 percent, ranked fifth in the market.

**Factors impacting the business operation**

- **New operator entering into market**

Due to this business need a lot of money to invest, complicated in production process most important this product concerned with safety. Products have to certify by MOI (Ministry of Industry) as TIS standard or new comers are difficulty to entry.

- **Bargaining power of suppliers**

Because sources of raw materials in manufacturing on PCW&PCS are several suppliers both domestic and international. The negotiations on the purchase of raw materials are not difficult the company can be source good quality raw materials in time because the quality of raw materials affects the finished goods; it also affects the cost of production.

- **Bargaining power of buyers**

With the slowdown in private construction in 2017, investment in the construction industry has declined; less demand for steel wire by tones have high bargaining power. As the second half of the year, The Mega Projects of government had more investment therefore use of products in the public sector more. Anyhow the projects work focusing on quality of product and delivery is the main.

- **Replacement Product**

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

- **Current Competitors in Business**

Due to the slowdown in construction in 2017 and the large government investment projects being delayed by the previous plan. This makes the productive of many factories have capacity more than demand. As a result, the competition of domestic producers is intensified. Including overseas imports from China such as PCW & PCS, the competition has intensified. But PCW & PCS is a security related product then the quality must meet the standards. Also, the imported products require testing and permission to import into the country. While products manufactured in Thailand are already TIS standards can be produced and sold immediately. Also, in case of problems with PCW & PCS produced in the country can be solved more quickly and has replacement products available immediately. Therefore, there is more competition in the domestic manufacturers.

### **Gas Metal Arc Welding Wire Industries (GMAW)**

There are many categories of welding wire such as solid wire to wild mild steel (low carbon steel). In the past, they use stick welding wire, however there are very slow in application more required continuous welding and large quantities by using Gas Metal Arc Welding Wire. From the use of more welding wire therefore brought the welding wire from abroad which has low quality but inexpensive to selling. There are high price competition problem.

In 2017, there were 5 manufacturers in the Gas Metal Arc Welding Wire industry in the country, with a combined market share of 40%, while the rest was imported from abroad 60%, mainly imported from China and Korea.

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

- **New operators entering into market**

Due to this business need a lot of money to invest; complicated in production process and the cost of production must be competitive with steel wire imported from abroad. Familiarity of the customer, the new operator cannot enter to this market quickly if there is no point of interest such as the price is very low. And if used steel wire of any entrepreneur it's will rarely change because it is accustomed to use.

- **Bargaining power of suppliers**

As source of raw material for producing welding wire which used to weld mild Steel by Gas Metal Arc Welding Wire, these distributors from local and foreign thus it makes easier on negotiation of buying good quality of raw material and have reasonable price because the quality of raw materials affects to the finished goods and cost of production.

- **Bargaining power of buyers**

The result of imported welded wire from abroad is cheap and don't have certainty quality then users to use a medium quality welding wire replace. The interest in these products has led local manufacturers to lower prices to maintain the market, resulting this customers have a huge bargaining power in product price.

- **Replacement Product**

There are many types of welding wire. Welding of each type of steel requires welding wires suitable for the steel. The Gas Metal Arc Welding Wire suitable for tensile steel and must be connected. The welders do not have the expertise, welding works is beautiful. Product that will replace Gas Metal Arc Welding Wire such as Welding Electrode which the same type of steel can be welded but slowly because each wire is 30 - 40 cm long, it is not suitable for welding continuous then can use replace Gas Metal Arc Welding Wire just a little.

- **Current Competitors in Business**

The current competitor of the business is Welding wire imported from overseas, especially China because to sell inexpensive must to adjust production and marketing by adjust the production process, they certainly quality and lower cost for competing with the imported welded wire and taking solve solution quickly and each import takes 1-2 months. The lower cost, the price can be adjusted to compete imported wire and keep narrowing the gap between prices. Importers are less interested to bring of welded wire for distribution.

### **Spring Wire Industrials**

Spring wires are commonly used in automotive and mattress industrial production of motor vehicle has growth rapidly. This wire in automotive industrial concerned on quality, on time deliver thus there are lots of imported products from oversea if springs wire are manufactured in local can be comparable in quality users are welcome to use raw materials in the country.

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

- **New operators entering into market**

Due to this business need a lot of money to invest in machinery, modern technology in production process and most important this product concerned with safety and accuracy desired such as automotive, electronic parts, educating its users, familiarity of use. Therefore, if the products of new entrepreneurs who do not have the expertise or production experience the user group is not paying attention because user groups have lower price factors than quality. But the reduce prices for new entrepreneurs it will not succeed if the old operator offer price bid similar. Entering a new entrepreneur is difficult, but the key to doing business is building relationships. Keep up close with customers, have good advice and after sales service. Provide useful knowledge about the product and other related services together it's more important.

- **Bargaining power of suppliers**

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

- **Bargaining power of buyers**

Users of HDW products mostly are concerned on quality of products and on time deliver though there are imported products from overseas. Users are inconvenience to store more raw materials, late deliver or problem on products waiting to be compensated, included fluctuation of currency, they prefer to use local suppliers more than imported.

- **Replacement Product**

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

- **Current Competitors in Business**

Due to the rapidly expanding automotive industry and Thailand is a very automotive country, the auto parts industry grew in line and continued. The major barrier to this business is that this group of customers considers constant quality, modern production and develop all the time On-time delivery is a key factor in purchase which each competitor must compete with technology developed by other



competitors especially competitors from abroad. Some countries have advanced technology faster than and make competitors in this industry if has slow development will affect the business. But if can develop products continuously, the competitors in this industry has very little and can make determine the market price

### **Cold Drawn Steel Wire and Wire Mesh Industrial**

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

- **New operators entering into market**

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

- **Bargaining power of suppliers**

As source of raw materials have both local and oversea suppliers, therefore negotiation on purchasing raw materials would be easier with good quality and reasonable price. Also, the price of raw material of suppliers in the manufacture of cold drawn steel wire and wire mesh whether small or large, prices are different less because the quality of raw materials is no different.

- **Bargaining power of buyers**

The construction has been slowed. In year 2017 investment in construction industry has decline, less demand for steel wire customer have high bargaining power especially in Bangkok and suburb due to inconvenience for distribution and less relationship with customers.

- **Replacement Product**

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

- **Current Competitors in Business**

Due to the slowdown in the construction of 2017 and the large investment projects of government are delaying their plans; capacity of production is more than demand. As a result, the competition of domestic producers is intensified. Market expansion is difficult because individual manufacturers try to maintain their own customers.

#### **4. Product Procurement**

- **Capacity and production volume**

The factory of the company is at No. 5, I-5 Road, Tambon Mabtapud, Amphur Muang, Rayong. In 2017, the production capacity is 72,000 tons per year. The company utilized 50 percent of total capacity and it will continue to produce about 20 hours a day.

In 2018, the company has expanded its production capacity to 72,000 tons per year which it will use about 60% of total production capacity.

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

The main raw materials used in the production is wire rods which can be classified into 4 types

- (1) High Carbon Wire Rods 8, 9, 11 and 13 millimeters in diameter, are raw material used for production of PC-wires and PC-strands.
- (2) Medium Carbon Wire Rods 5.5 millimeters or over in diameter are raw material used for production of other wire.
- (3) Low carbon wire rods 5.5 millimeters in diameter, are used for production of Gas Metal Arc Welding Wires.
- (4) Low carbon wire rods 5.5, 7, 9 millimeters in diameter, are used for production of Cold Drawn Steel Wire and Wire Mesh.

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

In year 2017, raw materials used in the production are procured locally and internationally by 5 distributors; the company has some policies to spread under the risk in order to be confidential that there is no lack of producing raw materials. In year 2018, The Company has a policy to increase the proportion of domestic manufacturers to avoid the impact of exchange rates.

## **Risk Factors**

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

### **1. Risks of Business Operation**

#### **1.1 Risk from the volatility of raw material prices**

**Rayong Wire Industries PLC.** Is the manufacturer of Pre-stressed Concrete Wire, Welding Wire and other Wires which the main material for producing is wire rod obtained both in domestics and overseas. The company has procured raw material from 5 vendors both in domestic and imported from aboard such as China, Japan, India and Europe. In addition, the company is aware of such risk factors by following the rapid change of price of raw material closely to assess the situation, trend of price and also the requirement quantity. The information is necessary to be taken into consideration for purchase ordering and management of raw material and inventory control appropriately. By this, in accordance with timing on selling price determination, better cost management and sufficient estimation of raw materials for production plans in each quarter.

#### **1.2 Risk from foreign exchange fluctuations**

The company purchases raw material (wire rod) from aboard in US dollars accounted for about 90 percent of total purchase amount, therefore, the fluctuation of foreign exchange directly impact on the production cost and business operation.

Thus, to prevent such risk, the Company entered into a hedging agreement with a financial institution immediately upon submission of L/C. The contract totally covers all of the purchase raw material from aboard and avoids the risk of foreign exchange fluctuation whether Baht currency is weaken after the raw material purchase date. Also, the company can realize the exact cost of importing raw materials.

### **2. Risks that affect the investment of the Shareholders.**

#### **Risk from investing in financial funds**

The company invested money in a fund of the high liquidity bank. This is an investment in short-term domestic and foreign debt securities. The company considered that it is a quality bond and there is a low risk of investment, also gain the certain return and acquire the interest more than fixed deposit. Moreover, the company can sell the fund before the due date which is able to make the profit from sale.

## Management Structure



- Note:**
- <sup>1/</sup> The Company has been monitoring by internal audit of Capital Engineering Network PLC.
  - No. (1) - (6) is the company's management according to the Notification of the Securities and Exchange Commission

## Shareholding and Management Structure

### 1. SHAREHOLDERS STRUCTURE

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

Name of Major Shareholders		Proportion of Share Holding	
		No. of shares	%
1.	Capital Engineering Network Public Company Limited	437,413,550	74.18
2.	Mr. Srisak Suepakdee	8,366,000	1.38
3.	Mr. Boonlert Rattanyoo	4,259,400	0.70
4.	Mr. Charnsak Fuangfoo	3,900,000	0.64
5.	Mrs. Wanna Akaraneewanich	3,680,000	0.61
6.	Mr. Nam Chonsaiphon	3,465,055	0.57
7.	Mr. Praphat Piyajaturawat	3,350,000	0.55
8.	Miss. Patcharin Toungsitsombat	2,985,000	0.49
9.	Thai NVDR Company Limited	2,903,906	0.48
10.	Mr. Paiboon Pengmeesri	2,363,000	0.39

**Remark:** Investor could see information as at current closing registration book from website or [www.rwi.co.th](http://www.rwi.co.th) before date of 2016 Annual General Meeting of Shareholders

- List of shareholders of the Company.**

- None –

- Agreement between major shareholders as affected to issuance and offering securities of management of company and importance of business operation**

- None –

- Cross shareholding**

As at December 31, 2016 the company has no cross shareholding in between

- Other issuance of securities**

## Warrant for buying Ordinary Shares

Name of Securities	Details
RWI-W1	<ul style="list-style-type: none"><li>- Issuance of warrants amounting of 229,982,259 units</li><li>- Issuance shares for reserve amounting of 300,000,000 shares (par value equal Baht 0.50)</li><li>- Type of warrant; specify name and Transferable</li><li>- Lifetime of warrant equal 3 year (counting from date of issuance)</li><li>- Date of issuance; June 30, 2015</li><li>- Offering to existing shareholders as the ratio of 2 ordinary shares to 1 warrant (no charge)</li><li>- 1 unit of warrant has right to buy 1 ordinary Share as Baht 1.60 per share</li><li>- Last exercise date: every date of 15<sup>th</sup> of March, June, September and December every year. In case, last exercise date is relevant to holiday then extended to last working day</li><li>- First exercise date; March 15, 2016</li><li>- Final exercise date; June 29, 2018</li></ul>

- **Policies on Dividend Payment**

**Company** has policies on dividend payment at the ratio of not less than 50 percent of net Profit (consolidated financial statement after tax) or as necessary

## 2. Management Structure

Management structure of Directors consists of

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

Consist of Board of Directors, Executive Committee, Audit Committee and Remuneration Committee and include Managing Director and Corporate Secretary which appropriated and can be examining as balance between after every time of shareholders meeting, Board of Directors will schedule to appoint sub-committee. Year 2017, resolution from Board of Directors No.2/2017 held on May 08, 2017 has appointed 3 sub-committee and authorized abilities and responsibilities clearly follows Memorandum of Association as specified not less than 5 people and not less than half of the total number of directors must reside in the Kingdom. In the year 2017, The Board of Directors consists of 9 people as follows:

	Amount of people			%
	Male	Female	Total	
Directors as Executives	5	1	6	67
Diresctors (non Executives)	-	-	-	-
Independent Director	3	-	3	33
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>100</b>

The Board of Directors consists of Independent Directors 3 people or equal to 33.00% of whole Committee which is more than 1 in 3 or 33.33% follows regulation from Capital Market Commission

- **Board of Directors**

In 2017, the Board of Directors had listed on the certificate of the Ministry of Commerce was composed of 9 members as follows:

Name of Directors		Position	Appointed Year	Number of Holds position
1. Mr. Wutichai	Leenabanchong	Chairman	September 22, 2008	9 Years
2. Mr. Worawit	Siriwattanawimon	Director Independent Director	April 24, 2009	8 Years
3. Mr. Vichian	Sophanpanitchakul	Director Independent Director	February 26, 2013	4 Years
4. Assoc. Prof. Dr. Pison	Udomworarath	Director Independent Director	August 13, 2013	4 Years
5. Mr. Monthon	Chatuwallopkul	Director	April 1, 2010	7 Years
6. Mr. Pipit	Jaovishida	Director	April 20, 2012	5 Years
7. Mr. Suthin	Phadetpai	Director	February 24, 2016	1 Years
8. Mr. Theerachai	Leenabanchong	Director	February 24, 2016	1 Years
9. Mrs. Pimsiri	Pinrod <sup>1/</sup>	Director	February 24, 2016	1 Years

**Remark:** <sup>1/</sup> Resigned on November 11, 2017



**Report of changes in securities holding of directors and executives of the company as of December 31, 2017**

Name of Directors and Executives	2016		Increase (Decrease) During the year	2017 (Total)	%	2017	
	Directors /Executive	Spouse				Directors /Executive	Spouse
1. Mr. Wutichai Leenabanchong	450	-None-	-None-	-450	0.00	450	-None-
2. Mr. Worawit Siriwatanawimon	-None-	-None-	-None-	-None-	-	-None-	-None-
3. Mr. Vichian Sophanpanitchakul	-None-	-None-	-None-	-None-	-	-None-	-None-
4. Mr. Monthon Chatuwallopkul	450	-None-	-None-	450	0.00	450	-None-
5. Mr. Pipit Jaovishida	450	-None-	-None-	450	0.00	450	-None-
6. Assoc. Prof. Dr. Pison Udomworarath	-None-	-None-	-None-	-None-	-	-None-	-None-
7. Mr. Suthin Phadetpai	-	-	-	-None-	-	-None-	-None-
8. Mr. Theerachai Leenabanchong	-	-	-	-None-	-	-None-	-None-
9. Mrs. Pimsiri Pinrid	-	-	-	-None-	-	-None-	-None-
10. Mr.Sanae Charoensook	-	-	-	-None-	-	-None-	-None-
11. Mr. Udom Tungdechteerachai	-None-	-None-	-None-	-None-	-	-None-	-None-
12. Miss Nongnuch Kumchaithep	-None-	-None-	-None-	-None-	-	-None-	-None-
13.Mr. Noraset Tawalai	-	-	-	-None-	-	-None-	-None-

**Remark:** - Counted spouse but excluded child due to child not holding shares  
- No.10-13 is Executives as defines of Securities and Exchange Commission

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

Authorized Directors to bind the company consists of Mr. Wutichai Leenabanchong to signed with Mr. Suthin Phadetpai or Mr. Pipit Jaovishida or Mr. Monthon Chatuwallopkul or Mr. Theerachi Leenabanchong with the company's seal.

**Elements of Board of Directors**

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

## **Appointment and removal of Directors**

- **Appointment**

- **Passed the resolution from Annual General Meeting of Shareholders**

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

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

- **Passed the resolution from Board of Directors Meeting**

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

- **The removal**

- **Removal by expiration**

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

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

- **Removal by others**

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

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

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

**Board of Directors**

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

1. Corporate Governance: revises and approves the policies, important strategies and annual budget.
2. To consider, define, and resolve the Board of Directors' regulations.
3. To consider appointing, dismiss, authorize and assign Executive Committee, Chief Executive Officer, Remuneration Committee, Audit Committee and sub Board of Directors committee duties.
4. To consider appointing and replacing of chairman, Executive Committee, Chairman of Executive Committee, Managing Director, Remuneration Committee, Audit Committee, Independent Committee
5. To regulate and resolve the conflict of interests including illegal used of company's assets of the Board of Directors and Executives.
6. To acknowledge the report of business management from Executive Committees.
7. To re-examine the compliances with the regulations and adequate information disclosure to public.
8. To re-examine and approve of the audited financial statements from the auditor and/or Audit Committee.
9. To determine the scope of Executive Committee and Managing Director's purchasing, hire purchasing on property and payment authorization.

10. To consider and allocate the Directors' remuneration according to the approval from the Shareholders' Meeting.
11. To consider and approve of the adjustment of Chairman of Executive Committee and Managing Director Officer's salary.
12. To consider and approve of business transaction on loans, financial and business in term of management e.g. source of long term investment and/or short term (capital) and other which exceed authorization of Executive Committee
13. To consider and approve of purchasing assets with the amount beyond the authority of Executive Committees and Managing Director.
14. To consider and approve of purchasing raw materials in term of production with the amount beyond the authority of Executive Committees and Managing Director.
15. To consider and approve of hiring for producing when it is beyond the Executive Committee and Managing Director
16. To consider and approve repairment, sell, destroy, elimination as deteriorate when it is beyond the Executive Committee and Managing Director
17. To consider and approve on price adjustment and/or amount and/or destroy of inventory as deteriorate and/or out of date when it is beyond the Executive Committee and Managing Director
18. To consider and approve of investing and/or selling of investment in common shares and/or other equities which are listed in The Stock Exchange of Thailand and/or financial institution and/or trusted equities which made by Executive Committee.
19. To consider and approve of establishing new subsidiaries or investing in subsidiaries.
20. To consider and approve of establishing new affiliate companies or investing in affiliate companies.
21. To set the date, time and place of the Ordinary Shareholders' Meeting and to determine the agenda, closing date for shares transfer, profit allocation, legal reserve, general reserve and/or dividend payment as well as to propose the recommendations to the shareholders.
22. To consider appointing of consultants to the Board of Directors and/or subcommittee in order to provide opinions on a specific subject
23. To consider and approve of credit and credit of customers when it is beyond the Executive Committee and Managing Director
24. To consider other subjects those are beyond the authorities of the Executive Committee, Chief Executive Officer or as seen appropriate by Executive Committee.

By this, any other issues as Director and/or related person concerned as stakeholders or conflict of interest with Parent Company and/or company itself by mentioned person may not have the right to vote.

Apart from this, Directors are responsibilities for company to be in accordance with regulation from The Stock Exchange of Thailand or announcement from Securities andn Exchange Commission and Capital Market Supervisory Boards or related business law e.g. acquisition of assets etc.

### **Executives Board**

Executives Board means Directors and/or Executive as appointed from Board of Director or Directors and/or executives of company in the Capital Engineering Network Public Company Limited by acting in the business and management of operating business in accordance with the authority and duties assigned by the Board of Directors in accordance with the target, objectives and regulations of the Company.

In year 2017, resolution from Board of Directors No.2/2017 held on May 08, 2017 and the Board of Directors has approved appointment of 7 Executive Directors to serve of one year term as follows

Name of Executives		Position
1 Mr. Wutichai	Leenabanchong	Executive Chairman
2. Mr. Suthin	Phadetpai	Executive Director
3. Mrs. Pimsiri	Pinrod	Executive Director (Resigned on November 15, 2017)
4. Mr. Pipit	Jaovishida	Executive Director
5. Mr. Pornthep	Pipattangsakul	Executive Director (Resigned on July 1, 2017)
6. Mr. Surapat	Chomrat	Executive Director (Resigned on October 18, 2017)
7. Miss Usara	Pattatang	Executive Director

### **Roles and responsibilities of Executive Boards**

1. To operate and manage the business in line with the company's objectives, articles of Association, policies, regulations, rules, directives and resolutions of the Board of Directors and/or resolutions of shareholders' meetings in all respects.

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

15. To select the policy and limitation of investment or exercise of warrants to purchase Ordinary Shares and/or other investing institute which listed in The Stock Exchange of Thailand and investing in bond and/or other bond institute. By this, the value of investing would not exceed the budget which has been approved by Board of Directors.
16. To consider of increase or decrease on proportion of investment in affiliated company and subsidiaries in order to purpose to Board of Directors to be approved.
17. To consider and approve the credit line and loan customers, the maximum authorized by the Board of Directors.
18. To engage in any other activities as assigned from time to time by the Board of Directors.

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

#### **Audit Committee**

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

Resolution from Board of Directors meeting No.2/2017 held on May 08, 2017 has resolution to define structure director and appointments of the Audit Committee from three independent directors are as follows:

<b>Name of Audit Committee</b>		<b>Position</b>	
1. Mr. Worawit	Siriwattanawimon	Chairman of Audit Committee	Independent Director Specialize in accounting and Finance
2. Mr. Vichian	Sophanpanitchakul	Audit Committee	Independent Director Specialize in accounting and Finance
3. Asso. Prof. Dr. Pisom	Udomworarath	Audit Committee	Independent Director Specialize in Engineering
Mr. Khomwuti	Pornnaradol	Secretary of Audit Committee	



### **Roles and responsibilities of Audit committee**

1. To ensure that the company's financial statement is accurate, adequate and dependable.
2. To review that the company's internal control systems is appropriate and efficient in order to consider the audit committee independently throughout appointment, move, layoff Head of Internal controller or any institute which responsible form internal control division.
3. To review the Company's compliance with the law on securities and exchange the Exchange's regulations and the laws relating to the Company's business.
4. To review the opportunity of corruption in the business to comply with anti-corruption policy and the company's business ethics.
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non- management meeting with an auditor at least once a year.
6. To review the connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for highest benefit of Company
7. To consider the disclosure of company information. In the case of connected transactions or transactions that may lead to conflicts of interest and the acquisition and disposition of assets in case of significant matters.
8. To review the Company has appropriate and effective Risk Management System.
9. Assign roles about anti-corruption policy and business ethics by the management preparing to receiving and oversee the process of complaint, which covers the process of receiving clues from employees regarding improper financial statements or other issues.
10. To review the accuracy and effectiveness of information technology related to financial reporting and internal control.
11. Encourage to develop of financial reporting equal to international accounting standards.
12. To review and commented on the internal audit plan include the operation of the internal audit department or any other department responsible for internal audit.
13. To prepare, and to disclose in the Company's annual report, Audit Committee's reports which must be signed by the Audit Committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,

- (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors;
14. To have the authority to employ consultants or outsiders in accordance with the Company's regulations to give opinions or advice if necessary.
  15. To review the charter of the Audit Committee at least once a year.
  16. To perform other duties as assigned by the Board of Directors with the approval of the Audit Committee.
  17. The Audit Committee must evaluate the performance by self-assessment and report the results together with problem and obstacles that caused the operation failed to achieve in the purpose of establishing the Audit Committee to the Board of Director be informed every year.
  18. The Audit Committee should have training and enhance their knowledge continuously in the matters related to the operation of the Audit Committee.

### **Remuneration Committee**

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

In year 2017, resolution from Board of Directors No.2/2017 held on May 08, 2017 has resolved to appoint 4 members for remuneration committee to hold the position for a term of one year as follows:

Name of Remuneration Committees		Position	
1. Mr. Worawit	Siriwattanawimon	Chairman of Remuneration Committee	Independent Director
2. Mr. Vichian	Sophanpanitchakul	Remuneration Committee	Independent Director
3. Assoc. Prof. Dr. Pison	Udomworarath	Remuneration Committee	Independent Director
4. Mr. Wutichai	Leenabanchong	Remuneration Committee	Director
Mr. Thanaphan	Sapsakorn	Secretary of Remuneration Committee	

### **Roles and responsibilities of Remuneration Committee**

1. To review current criteria
2. To consider remuneration packages of other company in the same industry.
3. To establish, in the fair manner, criteria which will create the expected results and reward those who contributed to the firm's success.
4. To review all form of remuneration, including the amount and proportion of each form.
5. To determine whether the criteria for and for the form of remuneration is in accordance with relevant regulations and related recommendations.
6. To consider of evaluating Chief Executive Officer and remuneration in order to propose the criteria to the Board for approval.
7. To determine the annual remuneration packages for directors and propose the remuneration to the Boards. In this case, of the Board remunerations' packages, the Board needs to consider and propose them to the shareholders' meeting for approval.
8. To consider in any other remuneration as assigned from Board of Directors

### **Managing Director**

Managing Director means Company Directors/Executives which holds the position of head of Executive of company.

Authority responsible for the management of the company to achieve the company's objectives. Or by resolution of the Board of Directors. As well as supervising the management and employees. The internal regulations of the Board of Directors.

In year 2016, has resolved approve to appoint Mr. Suthin Phadetpai to holds position act for Managing Director held on February 24, 2016.

### **Roles and responsibilities of Managing Director**

1. To manage and control the business which related to company's affairs.
2. Authorization in orders, regulations, notification, and memorandum in order to follows to the company's plans.
3. To propose policies, Strategic, business plans and annual budgets to The Board of Directors/Executive Committee and responsible of performing the business tasks and plans as assigned from Board of Directors.
4. To control of expenditure on budgets as assigned from Board of Directors.
5. To take responsible for the preparation of Financial Statement for inspection and/or review by the auditors and subsequent presentation to the Audit Committee and Board of Directors respectively.
6. Organize the company's structure and management including employing, shifting, moving, set up the salaries, remuneration, considering on goodness, bonus, welfare and lay off the

employees in Executive position within the company whom is not Executive Directors and excluding Chairman.

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

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

Directors or the shareholders' meeting. Except is condition of normal business or transection support normal business in general condition.

#### Frequently by number of attendees in year 2017

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

Name of Committee	2017 Total Number of attendees
Annual General Meeting of Shareholders	1
Extraordinary meeting of shareholders	-
Board of Director	4
Audit Committee	6
Executive Director	11
Remuneration Committee	1

Name of Directors		Attendance of the meeting / total attends (Time)					
		Annual General Meeting of Shareholders	Extraordinary Meeting of Shareholders	Board of Directors Meeting	Audit Committee Meeting	Executive Committee Meeting	Remuneration Committee Meeting
1. Mr. Wutichai	Leenabanchong	1/1	-	4/4	-	11/11	1/1
2. Mr. Worawit	Siriwattanawimon	1/1	-	3/4 <sup>2/</sup>	5/6 <sup>2/</sup>	-	-
3. Mr. Wichian	Sophanpanichkul	1/1	-	4/4	6/6	-	1/1
4. Assoc.Prof.Dr.Pison	Udomworarath	1/1	-	4/4	5/6 <sup>2/</sup>	-	1/1
5. Mr. Suthin	Phadetpai	1/1	-	4/4	-	11/11	-
5. Mr. Monthon	Chatuwallopkul	1/1	-	4/4	-	-	-
7. Mr.Theerachai	Leenabanchong	1/1	-	4/4	-	-	-
8. Mr. Pipit	Jaovishida	1/1	-	3/4 <sup>2/</sup>	-	9/11 <sup>2/</sup>	-
9. Mrs. Pimsiri	Pinrod	1/1	-	4/4	-	10/11 <sup>5/</sup>	-
10. Mr. Pornthep	Pipattangsakul	-	-	-	-	2/11 <sup>1/, 3/</sup>	-
11. Mr. Surapat	Chomrat	-	-	-	-	6/11 <sup>1/, 4/</sup>	-
12. Miss Usara	Pattatang	-	-	-	-	7/11 <sup>1/</sup>	-

**Remark:** 1/ Appointed as an Executive Director on May 08, 2017  
2/ Due to business engagement  
3/ Resigned on July 01, 2017  
4/ Resigned on October 18, 2017  
5/ Resigned on November 15, 2017

## Remuneration of Directors and Executives

### The amount of financial remuneration in fiscal year 2017

#### a) The Remuneration for Directors

The remuneration of directors consists of monthly compensation and meeting allowance passed on the resolutions from the board of directors No.1/2017 held on February 21, 2017 by passed the consideration from Board of Directors No.1/2017 dated February 21, 2016 and approved by 2017 Annual General Meeting of Shareholders held on April 27, 2017 as totaling amount of Baht 1,950,000.- by sifting through the details and refers to appropriate aspects of the industry and economic conditions. The suitability number of the Board of Directors as following details:

##### (1) Chairman (every time attends)

- Fee for attended the meeting as Baht 30,000.-. For the Chairman of the Board who normally receive a salary or the Chairman of a subsidiary receive meeting allowance is 20,000 baht per meeting.

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

- Fee for attended the meeting as Baht 15,000.-. For the Directors who normally receive a salary or employees of a subsidiary receive meeting allowance is 5,000.- baht per meeting.

##### (3) Executive Committee (every time attends)

- Fee for attended the meeting as Baht 15,000.-. For the Chairman of the Executive Committee who normally receive a salary or the executive of a subsidiary receive meeting allowance is 5,000.- baht per meeting.
- Fee for attended the meeting as Baht 10,000.-. For the Executive Director who normally receive a salary or employee of a subsidiary receive meeting allowance is 2,000.- baht per meeting.

(The meeting allowance for the Executive Directors that are due by the year 2017 shall be paid only to persons who have been appointed as Executive Directors for the year 2017)

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

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

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

- Fee for Audit of Remuneration Committee as Baht 25,000.-
- Fee for Remuneration Committee as Baht 15,000.-. For the Directors who normally receive a salary or employees of a subsidiary receive meeting allowance is 5,000.- baht per meeting.

By this, in year 2017 the company had paid total of remuneration fees in the totaling amount of Baht 858,000.- as detail follows

Name/Position	Compensation (Baht)				
	Board of Director	Audit Committee	Remuneration Committee	Executive Committee	TOTAL
1 Mr. Wutichai Leenabanchong - Chairman of the Board - Chairman of Executive Director - Remuneration Committee	80,000	-	5,000	55,000	140,000
2. Mr.Worawit Siriwatwimol - Director - Independent Director - Chairman of Audit Committee - Chairman of Renumeration Committee	45,000	125,000	-	-	170,000
3. Mr.Wichian Suphanpanichkul - Director - Independent Director - Audit Committee - Renumeration Committee	60,000	90,000	15,000	-	165,000
4. Asso.Prof.Dr.Pison Udomworarat - Director - Independent Director - Audit Committe - Renumeration Committee	60,000	75,000	15,000	-	150,000
5. Mr. Suthin Phadetpai - Director - Executive Director	20,000	-	-	22,000	42,000
6. Mr.Monthon Chatuwallopkul - Director - Executive Director	20,000	-	-	-	20,000
7. Mr. Theerachai Leenabanchong - Director - Executive Director	20,000	-	-	-	20,000



Name/Position	Compensation (Baht)				
	Board of Director	Audit Committee	Remuneration Committee	Executive Committee	TOTAL
8. Mr.Pipit Jaovisidha - Director - Executive Director	15,000	-	-	18,000	33,000
9. Mrs. Pimsiri Pinrod <sup>4/</sup> - Director - Executive Director	20,000	-	-	20,000	40,000
10. Mr. Pornthep Pipattangsakul <sup>1/, 2/</sup>	-	-	-	4,000	4,000
11. Mr. Surapat Chomrat <sup>1/, 3/</sup>	-	-	-	60,000	60,000
12. Miss Usara Pattatang <sup>1/</sup>	-	-	-	14,000	14,000
<b>Grand Total</b>	<b>340,000</b>	<b>290,000</b>	<b>35,000</b>	<b>193,000</b>	<b>858,000</b>

**Remark:** 1/ Appointed as an Executive Director on May 08, 2017  
2/ Resigned on July 01, 2017  
3/ Resigned on October 18, 2017  
4/ Resigned on November 15, 2017

**b) The Remuneration for Executives**

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

Total Amount	2017		2016	
	Amount (people)	Amount (Million Baht)	Amount (people)	Amount (Million Baht)
In term of salary, bonus, allowance, meeting allowance, social security, provident fund and employee benefit expenses	6	8.63	5	7.15

**c) Other Remuneration**

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

(1) Other Remuneration of Director

-None-

## (2) Other Remuneration of Executive

Directors and Top four Executives (level below Manager) and Executives in the level equivalent top four executives in totaling of 6 people received compensation in form of contributions to the fund.

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

### Total Number of Employees

Details	2017	2016	2015	2014
Amount of employees				
- Ministration	52	46	50	55
- Production	112	93	80	78
<b>TOTAL</b>	<b><u>164</u></b>	<b><u>139</u></b>	<b><u>130</u></b>	<b><u>133</u></b>

### The number of employees changed significantly in the past 3 years

- None-

### Shepherded significant labor dispute in the past 3 years

- None-

### Total Compensation of all employees

In year 2018, company and its subsidiaries has paid compensation in term of salary, incentives, bonus and other compensations in totaling of 54.49 Million Baht

### Wages and Salaries

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

### Bonus

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

### Funds contribution

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

## Related Transaction

### 1. Disclosure of information on related transaction

Related company	Relationship	Type of transaction	Amount (Million Baht)	Necessity and reasonableness
Pipe Line Engineering Co., Ltd.	Subsidiary under Capital Engineering Network Public Company Limited (CEN) and have the directors and shareholders together.	<ul style="list-style-type: none"> <li>- Income from the use of the credit limit.</li> <li>- Accrued income</li> </ul>	0.052  -	The company gives subsidiaries use of the credit limit and charge a rate similar to loans from financial institutions.
Capital Engineering Network Public Company Limited (CEN)	Mother company holds 74.24 percent and has same Directors.	<ul style="list-style-type: none"> <li>- Internal Audit Fees</li> <li>- Accrued expense</li> </ul>	0.720  0.192	Efficient and Effective in business operation for good corporate governance in the company.
UA Withaya Public Company Limited (UWC)	Subsidiary under Capital Engineering Network Public Company Limited (CEN) and have the directors and shareholders together.	<ul style="list-style-type: none"> <li>- Income from interest of short-term loans was Baht 28.50 million.</li> <li>- Accrued income</li> </ul>	0.260  0.118	The company gives subsidiaries use of the credit limit and charge a rate similar to loans from financial institutions.

### 2. Necessity and reasonability on related transaction

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

### **3. Procedure of approval on related transaction**

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

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

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

### **4. Transaction trends in the future**

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

## Internal Control and Risk Management

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

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

As The Board of Directors meeting No.1/2017 which was held on February 21, 2017 all members of Audit Committee attended. Board of Directors has estimated on internal control system based on a review of internal control system evaluation and comments from Executives thus Audit Committees has follows regulations of The Stock Exchange of Thailand in order to be consistent with business operation in term of management and good corporate governance, value creation, ensuring to government sectors and build highest benefit to shareholders.

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

### 1. Control Environment

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

## **2. Risk Assessment**

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

## **3. Control Activities**

The line of authorities and responsibilities of The Board of Directors and executives have been clearly set together with specific power on approval on each level for transparency and benefit of all shareholders as well as eliminate any conflict of interest. By this, if any transaction occurs with major shareholders, related person, Director and Executives – The Company has a measurement which has to approve by Board of Directors and authorized person must not have a conflict of interest in those transaction and result in benefits for the company. In addition, corporate secretary and compliance and investor relation has serves to monitor and oversee compliance with laws and regulations also ensure compliance with terms and conditions properly.

## **4. Information and Communication**

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

The Company has employed state of the art technology and continuously improves information system to enhance the efficiency and to support the potential growth thus there are more channels for employee to report directly to Executive as well.

## **5. Monitoring Activities**

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

**Audit Committee** has practices on their duties efficiently and any tasks assigned by Board of Directors independently and consistently thus there is internal audit as a tool for achieve the mission. Internal Audits are qualified to perform their duties properly with sufficient independence, able to

perform work as assigned from Audit Committees and Board of Directors. Internal Audit has assess on internal control system and risk management and report any tasks to be resolve any relevant units includes appropriate feedback as management deems necessary for business operation of company.

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

**Internal Audit** the Company has appointed Mr. Khomwuti Pornnaradol as employee of Capital Engineering Network Public Company Limited (mother company) and holds position of Director of Internal Audit and Secretary of Audit Committee to be supervisor of internal audit. He has duties of practical of internal audit tasks in order to meet the mission of internal control system by executives and audit committees jointly consider on report from internal audit in essence adequately for system or process has managed systematic and effectively. By this, every executives in each unit are involved in consider ways of improvement/resolve on performance to be consistence with company's policies and adequate internal control system. Supervisor of internal audit is directly to Audit Committee as agreed that head of internal audit is qualified to perform such duties effectively

## **Report from the Remuneration Committee**

The Remuneration Committee of Rayong Wire Industries Public Company Limited has been appointed from Board of Directors which are currently consists of 3 Independent Directors, Mr. Worawit Siriwatwimon as The Chairman of Remuneration Committee, Mr. Wichian Sophanpanichkul and Associate Professor Dr. Pison Udomworarat as The Remuneration Committee and 1 Executive Director, Mr. Wutichai Leenabanchong and as The Remuneration Committee. By this, in 2017 there is 1 time of Remuneration Committee Meeting.

The roles and responsibilities for Remuneration Committee are follows to Article of Association as review remuneration of Director and Managing Director by specify of regulations or remuneration to Directors fairly and reasonably.

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

In the name of Remuneration Committee

Rayong Wire Industries Public Company Limited



(Mr. Worawit Siriwatwimon)

The Chairman of Remuneration Committee



## Personal Information of Directors and Executives

Name-Surname / Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>1. Mr. Wutichai Leenabanchong</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>Chairman of the Board</li> <li>Chairman of Executive Director</li> <li>Authorized Director</li> <li>Remuneration Committee</li> </ul> <b>Appointed Date:</b> September 22, 2008	53	<ul style="list-style-type: none"> <li>Master of Business Law (Faculty of Law) Chulalongkorn University</li> <li>Master of Business (Faculty of Commerce and Accountancy)</li> <li>Bachelor of Engineering Program in Mechanical Engineering Chiangmai University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD) :</b> <ul style="list-style-type: none"> <li>Directors Accreditation Program (DAP) No. 78/2009</li> <li>Financial Statements for Directors (FSD) No. 4/2009</li> </ul>	450 shares  or  0.0001%	Cousin with  Mr. Theerachai  Leenabanchong	<b>Holds position in listed companies which are subsidiaries in totaling of 2 places</b>		
					Year 2008 – Present	Chairman of the Board	Capital Engineering Network PCL.
					Year 2008 – Present	Chairman of Executive Director	
					Year 2008 – Present	Vice Chairman	Ua Withya PCL.
						Chairman of Executive Director	
					<b>Holds position in related companies in totaling of 12 places</b>		
					Year 2008 – Present	Chairman of the Board	Enesol Co., Ltd
					Year 2010 – Present	Chairman of the Board Managing Director	Pipe Line Engineering Co., Ltd
					Year 2012 – Present	Chairman of the Board	Evergreen Biomass Co., Ltd
					Year 2013 – Present	Chairman of the Board	WJC Enterprise Co., Ltd
					Year 2015 – Present	Chairman of the Board	Paradise Green Energy Co., Ltd
					Year 2015 – Present	Chairman of the Board	UWC Komen Biomass Co., Ltd.
					Year 2015 – Present	Chairman of the Board	UWC SOLAR Co., Ltd
					Year 2015 – Present	Chairman of the Board	UWC Amphan Biomass Co., Ltd.
					Year 2016 – Present	Chairman of the Board	Satuek Biomass Co., Ltd.
					Year 2017- Present	Director	UWC (Combodia) Co., Ltd.
					Year 2017- Present	Director	Interglob Investment Co., Ltd.
					Year 2017- Present	Director	Green Energy Plantations Co., Ltd.

Name-Surname / Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
2. Mr. Worawit Sirtwatwimon  Position : <ul style="list-style-type: none"><li>• Director</li><li>• Independent Director</li><li>• Chairman of Audit Committee</li><li>• Chairman of Remuneration Committee</li></ul> Appointed Date : April 24, 2009	59	<ul style="list-style-type: none"><li>• Master Degree of Business Administration (Marketing, Finance) Sripatham University</li><li>• Bachelor (Faculty of Journalism and communication) Thammasat University</li></ul> <b>Training roles of Directors from Thai Institute of Director (IOD) :</b> <ul style="list-style-type: none"><li>• Directors Accreditation Program (DAP) No. 21/2004</li></ul>	-None-	-None-	Holds position in registered company –None-		
					Holds position in related company –None-		
					Holds position in non-registered company in totaling of 1 place		
					Year 2007 - Present	Chairman	VSSN Co., Ltd.
3. Mr. Wichian Suphanpanichkul  Position : <ul style="list-style-type: none"><li>• Director</li><li>• Independent Director</li><li>• Audit Committee</li><li>• Remuneration Committee</li></ul> Appointed Date: February 26, 2013	57	<ul style="list-style-type: none"><li>• Master of Business Administration Ramkhamhaeng University</li><li>• Bachelor Degree of Law Ramkhamhaeng University</li><li>• Bachelor of Accounting Thammasat University</li></ul> <b>Training roles of Directors from Thai Institute of Director (IOD) :</b> <ul style="list-style-type: none"><li>• Directors Accreditation Program (DAP) No. 104/2004</li></ul>	-None-	-None-	Holds position in registered company –None-		
					Holds position in related company –None-		
					Holds position in non-registered company in totaling of 5 places		
					Year 2011- Present	Director	Housing Estate of The Paris Ratchavipha
					Year 2007 - Present	Consultant	Lachule Cosmetics Co., Ltd.
					Year 1997- Present	Consultant	SPA Internation Food Group Co., Ltd.
					Year 1992 - Present	Owner and Head officer	Charoen sook Account and Law Company Officer
					Year 1992 - Present	Consultant	Arsabangkok Co., Ltd.

Name-Surname / Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
4. Dr. Pison Udomworarath  Position : <ul style="list-style-type: none"><li>• Director</li><li>• Independent Director</li><li>• Audit Committee</li><li>• Remuneration Committee</li></ul> Appointed Date : August 13, 2015	44	<ul style="list-style-type: none"><li>• Doctoral Degree (Civil Engineering) Tokyo Institute of Technology Tokyo, Japan</li><li>• Master Degree (Structural Engineering) Asian Institute of Technology</li><li>• Bachelor of Civil Engineering Sirindhorn International Institute of Technology, Thammasat University</li></ul> <b>Training roles of Directors from Thai Institute of Director (IOD)</b> <ul style="list-style-type: none"><li>• Directors Accreditation Program No. 107/2014</li></ul>	-None-	-None-	Holds position in registered company –None-		
					Holds position in related company –None-		
					Holds position in non-registered company in totaling of 1 places		
					Year 2011-Present	Associate Professor	King Mongkut's University of Technology North Bangkok
5. Mr. Suthin Phadetpai  Position : <ul style="list-style-type: none"><li>• Director</li><li>• Independent Director</li><li>• Authorized Director</li><li>• Managing Director</li></ul> Appointed Date : February 24, 2016	59	<ul style="list-style-type: none"><li>• Master Degree (Business Administration) Kasetsart University</li><li>• Bachelor's Degree in Engineering Industry Branch Chulalongkorn University</li></ul> <b>Training roles of Directors from Thai Institute of Director (IOD)</b> <ul style="list-style-type: none"><li>• Directors Accreditation Program (DAP) No. 53/2006</li></ul>	-None-	-None-	Holds position in company's group –None-		
					Holds position in related company –None-		
					Holds position in non-registered company in totaling of 1 places		
					Year 2010-Present	President	SBT Consultant & Marketing Co., Ltd.

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

Name-Surname / Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>7. Mr. Theerachai Leenabanchong</b>  <b>Position:</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Authorized Director</li> </ul> <b>Appointed Date:</b> February 24, 2016	46	<ul style="list-style-type: none"> <li>• Master Degree (Business Administration) Assumption University</li> <li>• Bachelor Degree Business Administration (Major Marketing) Assumption University</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD)</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.104/2013</li> </ul>	-None-	Cousin with Mr. Wutichai Leenabanchong	<b>Holds position in listed companies which are subsidiaries in totaling of 3 places</b>		
					Year 2013 – Present	Director	Capital Engineering Network PCL.
					Year 2013 – Present	Executive Director	
					Year 2015- Present	Director	Ua Withya PCL.
					Year 2015- Present	Managing Director	
					Year 2016 – Present	Director	Dimet (SIAM) PCL.
					<b>Holds position in related company in totaling of 8 places</b>		
					Year 2015 – Present	Director	Evergreen Biomass Co., Ltd
					Year 2015 – Present	Director	Paradise Green Energy Co., Ltd
					Year 2015 – Present	Director	UWC Komen Biomass Co., Ltd.
<b>8. Mr. Pipit Jaovisidha</b>  <b>Position :</b> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Corporate Secretary</li> <li>• Authorized Director</li> </ul> <b>Appointed Date:</b> April 20, 2012	44	<ul style="list-style-type: none"> <li>• Master of Business Administration American Intercontinental University, Georgia USA.</li> <li>• Bachelor of Science David Lipscomb University, Tennessee USA.</li> </ul> <b>Training roles of Directors from Thai Institute of Director (IOD)</b> <ul style="list-style-type: none"> <li>• Directors Accreditation Program (DAP) No.79/2009</li> <li>• Company Secretary Program (CSP) No. 53/2013</li> </ul>	450 shares or 0.0001%	-None-	<b>Holds position in company's group –None-</b>		
					<b>Holds position in related company – None-</b>		
					<b>Holds position in non-registered company in totaling of 2 place</b>		
					Year 2006 – Present	Managing Director	Agriculture Prospect Co., Ltd.
					Year 2006 - Present	Editor	AP Research Publishing Co., Ltd.
					<b>Holds position in related company in totaling of 8 places</b>		
					Year 2015 – Present	Director	Evergreen Biomass Co., Ltd
					Year 2015 – Present	Director	Paradise Green Energy Co., Ltd
					Year 2015 – Present	Director	UWC Komen Biomass Co., Ltd.
					Year 2015 – Present	Director	UWC SOLAR Co., Ltd
					Year 2016 – Present	Director	Enesol Co., Ltd
					Year 2016 – Present	Director	WJC Enterprise Co., Ltd
					Year 2016 – Present	Director	UWC Amphan Biomass Co., Ltd.
					Year 2016 - Present	Director	Satuek Biomass Co., Ltd.
					<b>Holds position in company's group –None-</b>		
					<b>Holds position in related company – None-</b>		
					<b>Holds position in non-registered company in totaling of 2 place</b>		
					Year 2006 – Present	Managing Director	Agriculture Prospect Co., Ltd.
					Year 2006 - Present	Editor	AP Research Publishing Co., Ltd.
					<b>Holds position in related company in totaling of 8 places</b>		

Name-Surname / Position	Age (Year)	Educational Qualification	Proportion of holding company's shares	Family relationship among Executives	Experiences		
					Period	Position	Company
<b>9. Mr. Udom Tungdechteeerachai</b> <b>Position :</b> • Senior Manager (Sale Department)  <b>Appointed Date :</b> August 1, 2013	51	• Bachelor Degree (Faculty of Economic and Business Administration) Kasetsart University	-None	-None-	Holds position in registered company in totaling of 1 place		
					Year 2013 – Present	Senior Manager (Development of production and marketing)	Rayong Wire Industries PCL.
					Holds position in related company – None-		
					Holds position in non-registered company – None-		
<b>10. Mr. Sanae Charoensook</b> <b>Position :</b> • Senior Manager (Information and Technology)  <b>Appointed Date :</b> March 1, 2016	53	• Bachelor Degree (Faculty of Computer Science) Ramkhamhaeng University	-None	-None-	Holds position in registered company in totaling of 1 place		
					Year 2016 - Present	Senior Manager (Information and Technology)	Rayong Wire Industries PCL.
					Holds position in related company – None-		
					Holds position in non-registered company – None-		
<b>11. Miss Nongnuch Khamchaithep</b> • Senior Manager (Accounting and Finance)  <b>Appointed Date :</b> August 1, 2013	41	• Bachelor Degree (Accounting) Sriphathum University	-None	-None-	Holds position in registered company in totaling of 1 place		
					Year 2013 – Present	Senior Manager (Accounting and Finance)	Rayong Wire Industries PCL
					Holds position in related company – None-		
					Holds position in non-registered company – None-		
<b>12. Mr. Noraset Tawalai</b> • Factory Director  <b>Appointed Date :</b> August 8, 2017	41	• Bachelor of Engineering Program in Mechanical Engineering Chiangmai University	-None	-None-	Holds position in registered company in totaling of 1 place		
					Year 2017 – Present	• Factory Director	Rayong Wire Industries PCL
					Holds position in related company – None-		
					Holds position in non-registered company – None-		

**Remark:**

1. Board of Directors No. 1-8, Executives No. 9-12 and Corporate Secretary No. 8
2. Authorized Director No. 1 and No.5 or No.8 or No.6 or No.7
3. Proportion of holding shares not includes Spouse and children because spouse and children not holding shares
4. Board of Directors and Executives in totaling of 12 people - No legal dispute -
5. Board of Directors and Executives in totaling of 12 people - No history of criminal offense against property by fraud -
6. Board of Directors and Executives in totaling of 12 people - No references materials that cause conflict of interest with company in the past of year 2017 -

## General Information and other importance information

### 1. Company Information

Name of Company	:	Rayong Wire Industries Public Company Limited
Nature of Business	:	Production and Distribution 1) Steel Wires for Pre-stressed Concrete Wire (PC-Wire or PCW) 2) Steel Wires Strand for Pre-stressed Concrete (PC-Strand or PCS) 3) Gas Metal Arc Welding Wire (GMAW) 4) Hard Drawn Wire (HDW) 5) Ordinary Low Carbon Steel Wires (OLC) 6) Wire Mesh (WM)
Factory Address	:	Mabtapud Industrial Estate No.5, I-5 Road, Tambol Matapud Amphur Muang, Rayong 21150
Telephone	:	038-684-522-7
Fax	:	038-684-490
Office Address	:	900/14 SVOA Tower 18 <sup>th</sup> Floor, Rama 3 Road Kwang Bangpongpan Khet Yannawa, Bangkok 10120
Telephone	:	0-2682-6328
Fax	:	0-2682-6361-2
Website	:	www.rwi.co.th
Amount of Share Sold	:	Registered capital of Baht 450,000,000 and paid-up capital of Baht 303,017,219.50 divided into 606,034,439 ordinary shares with par value of Baht 0.50 per share.

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

-None-

### 3. Other references

Securities Registrar	:	Thailand Securities Depository Co., Ltd. No. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Tel: (662) 009-9000 Fax: (662) 009-9991
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**Authorized Auditor :** Mr. Pisit Thangtanagul  
Certified Public Accountant Registration No.4095 and/or  
Mr. Paiboon Tunkoon  
Certified Public Accountant No.4298 and/or  
Miss Sakuna Yamsakul  
Certified Public Accountant No.4906 and/or  
Miss Nopanuch Apichartsathean  
Certified Public Accountant No.5266  
Price Water House Copper ABS Company Limited  
179/74-80 Bangkok City Tower, 15th Floor,  
South Sathorn Road, Khet Sathorn, Bangkok 10120  
Tel: 0-2344-1000 Fax: 0-2286-8200

**4. Other importance information**

-none-

## **Corporate Governance**

### **Policies on Corporate Governance**

The Board of Director of Rayong Wire Industries Public Company Limited realizes the importance of developing good corporate governance systems, operate business with integrity, morality, responsible for the performances, ability to complete and fair to all stakeholders in order to build prosperity, increase shareholders' value adhere to the Principle of Good Corporate Governance for Listed Companies define by MAI and base on Sufficiency Economy is entails moderation, reasonableness and self-immunity system as underlying on knowledge, cautious and awareness to be used in planning and operating. As well as build Executives and every employees to have morals, honest, industrious, endure for people to shares and used their intelligences for operations and changes in Economy, Political, Culture and Social in order to meet the benefit well-balanced by Board of Directors had adheres Principles of Good Corporate Governances and reconsidered of suitability every year which The Company see that Principles of Good Corporate Governance is appropriate to current situations.

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

### **Collective Action Coalition with Thailand's Private Sector Collective Action against Corruption (CAC)**

With the importance of the Anti-corruption and build clear standard business The Company has been participating in campaign activities with the network of Thai private sector in the anti-corruption continuously also should set a policy against corruption by adjusting policies of corporate governance, business ethics and employee ethics RE: "Anti-Corruption and giving or receiving bribes for benefit to business and giving or receiving gifts or other benefits" with the objective to push for broader anti-corruption.

And for standard business operation of company in year 2017 Board of Directors has joined to participate of private sector on anti - corruption which passed resolution from Board Directors Meeting No.2/2017 held on May 8, 2017. The subsidiaries has set policies on anti-corruption together with guidelines to Directors, Executives and employees to practice in order for confident in responsibility to third parties and society as substantial and operate in transaction to major shareholders, Directors, Executives or related person not concerned as stakeholders thus report on financial with reliabilities and disclosed information correctly.

Thus, company has designated Directors, Executives and every employee including subsidiaries employees would not claim or received any gift, assets or other benefits from customers, partners, contractors or person involved in any circumstances of business including proving channel

to report or set protection measures any person compliant or giving information about non-compliance with laws, regulations and employee ethics

Apart from this, the company has set channels to communicate with employees and related person to report suspicious or complaints when a subject may be illegal, fraud or wrongful behavior of managers and employees as well as behavior that may become a problem and cause damage to company. The company will listen and take action on all complaints equally and with fairness by protection of complaints with fairness, information been given by complainants will be kept confidential through following channels:

1. Via the email to

1.1 Manager Director : suthin@rwi.co.th

1.2 Corporate Secretary : pipit@rwi.co.th

2. Send the sealed mail to

2.1 Mr. Suthin Phadetpai “Board of director and Manager Director” or

2.2 Mr. Pipit Jaovisidha “Corporate Secretary”

Rayong Wire Industries Public Company Limited

900/14 SVOA Tower 18<sup>th</sup> Floor, Rama III Road, Bang Pongpang, Yannawa, Bangkok  
10120

In accordance with “Principles of Good Corporate Governances for Listed Companies in 2013” by The Stock Exchange of Thailand, the company classify into five practices as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

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

The Board of Directors realizes the importance of Rights of every shareholder, promote and facilitate exercise of shareholders on various matters as fundamental rights, fully deserve their rights, methods and standards which are acceptable, not make any violation or deprivation on right of shareholders by each share is entitled to one vote and no privileged over other shareholders. By this, therefore the company has set the guidelines on right of shareholders in following matters.

## **1. Fundamental Rights**

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

## **2. Right to acknowledge the important information**

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

Shareholders have rights to receive information equally for example

- The company has disclosed information on Shareholding Structure which includes top 10 shareholders as at closing registration book in order to attend Annual General Meeting of Shareholder before meeting date also amount of minor shareholders.
- Information relates to connected transaction and importance asset acquisition
- Report minute of Annual General Meeting of Shareholders within 14 days counting from date of shareholders meeting and necessary information for shareholders decision making for confidential that structure is transparent and accountability thus create sustainable growth and returns to shareholders in reasonable rate continuously.
- The company has realized on disclosure of accurate and equality information by add more channel to shareholders, major shareholders, minor shareholders, any investor or foreign shareholders could contact related to company through corporate secretary E-mail: [pipit@rwi.co.th](mailto:pipit@rwi.co.th) or TEL (02) 682-6328 Ext. 450

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

The Board of Directors has schedule Annual General Meeting of Shareholders by taking rights and equality of shareholders into account follows guideline of law together with principle of good corporate governance of Securities and Exchange Commission (SEC). Moreover, it includes standard of corporate governance in term of right of shareholders and practices with shareholders equally as schedule Annual General Meeting of Shareholders every year within 4 months (120 days) counting from end of company's financial year and if there is any urgent needs be proposed

as special case which is affecting or relating to the interests of shareholders. We will call a special meeting of shareholders to be the case.

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

The company has held Shareholders Meeting at Montien Riverside Hotel, No.372, Rama 3 Road, Kwaeng Bangklo, Khet Bangkoleam, and Bangkok 10120. By this, in order to be convenience to all shareholders, there are appropriated reception and coffee brake available to all shareholders who attended the meeting thus support and encourage shareholders to exercise their right and express their opinions and voting in shareholders meeting. The company will improve and develop in register and voting system continuously.

By year 2017, the company has held 2017 Annual General Meeting of Shareholders on Thursday, April 27, 2017 at 9.00 AM. In every Shareholders meeting, the Company will consider rights of shareholders in accordance with law. The promotion of rights and does not violate or infringe right of shareholders as follows

- The Company has announced the agendas of Annual General Meeting of Shareholders 2017 more than 2 months in advance as at April 21, 2017 on company's website [www.rwi.co.th](http://www.rwi.co.th) and through SET website for shareholders could arrange their time.
- Disclose of invitation letter to annual general meeting of shareholders in both Thai and English on company's website [www.rwi.co.th](http://www.rwi.co.th) on March 21, 2017 for 30 days advance before meeting date. It is the same information which hand in to Thailand Securities Depository (Company's registrar) in document format as at April 4, 2017 which is 22 days before shareholders meeting started for shareholders to learn and understand related information of the meeting and it's convenient for foreigner. Moreover, includes advertise in Khao Hoon newspaper for 3 consecutive days as at April 3, 2017 – April 5, 2017 which is 23 days.
- Clarify rules and procedures for attendance of shareholders meeting in invitation letter together with the attachment of proxy form A and B which shareholders who could not attend may appoint proxy to Independent Director or any person or choose proxy form A or B (either one) which can be download 3 proxies form in company's website [www.rwi.co.th](http://www.rwi.co.th). By this, company has notified guidelines of published through SET for another channel to received information.
- The Company opened up the chance for shareholders to give their proxy to other to attend the meeting 1 day in advance for convenience of checking the evidences to attend the meeting.

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

- The company has opened to shareholders to register by Barcode system 1 hour in advance before meeting started and continue until the meeting adjourned. Hence, for giving right to shareholders came in after meeting started thus having right to vote on pending agenda and any agendas which have not yet voted as counting quorum in agenda and entitled onwards unless

shareholders have agreed otherwise. We have provided sufficient personnel for meeting registration together with stamp duty for proxies by no charge and preparation of ballot for all shareholders in order for votes.

In case, shareholders may not attend the meeting then could give proxy to other or to one of Independent Director to attend the meeting in order to maintain their rights.

- Boards have focused on shareholders meeting as duty to attend all meeting except for illness or any importance engagement. In 2017 Annual General Meeting of Shareholders held on Thursday, April 27, 2017 there are 9 directors attended the meeting all. Accordingly, Chairman, Executive Chairman, Chairman of Audit committee, Chairman of Remuneration Committee, Chief Executive Officer and highest executive in term of Accounting and Finance entered to clarify any enquiry related to agendas in the meeting and company itself.

There is also Certified Public Account of company as amount of 2 are Mr. Pisit Thangtanagul and Miss Sarocha Thongsakul from Price Waterhouse Cooper ABAS Company Limited and Legal Counsel Mr. Nattawat Tumawong from Banchong and Wittaya Law Office to attend the meeting and witness for counting the votes.

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

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

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

In year 2017, 1 shareholder asked questions which Chairman and related Directors answered the questions clearly to the point thus company noted in the minute of Annual General Meeting of Shareholders included questions-answers

- Voting is done openly by collecting ballot (only disagree and abstained) to be calculate and deduct with total votes of shareholders. Barcode system was used in counting votes and showed in monitors to acknowledge shareholders in the meeting; also results will be announced immediately after the end of each agenda.

In the Annual General Meeting of Shareholders of year 2017 held on Thursday, April 27, 2016  
Summary of voting results of each agenda item as follow:

Agenda	Agreed			Disagreed			Abstained		
	Amount of shareholders	Shares	%	Amount of shareholders	Shares	%	Amount of shareholders	Shares	%
1,3 and 4	38	458,026,694	100	-	-	-	-	-	-
5	38	458,126,594	100	1	100	0	-	-	-
6-7	39	458,126,694	100	-	-	-	-	-	-

**For Importance agendas for shareholders has been disclosed the details information in the invitation letter as follows:**

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

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

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

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

#### **Practice after the Annual General Meeting of Shareholders**

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

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

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

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

- The company has no cross of shareholding within group of company and as at record date on March 16, 2017 and under section 225 of Securities Act by closing registration book on March 17, 2017
- Board of Directors, their mate and child under 20 years old holding shares together equals to 0.0002% which is not more than 25% of shares sold
- Proportion of holding shares on free float equals to 25.76% of shares sold which is more than 25% of shares sold to public
- The company has proportion on holding total shares on institutional investor equals to 0.49% of total outstanding shares.

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

Board of Directors has pay attention to enhancing quality of Annual General Meeting of Shareholders (AGM) which organized by Securities and Exchange Commission and Thai Investor Association as evaluation of the 2017 Annual General Meeting of Shareholders. The company has participate in assessment of AGM and resulted in "Superb"



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

#### **Application of right in the shareholders meeting**

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

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

(3) In year 2017, the company has 1 time of shareholders meetings held on Thursday, April 27, 2017, assigned to Thailand Securities Depository (company's registrar) to deliver invitation letter to shareholders 22 days before meeting started and disclose in company's website [www.rwi.co.th](http://www.rwi.co.th) under the title of Investor Relation -> Shareholder information -> Shareholders' meeting for 30 days in advance for shareholders to acknowledge information before meeting started.

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

The company has provides stamp duty for a proxy.

At the Annual General Meeting of Shareholders 2017 held on Thursday, April 27, 2017 there were 458,126,694 shares or equivalent to 76.33 percent of total shares of 600,202,100 as follows:

<b>Proxies</b>	<b>Amount of Proxy</b>	<b>Amount of shares</b>	<b>Percentage</b>
Independent Director And Audit Committee	15	11,602,335	1.93
Other Person	5	114,800	0.02

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

(6) Voting is done openly; ballots for voting of each agenda are distributed to shareholders in order for effective and fast voting method. The company is only count disagreed and/or sustained and deducted with total votes attended meeting, the remaining vote seems as agreed. Therefore, if any agenda there are some shareholders vote as disagreed or sustained then this shareholder signed in ballot and lift up the ballot in order for staffs to collect it together with keeping ballot for voting for evidence.

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

(8) Company has prepared report of 2017 The Annual General Meeting of Shareholders and disclosed report of this and images through company's website within 14 days after meeting held.

#### **Maintenance of internal information and determination of company's securities**

- The company has disclosed information in order for equal right of receives information such as Related Transaction, the company has follows announcement from Securities and Exchange Commission RE: Disclosure of information and other acts of listed companies concerning the connected transaction. In case connected transaction which required to be disclose or approve from shareholders, the company has follows provision of Stock Exchange of Thailand and Securities and Exchange Commission. Moreover, before the transaction company has disclosed details and reason of doing this transaction to shareholders all times.

- Directors who seem as connected person will not attend the meeting and have no right to vote in the meeting to Board of Directors whom is not entering connected transaction may have fully comments and vote independently. The company secretary will announce the person who entering connected transaction need to leave the room. After the meeting adjourned disclose name, relationship of who entering connected transaction, price set, transaction value and any opinion differ (if any) to The Stock Exchange of Thailand by schedule of time and disclose in company website which can be check.

- In year 2017, transaction related financial assistant to subsidiary company thus the company has policies on controlling this related transaction and limited financial assistance to other companies which is not oppose rules from Stock Exchange of Thailand and Securities and Exchange Commission also follows normal trading of year 2015 moreover, as mentioned conditions are disclosed in annual report and 56-1 Form in the title of "Related Transaction"

#### **Defining of securities trading**

- The Company prohibits Directors, Executives, and employees that is aware of the inside information to buy or sell securities during the period of one month prior to disclosure of the financial statements to the public. It also requires Directors and Executives. (Including spouses and underage child) who are required to report securities holdings. If the company has trading of shares must be notified to the Securities and Exchange Commission within 3 business days of the date of the change and send a copy to the company secretary. It is the duty to act and take action as prescribed. This includes Directors and Executives when first entering the new position must report the holding of securities of the company to the SEC.

- The Company Secretary prepares the annual meeting of the Board of Directors schedule and sent to all directors before meeting to know the time to stop trading.

- In year 2017, the Directors and Executives of the Company strictly adhere to the policy. It does not appear that the stock was traded at a time when trading was prohibited.

The company has a policy to implement if Directors and Senior Management want to trade of the company's shares should notify the board at least 1 day prior to trading.

#### **Prevention of Conflict of Interest**

- Shareholding of Shareholders are defined clearly and transparently so it does not cause conflicts of interest in either side thus disclosing shareholding structure with details including completed shareholding of Directors and Executives
- Related transaction are done carefully and reasonably by concerned on highest return of Company thus pricing are set which based on market price and fair trading conditions as virtual items with external parties by deployed operation system in such matter with fairness and follows rules of The Stock Exchange of Thailand by defines as one of policy on good corporate governance and disclosure to ensure equality in the information.
- The Company discloses information to ensure equality to know information, such as connected transactions. The Company has complied with the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, and in the case of connected transactions which require disclosure of information or approval from shareholders. The Company has complied with the regulations of the Stock Exchange of Thailand and the regulations of the Office of the Securities and Exchange Commission. By this, prior to entering into the transaction, the Company disclosed details and reasons for the transaction to the shareholders all time.
- The Company required the company directors have a conflict of interest must leave the meeting and / or no vote on that agenda. In order for non-interested directors to express their opinions freely and free to vote. The company secretary will inform the meeting that the directors of the company with the conflict of interest are informed in the meeting when the meeting was over, the name was revealed, relationship of the connected person, valuation of the transaction and the directors who have the opinion differ from the Board of Directors' opinion (if any) to the Stock Exchange of Thailand at the time set and published on the company's website another way. To achieve transparency and also recorded in the minutes can be verified.

#### **Control of trading assets**

The Company control of trading assets in accordance with the Notification of the Capital Market Supervisory Board in the acquisition or disposition of assets. In the transaction, director who is stakeholders do not participate in decision making to ensure transparency and fairness.

#### **Practice 3: Roles of Stakeholders**

The company has pay attention to all stakeholders by operation the business with responsibility and fairness to all parties, develop the business to growth and make reasonable returns to shareholders, protect the interest and take care of properties as like their own properties. Moreover, set practice guideline in business ethics of company in order to ensure that stakeholders

are protected and equally treated in case any damage happened to company and stakeholders then they will jointly find solutions and determine appropriate measure which will be useful to all parties

#### **Channel of participation of employees and stakeholders.**

The Company open opportunity for employees and stakeholders may communicate or suggestion and inform clues when found a subject that may be illegal or corruption or misbehave of employees in the company and the behavior that is a problem and cause damage to the company include receiving complaints if employees and stakeholders had violation of rights or unfairness. It should include details of name, address and telephone number where you can be reached. Send to the channel as follows.

1. Via the email to

1.1 Manager Director : suthin@rwi.co.th

1.2 Corporate Secretary : pipit@rwi.co.th

2 Send the sealed mail to

2.1 Mr. Suthin Phadetpai “Board of director and Manager Director” or

2.2 Mr. Pipit Jaovisidha “Corporate Secretary”

Rayong Wire Industries Public Company Limited

900/14 SVOA Tower 18<sup>th</sup> Floor, Rama III Road, Bang Pongpang, Yannawa, Bangkok  
10120

The Company is required to report any complaints / suggestions of employees and stakeholders to The Executive Committee every month and investigate and report to The Audit Committee and The Board of Directors, respectively.

#### **Legal protection of complainant**

1. Complainant may not reveal themselves if that disclosure would cause unsafe or damaged conditions
2. The company will save information confidentially and taking into account on safety of complainant by defining protection of complainant as employee involving in cooperate on the investigation and be protected from unfair treatment such as being interfere, being change the position, being Lay off

Apart from this, the company opens an opportunity for stakeholders to comments, suggestions as well as through complaints channels and activities that company held such as Annual General Meeting of Shareholders, this is another channel for Directors, Executives, employees, shareholders which includes major shareholders, minor shareholders and investors from any institution for opportunity to meet, listen to progress of business operation in the past year in term of

economy, society and environment. By this, any complains will pass through related department to continue to improve to meet needs of stakeholders in all sectors

By this, the company will listen and progress any complains with equitable and with fairness by using a mechanism that is causing impacts on individuals as protect any complainant and make its information as confidential.

Board of Directors has play attentions on responsible of stakeholders continuously so in the past there was no illegal in term of labor, lay off, consumers, competitions of commerce, environment and no complaint from any stakeholders.

### **Business and Board of Directors, Executives and Employee ethics**

The company has conducts business and employee ethic in written and handled to Directors, Executives and every level of employee for a framework for ethical conduct professional ethics in the business, build equilibrium and fairness and public through company's website. By this, includes develop guideline for stakeholders for business growth as follows:

**Shareholder:** The Company respects all rights of shareholders as defined by applicable laws and regulations equally by committed to creating maximum satisfaction to its shareholders with regard to growth and generate appropriate return and fairs including fair and transparent management.

In 2017 the dividend, the business profit of year 2016, had reserved to be a other funds in the future project investment.

Apart from this, the company has informed business operation every semester and disclosed connected transaction through SETSMART of The Stock Exchange of Thailand also company's website.

By this, every company shareholders has invited to 2017 Annual General Meeting of Shareholders and had rights to votes in every agenda by received information in various ways such as the invitation letter and the social media.

**Employees:** The Company is focusing on human resource development and recognized that employees are valuable resources and is essential to bring the organization's success therefore the company will support, promote training course and developing knowledge of employees in order for foundation to support critical business strategy continually together with build stable career and provide opportunities for growth potential of each person as well as employees are involved in setting strategic direction and development company. Paying respect to employees and basic human rights by returns with fairness, appropriate knowledge and each employee performance in accordance with providing welfare in order to encourage employees' quality of life and well-being:

It also recognizes importance of promoting development potential of all employees for knowledge, abilities to reserve for fluctuation of economy situation includes stability in the profession and provides an opportunity for progression, according to each person's potential. Moreover,

participating in define direction of operation as returns by fairness, reasonable with knowledge, abilities, responsibilities and performance of each employees.

**Welfare for employees:** The company has provident fund in order to care on benefits of employees and encourage long term saving in the future which includes as incentive to employees to work in company for long time by employees as a member of provident fund will received subsidy at the rate of 5 percent of wage every month also member need to accumulate same rate as well. In case employee has resigned from company, he/she will received subsidy including average fund of net benefits and intermediaries to assist in employee welfare, better quality of working life, able to work effectively and be happy by benefits to employees of company and its subsidiaries as follows:

- Provide to support in term of internal and external education
- Provide seminar of knowledge related to work within and outside the company continually
- Provide incentives of bonus, shift, experiences etc.
- Provide form to employees (daily) and employees (monthly)
- Provide transportation to employees
- Provide expenses on travel costs, vehicle and fuel expense
- Provide welfare on victim cases, in cases of death of parent and married couple of employee
- Provide allowance when employee died
- Provide hygienic canteen with reasonable price
- Provide lunch allowance
- Provide provident fund to save money in the future which members need to Accumulate as 5 percent of wages and subsidy at the same rate from company
- Provide health check annually and health risk from working check.
- Provide to send employees for workshop and seminar outside the company in order to add more value on knowledge, ability, skills to employees
- Provide retirement pay or compensation for benefit after retirement
- Provide credit union
- Provide rent subsidy
- Provide medical room by having registered nurse including medical supplies and medicine
- Provide athletic to strengthen health, build harmony and build good relationship within employees

**Safety, hygiene in workplace:** The company and subsidiaries had pay the importance roles on safety, hygiene in workplace by setting up committee of safety, health and environment in order for employees to have a good health by checking on safety of workplace regularly and security officer all 24 hours, CCTV installation, set alarm in the building, Fire Extinguisher, Fire Exit Door as well as provide training on basic firefighting, fire evacuation drill and first aid to employees annually.

Apart from this, company has disclosed information, knowledge related to prophylaxis and health care to employees through exhibition and signage

**Policies on development of employees:** The Company has policies for develop employees to have knowledge as required in each department and to strengthen competitiveness of organization in term of development in area of marketing, management and quality of life.

**Communication Channel of employees:** The company and subsidiaries has channel for employees to communicate, suggest, complaint and report any problems through supervisor by passing to business ethics committees or website of company and proposed to Executives Board.

In the previous year, any suggestion has been considered and modified in order to keep good relationship; company will listen to comments and suggestions from all employees equally. By this, we will protect any person who gives the clues and complaint confidentially

**Human Rights:** The Company runs the business with respect for law and principles of human rights strictly and treat all employees with honor and respect equally by personal rights.

- Give knowledge on human rights to employees and not supporting violating on human right
- Avoid as a partner with organization which may lead to violating on human right
- Give right to employees to argue and prove themselves in case of mistake or fraud indicated and there are no unfair termination
- Arrange channel on communication in order for employees violated or unfair treatment then could complaint to company and those complaints will be attentive and conducted fairly

**Customer:** The operation of company is based on honest, justice on giving correct information any complaints from customers will be recognized in order to satisfy and respond customers' need and developing products and services to satisfy customer needs and creating value-added for products and services includes commercial confidentiality of clients.

- Provide advice including accurate and sufficient information to customer also meets customers need with speed, maintain client confidentiality thus not take client confidentially to be used for advantage or wrongful related
- Create new innovation in order to have value added to products and Services continuously follows policies of company "committed to produce quality products, on time deliver, continuous development"

- Provide division for customer services or consumer in term of complaint and suggest on product quality, convenience services by emphasize on customer needs together with fairly conducted to customers.

In year 2017, there wasn't any complaint from customers significantly thus company had analyzed the causes in order to prevent and monitor all system also deploy this to whole organization. Moreover, managing director has play importance roles on mentioned subjects by set division to be responsible and report to Executive Board to be resolved, build relationship, satisfy existing and new customers which as result in continue order.

**Competitors:** The Company has progress on competitive of commerce with fairness, comply with term equally under framework of law and ethics of company business. Moreover, the company never seek confidential information from competitors by dishonest or appropriate and not destroy his reputation by accusing them competitors.

In year 2017 the company has no dispute with regard to competitors

**Partner:** The Company had played an important role on focusing of practice equally and fairness which based on fair return on both sides. Its business partners must not bring discredit to the reputation of the company, or the law.

- No receive or consent to accept properties or other benefit apart from trade agreement
- Build relationship, good corporation and product development in order to strengthen capacity and business performance together with long run of joint business
- Products procurement is important process of administrative expenses and product quality to reach highest benefit of company therefore criteria and evaluation system needed
- Encourage partners to participate in international standards related to Environmental

In year 2017, no appear that company is not obey in suppliers agreement

**Creditor:** The Company had practiced under the conditions strictly together with build relationship with creditor in order to create trust and confidence by on time payment to creditor under the agreements.

The company had bank transfer through media clearing system which is convenient for creditor.

Currently, company had business creditors which are in the pass we have never been defaulted of payment.

**Labor:** The Company has not used illegal labor.

**Political Rights:** Encouraging Executives and employees as citizen to exercise their rights on constitutional legal and other related laws is our objective thus Executives and employees should not use their power to emphasize others to support any political activities either directly or indirectly.



**Government:** Doing business operation under provision of law and regulations of strictly regulated by the agency to cooperate in providing information, was required, and requested by the state agency. By this, the company has pay Tax correctly and on time in accordance with the laws of VAT, Business tax, Income tax, withholding tax label stamp duties and a personal income tax.

**Social and Community:** The company has held and participate the activities which related to social and community concern. Public relation also was our key to make the society realize what we have been doing the business based on.

**Environment:** The company operates by focusing on natural resources and environment which pay attention to energy conservation activities which support better quality of life includes awareness of preservation and conservation of the environment to remain sustainable beneficial to the community.

- Encourage employee of consciousness about responsibility on Environmental throughout organization continuously by driven by both inside to outside and outside to inside
- Improvement and development process in term of machinery and technology continuously also have manage systematically both in production of goods and services in order to reduce environmental impact
- In order to be consistent with policy on managing environmental, company and subsidiaries has practice as follow mentioned policy and ISO 14001:2004

**Educating and training employees in environmental issues:** The company has recognize the importance of campaign also raise awareness of executives and employees to care of environmental by enhance knowledge on environmental issue through exhibition, sign together with related document.

**To promote efficient use of resources:** The company has set policies to employee to user resource effectively by energy control system, energy saving such as electricity, fuel, water supply within organization and at home. The company has educated on save energy and knowledge impact of global warming, reduce on amount of usage of paper by using two-page paper together with use technology system to replace use of paper.

**Policies that are suppression of violation of intellectual property:** The company policies are based on ethics and morality therefore the company does not involved in suppression of violations of intellectual property but innovate their business by supporting their employee in term of production process, products and services as well as we can do with our customers, partners and government continuously in order for innovative quality products to serve customers' requirements.

In year 2017, the company did not have any violation of intellectual property for benefit of its business.

**Policies and practices on anti-corruption and illegal payments/bribes to get business:**

The Company has business operation with transparently by committed accuracy, Management and staffs are encouraged to build on the success of the procedure or the corruption for company. All employees are must receive training and knowledge about policies and practices relating to the anti-corruption, corruption of the Company. Board of Director has policies as follows to the law on anti-corruption as following guidelines.

- Executives and employees will not call or agree on received money, Object or benefits on any person related to company's business
- Executives and employees gives bribes or any benefits to government Official, customers, competitor or other third party to practice in way this is against laws.
- Provides safe mechanism for reporting on financial status accuracy.
- Provides communication channel for employees and involved person to submit clues and be sure its protected thus appoint officials to inspect all clues that complaints

To raise the standards of business transparency in the company, in 2017, the Board of Directors announced the intention to join in The Collective Action Coalition Against Corruption or CAC which has been approved by The Board of Directors Meeting No. 2/2560 held on May 8, 2560.

**Channels for Stakeholder's and Employees' contact**

The Company arranges the channels for employees and stakeholders to communicate, to suggest or to be able to inform or complaint whereas found illegal actions, fraud, unfair, or misbehave of employees in the Company, as well as behavior that may become a problem or cause damage to the Company. The complainants shall specify detail of complaints; name, address and telephone number for further contact through the following channels:

1. Via the email to

2.1 Manager Director : suthin@rwi.co.th

2.2 Corporate Secretary : pipit@rwi.co.th

3 Send the sealed mail to

2.1 Mr. Suthin Phadetpai "Board of director and Manager Director" or

2.2 Mr. Pipit Jaovisidha "Corporate Secretary"

Rayong Wire Industries Public Company Limited

900/14 SVOA Tower 18<sup>th</sup> Floor, Rama III Road, Bang Pongpang, Yannawa, Bangkok  
10120

The Company set up to report the complaints/suggestion of employees and stakeholders to Board of Director monthly, then to investigate and to report to Audit Committee, and Board of Directors respectively.

### **Measures to protect the complainant or whistle blower for corruption and confidentiality**

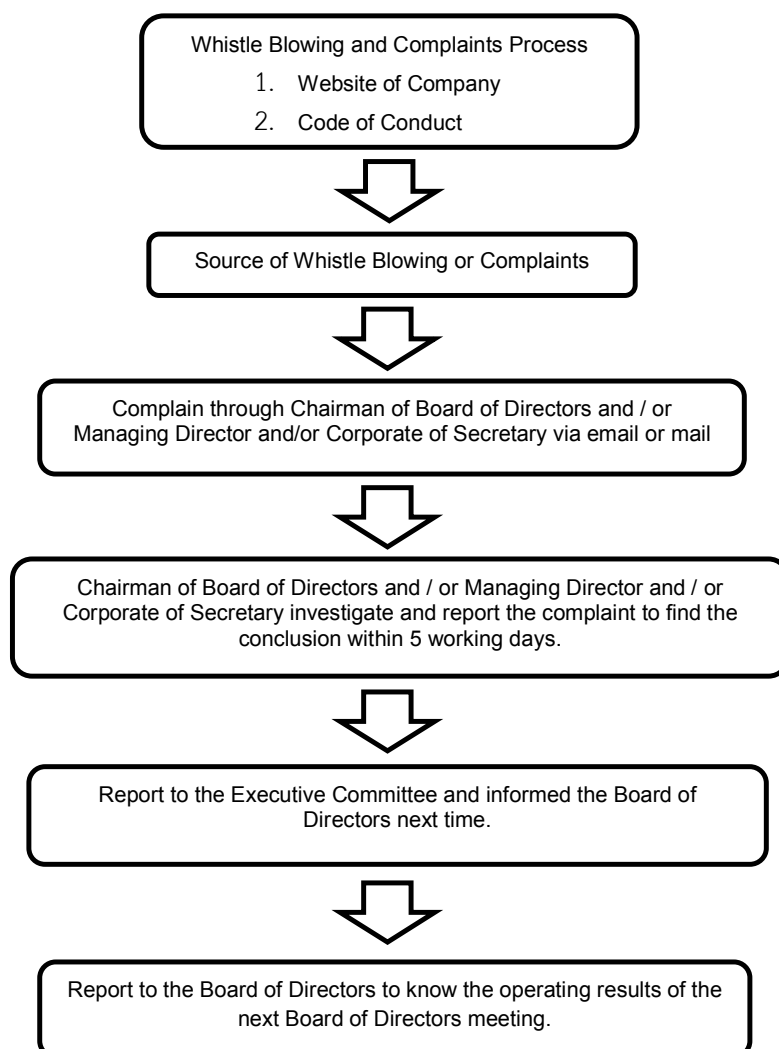
1) The Company will keep and conceal information of name, address and other dated which could identify the complainant or information providers and maintaining confidentiality of the complaints received among the assigned responsibility team to handle complaints.

2) The assigned person who receives information related to complaints duties to keep information, Complaints and evidence document of complainants and whistle blower shall be kept and maintained confidentially, not allow to disclose to other person who not related, except legal requirement.

3) The Company will disclose information as necessary by focusing on the safety and damage of the complainant or related person.

4) The victim will receive the mitigation with the appropriate and fair treatment process.

### **Whistle Blowing and Complaints, Investigation and Punishment**



In case of any fraud, corruption which needed immediate report, Chairman of Board of Director and/or Managing Director will report the complaints through e-mail to all Board of Directors in order to urgently preliminary consult to find the handling conclusion with the found complaints.

During the investigation and found out that information or evidence is able to believe that those who really commit fraud or corrupt, Company will allow those to know the allegation and to prove by providing any evidence that he/she did not involve in the illegal act as per allegation.

Those who commit fraud corrupt then considered an ethical business which need to be considered in accordance with Policy of Anti-Corruption and Fraud, may also considered to be punished by Company's discipline, rules and regulation. However, those who commit fraud corrupt according to law, may also considered to be punished bylaw if the act is applicable to law. Thus, punishment according to rules of Company's discipline, decision of Chairman of Board of Director and/or Managing Director shall be final.

In the previous year 2017, Company did not receive any complaints, offering bribe for Company business benefit.

**Policies and Practices to offer or to receive gifts, entertainment or others benefits:**

- (1) Company realizes that building good relationships with business alliances are the main important to continually achieve Company's success.
- (2) Employees are able to offer/receive gifts to/from any persons if it's matched with following conditions.
  - (2.1) Not by attention to dominate, persuade or compensate any persons in order to take the benefit through inappropriate act or to clearly exchange or to conceal for assistance or benefits.
  - (2.2) On behalf of the Company, not the employees.
  - (2.3) Not in any cash or equivalent to cash (such as gift card or gift voucher)
  - (2.4) Appropriate to situation such as small gifts during Songkran, Chinese New Year, or New Year that the normal traditions.
  - (2.5) Disclose openly, not conceal.
- (3) Business entertainment and others benefits related to business contract might be conducted but with reasonably spending, that is able to be inspected and to perform according to the regulation of working expending during working.
- (4) Employee might receive gifts worth of not more than 5,000 Baht. In case of could not denying and must receive the gift worth more than 5,000 Baht, shall report to superior by using form of receiving gift as required by Company, then further forward the mentioned gift to Human Resource Department in order to use as prize to employees or to donate to charity as appropriate.

**Policies on activities related to community development:** The Company has supported on activities or to participate in the related activities of community development which may be held every year by rotation and opportunities. Thus in 2017, the Company participated in the following activities.

- Supported Children Day at Wat Huay Phong School and Mab Ta Phut Community on 13 January, 2017.
- Participated in the Safety and Environment Governance Flag Receiving Ceremony at Mab Ta Phut Industrial Estate on 24 March, 2017.
- Joined Blood Donation no. 48 at Mab Ta Phut Industrial Estate on 7 April, 2017.
- Participated in the watering elderly activities at Mab Ta Phut Industrial Estate on 11 April, 2017.
- Jointed Blood Donation at Blood Bank of Rayong Hospital on 11 August, 2017.
- “Rayong Wire Volunteer for temple development” activity at Wat Nuen Kraprok on 23 August, 2017.
- Sharing for Dad Activity for Wang Chan Forest Conservation Club, Wang Chan District, Rayong Province on 9 October, 2017.’
- Joined with Loy Krathong Festival, Khlong Nam Hu Community on 2 November, 2017.
- Joined with Loy Krathong Festival, Chark Luk Ya Community – Eastern Side on 2 November, 2017.
- CSR Activity for “Sprout Nursery by recycling material” on 22 November, 2017.
- Joined Blood Donation no. 49 at Mab Ta Phut Industrial Estate on 23 November, 2017.
- “Coloring Sharing and Smiling” Activity at Child Development Center of Wat Nuen Kraprok during 9-11 December, 2017.
- Joined activity of Encoring and Kid and Family Smile Sharing at Rayong Hospital on 15 December, 2017.
- Joined activity of landscape modification around Saket Island Project with community, local small fishing boat club at Saket Island on 24 December, 2017.
- Supported Red Cross Lottery of the National Council on Social Welfare of Thailand
- Supported Kathin Ceremony of Industrial Estate Authority of Thailand.
- Donated to support with Thai Listed Company Association in the Stock of Exchange of Thailand mai.

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

Board of Directors has realized on quality and disclosing information equitably, transparency and fairness and discloses information related to company both financial status and non-financial status or any information which may affect trading price for shareholders and those who are interested to acknowledge information correctly, completed, on time, equally and same quality.

The company has disclosed information with easily to access and more channels in both Thai and English version through the channels of the Stock Exchange of Thailand and through the company's website [www.rwi.co.th](http://www.rwi.co.th) to stakeholders to ensure all parties are as follows:

**1. Corporate Governance:** The Company has corporate governance in accordance with good corporate governance for listed companies of The Stock Exchange of Thailand in 5 conditions are Equitable Treatment of Shareholders, Role of stakeholders, Disclosure and Transparency and Responsibilities of the Board through company website [www.rwi.co.th](http://www.rwi.co.th)

**2. Importance information as for financial and non-financial:** The Company has disclose importance information including financial and non-financial information under the condition of The Stock Exchange of Thailand and The Securities and Exchange Commission correctly, completely transparency and on time which passed through examination procedure in both Thai and English to The Stock Exchange of Thailand and company website ([www.rwi.co.th](http://www.rwi.co.th)) as follow:

- **Information which disclosed in Form 56-1 and annual report of company.** By this, the company has prepared and disclosed in accordance with rules from The Stock Exchange of Thailand and Securities and Exchange Commission for beneficial of shareholders to be considered thus with up to date information by publishing through its company's website [www.rwi.co.th](http://www.rwi.co.th)

In past year, The Company has not been implemented from Securities and Exchange Commission or The Stock Exchange of Thailand due to non-disclosure requirements.

- **In term of Annual Financial and Quarterly Financial** as The Board of Director has play importance role on preparation of financial report correctly follows accounting standards, record accounting with caution, use discretion to estimate on making financial report to reflex on actual business operation, prepare of Financial Statement and pass examine by auditor with approval from Audit Committee also has passed examination procedure and informed to The Stock Exchange of Thailand and The Securities and Exchange Commission. Moreover, disclosed to shareholders or investors before the end of the specified period which information can be used in order to make decision making for investment.

By this, company's auditor has knowledge and expertise independently and has been approval from Securities and Exchange Commission. Apart from this, auditors has no relationship or equity with company/ subsidiaries/ affiliate company/Executives/ major shareholder or those involved with such person therefore It is free to monitor and comment on the Company's financial statements truly. Moreover, company has disclose auditor fees and other services as paid to auditor in title of "Remuneration of Auditor" of Annual Report

In year 2017, Financial of company has certified with unconditional and no notice from company's auditor, company has disclose financial statement to The Stock Exchange of Thailand and Securities and Exchange Commission

**3. Report on responsibilities of Board of Directors on Financial Report** The Board of Directors has realized on importance of financial report preparation correctly, in accordance with accounting standard which disclose such information that has been audited by independent auditors

and approved by Audit Committees and Board of Directors prior to dissemination to shareholder. In order to ensure, Boards has prepared a report on responsibilities of Board on Financial Report as disclosed in Annual Report and Form 56-1 together with report from auditors. By this, such report is meet accounting standard report and investors could find this information for their decision

**4. Related Transaction and/or Asset Acquisition:** The Board of Directors has clear practice guidelines in order to discarded on beneficial and for highest returns to company and shareholders. Transactions which conflicts of interest then company will clarify and disclosed in meeting resolution in accordance with rules from Capital Market by stakeholders may leave the room and no right to vote in that agenda for independently in consideration. This has been disclosed to Stock Exchange of Thailand in Thai and English version and also company's website, annual report in the title of "Related Transaction" and Form 56-1 subtitle "12. Related Transaction"

**5. Designated to Board of Directors and Executives requires to report trading securities, holding company's securities and stakeholders involve in company management such** as mate and underage children which stakeholders involved in company management to report to company every time changes by practice as following manner.

- Report when appointed as Director or Executives at first time
- Report every time there is changes in stakeholders
- Report every ended year
- In case, Director has resigned from position and reappointed as Director then he/she doesn't have to report if no changes involved
- Directors and Executives need to hand in Stakeholders report to Corporate Secretary within 1 month as starting from election/appointment within 15 days and when any changes within 30 days as need to report annually which counted from end of year. Corporate Secretary need to send the report of this stakeholders to Chairman and Chairman of Audit Committee within 7 days (counting from the date have been reported)

In year 2017, Directors and Executives has prepared report of securities trading, holding Company's shares and stakeholder with any changes already

**6. Designated policies of responsibility of community and environment:** The Company has set in company's mission in order to practices to achieve tangible which everyone in organization must be involved.

**7. Meeting and Communicate between Executives and Chief Executives, highest commanders of every department of company:** Company has held the meeting between Executives Board and Chief Executives and highest commanders of every department of company every month in accordance of the target of business operation and business strategy. By this, communication is a way to cooperate with every employee for understanding and act in the same direction together with responsible for their duties in order to achieve their goals.

In year 2017, Chairman of the Board has play importance roles on attending to Executive Board, Chief Executive and High Level of position in every division meeting every year by main idea suggestion, aggressive tactics and philosophy together with exchange opinion independently to support executive management and achieve business goals.

**8. Investor Relation:** The Company has set the center for disclosure importance information and news to investors and related person to access the information easily and more channels to access with the following person

- Mr. Pipit Chaovisit  
Corporate Secretary  
  
Phone: (02) 682-6328 ext. 450 Fax: (02) 682-6362  
  
Email: pipit@rwi.co.th
- Miss Walirat Meksaiyo  
Investor Relations  
  
Phone: (02) 682-6328 ext. 491 Fax: (02) 682-6362  
  
Email: walirat@rwi.co.th

In addition, investors had communicate with company officials for investment information, mentioned division has play importance roles and good corporate always

Apart from this, disclosure of financial report or other information to The Stock Exchange of Thailand and Securities and Exchange Commission through many channels follows rules by accurate, complete and timely. The company is also disclosed following information

**1. Shareholding Structure** by disclosed top 10 major shareholders as at closing registered date to attend Annual Shareholders meeting before meeting started and disclosed in website of company [www.cenplc.com](http://www.cenplc.com)

**2. Disclosed changes in holding shares of Directors and Chief Executive** by showing amount of shares at the end and beginning of year or trading between in annual report in the title of “Shareholding and Management Structure” in No.2 Management Structure in sub title of Changes of holding securities of Directors and Executives and Form 56-1 in the title “8.1 Board of Director”

**3. Disclosed business operation of company** and analysis industry and competitive includes financial status, annual report, in title of “Policies and overall Business Operation” and form 56-1 in title of “Policies and overall Business Operation”, company’s website both Thai and English version which can be download

**4. Disclosed Risk Factors of company** in term of characteristics, cause and effects includes ways to prevent and reduce these risks in annual report in the title of “Risk Factor” and Form 56-1 in title of “3. Risk Factor”

**5. Disclosed name of Directors, Independent Directors and sub-committee** includes historical, roles and responsibilities, number of attended the meeting of each Director, proportion of



holding shares, date of appointed as Director, training courses in annual report in the title of “Shareholding Structure and Management” No.2 Management Structure in sub title of Summary of attendance and in the title of “Personal Information of Directors and Executives” and Form 56-1 in the title of 8.1 Board of Director subject of summary of attendance and title of 9.2 Sub Committee.

**6. Disclosed policies on remuneration fees of Directors and Executives of company** includes form and nature of compensation committee granted in annual report in the title of “Shareholding Structure and Management” No.2 Management Structure in sub title of remuneration of Directors and Executives and Form 56-1 in the title of “8.4 Remuneration of Directors and Executives”

**7. Disclosed policies on dividend payment of company** in annual report in the title of “Shareholding Structure and Management” No.1 Management Structure in sub title of Dividend Payment Policies and Form 56-1 title of 7.4 Dividend Payment Policies

**8. Disclosed the appointment of Auditors** (independently) and qualification as agreed by Securities and Exchange Commission (SEC) includes their fees and services in annual report in the title of “Auditor Fees” and Form 56-1 in title of 9.6 “Auditor Fees”

**9. Disclosed organization structure** in annual report in the title of “Management Structure” and Form 56-1 in the title of “8.2 Executives subject of through company’s website both Thai-English versions as can be downloaded

**10. Disclosed Internal audit control system as assessment** by follows regulation from SEC together with reported to Audit Committee in annual report in the title of “Report on Corporate Governance of Audit Committee” and Form 56-1 in title “Enclosure No.5”

**11. Disclosed financial statement each quarter** in both Thai and English version through company’s website thus can be downloaded

**12. Disclosed annual report, invitation letter to Annual General Meeting of Shareholders** in both Thai and English version through company’s website thus can be downloaded.

**13. Disclosed Article of Association** in both Thai and English version through company’s website thus can be downloaded

#### **Practice 5: Board Responsibilities**

The Board of Directors has critical roles on guide direction of company and monitor performance of management, have policies on corporate governance, business ethic and employee ethic to reach the highest benefit of company together as ensure on such activities are legitimate.

In the previous year, company has turn out that

- There is a serious violation of the rules, regulations of The Stock Exchange of Thailand and Securities and Exchange Commission
- There is guilty of fraud or misconduct ethically.
- There is resignation of Director due to Company’s corporate governance

- A case on the notoriety of the company. Because of the failure to act of the monitoring committee.

## 1. Structure on Board of Director

To consist of The Board of Director, The Executive Director, The Audit Committee, The Remuneration Committee, involve the Executive Chairman and Company Secretary which is appropriate, examine and counterbalance between other.

After every Annual General Meeting of Shareholders, Board of Director will schedule to appoint subcommittee. In year 2017, resolution from Board of Director Meeting No.2/2017 held on May 8, 2017 has appointed 4 subcommittees and assigned duties and responsibilities clearly

Memorandum of Association has specified Board of Director should not less than 5 people and not more than 15 people also most of these Directors must reside in the Kingdom of Thailand. Year 2017 there are 9 Directors which consists of

	Amount (people)			%
	Male	Female	Total	
Directors as Executives	5	1	6	66.67
Directors as Non-Executives	-	-	-	0.00
Independent Directors	3	-	3	33.33
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>100.00</b>

Board of Directors consists of 3 Independent Directors equivalent to 33.33% of total Directors as higher than standard of 1 in 3 or 33.33% follows regulation of Capital Market Commission.

### 1.1 Responsibilities of Board of Directors

Follows Memorandum of Association, Directors has determine, maintain operation and follows rules and regulations which has been specified clearly

### 1.2 The Nomination

Details shown in No.9.3 Nomination and appointment of Directors and Chief Executive

### 1.3 Qualifications of Independent Directors

Details shown in No.9.3 Nomination and appointment of Directors and Chief Executive

### 1.4 Term of position of Director

- Board members are appointed from Annual General Meeting of Shareholders by term follow to company regulations (Period Term of 3 years follows Public Company Acts). After the term is due, Board members may be reelected. In addition, Board of Directors will recruit and screen appropriate person to be Directors with knowledge, abilities and experiences. The company has disclosed date of holding position of Directors and Independent Directors in Form 56-1 in title of 8.1 Board of Directors

- Board of Directors did not set the term of Director because all of them have abilities of business and expertise in each field of Director as emphasized by Board of Directors and shareholders

- Board of Directors did not set the term of Independent Director as well due to shareholders meeting will approved elections of Board of Directors and Independent Directors only

- Board of Directors has information to compose consideration on recruitment of Independent Director who retired by rotation. The Company discloses the information regarding other companies' positions held by each board member in the invitation to shareholders meeting and annual report

In year 2017 there are 3 Independent Directors as follows:

Name of Independent Directors		Appointed Year	Amount of Year holds position
1. Mr. Worawit	Siriwatwimon	April 24, 2009	8 Years
2. Mr. Wichian	Sopanpanichkul	February 26, 2013	4 Years
3. Asso. Prof. Dr. Pison	Udomworarat	August 13, 2015	2 Years

Chairman of the Board is the leader and control of the board meeting to be independent which all directors can comment and suggestions fully and support business management of administration.

Although the Chairman of the Board is not an independent director but performs his duties independently and allows all directors to independently express their opinions. Hence, the Company believes that the chairman of the Board of Directors always places importance on and understands good corporate governance principles as well as encourages the implementation.

Year of 2017, the company has 7 peoples of Executive Directors; President is the leader on the implementation of business policy following with the board of directors. In addition, executive committee has the important role on imposing the policy and the business plan along with the board of directors as well.

### 1.5 Corporate Secretary

Follows Securities and Exchange ACT (No.4) BE.2551 has assigned to Board of Directors to appointed Corporate Secretary whom will be responsible for coordinate legal issues on behalf of company or Board of Directors. Corporate Secretary also has an important role in coordinate effectively in both internal and external. Board of Directors has appointed

Mr. Pipit Chaovisit as corporate secretary as follows resolution from Board of Directors meeting No.4-2014 held on June 24, 2014 as passed Company Secretary Program (CSP) #7/2004

which is the course related to duties of corporate secretary from Thai Institute of Director (IOD) 53/2013

## 2. Sub-Committee

There are 3 sub-committees as consists of:

Sub-Committees	Amount	Independent Directors	Directors as Non-Executive	Directors as Executives
1. Executive Committee	6	-	-	6
2. Audit Committee	3	3	-	-
3. Remuneration Committee	4	3	-	1

**Remark:** - Term of position for Audit committee equals to 3 years  
- Term of position for Executive Board, Remuneration committee and Executive Directors equals to 1 year

All members in sub-committee are qualified, understanding on their roles in Directors and Sub-Committee thus perform their duties with responsibilities, honestly, carefully and independently. In addition, believe that every directors will understand, practice strictly in order to make confidently on shareholders.

The company has Charter authority has prepared a series of last update of the Board of Directors, Audit Committee, Remuneration Committee and authority of Chief Executive Officer by passed approval of Board Committees and approved from Board of Directors meeting No. 4/2017 held on November 8, 2017 (details shown in Form 56-1 No.9.2 Subcommittee)

Including the authority to organize and conduct of the Board of Directors, Executive Committee and Chief Executive Officer (amended) to be consistence with business operation as approved by Board of Directors meeting No.1/2014 held on February 25, 2014.

### • Executive Committee

The Executive Committee consists of 4 directors who are knowledgeable and have various experiences and understanding of responsibilities and the Company's business.

The Executive Committee is responsible for the Company's business operation in committee format. The investing management committee members are appointed and approved by the Board of Directors in accordance with the Company's regulations. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.

### • Audit Committee

The Audit Committee consists of three board members who are qualified as independent in accordance with The Stock Exchange of Thailand announcement and the Company's definition. All

members are knowledgeable and have understanding and experience in accounting, finance and management. The Audit Committee authorities, duties and works are in accordance with the Audit Committee charter. The Audit Committee is an independent entity to support the board of directors in successfully eliminating conflicts of interest, verifying financial information presented to shareholders and related parties, auditing the specified internal control system, and communicating with the Company's auditor the duration of this position equals to three years.

- **Remuneration committee**

Presently, the remuneration committee consists of 4 directors who three independent directors and one executive director is the remuneration committee is to consider of every board of directors committee and executive management. The remuneration is compared with that in the similar industries and business growth is taken into consideration. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.

Although The Directors and Executive Management of the company have never been employees or partners of the external auditing company that the company has used in the past two years.

### **3. Roles and Responsibilities of the Board**

The Board of Directors has appointed from shareholders to represent of shareholders which has importance roles on setting management policies by join with executives to set policies, operating goals, operating plans and annual budget by executives and employees should go on to the same directions. By this, including supervision and monitoring of operation in accordance with business plans and budget set by effectively and efficiently.

The company has disclosed duties and responsibilities of Directors (details shown in Form 56-1 No.8 Directors)

In year 2017, The Board of Directors has officiate on supervision of business operation in accordance to law and regulations therefore there are not any irregularities.

#### **3.1 Leadership and Vision**

- **Leadership**

Board of Directors consists of person who possesses the knowledge, ability, several experiences and understanding on roles, responsibilities which make practical tasks more efficiently. Moreover, schedule roles, target and business strategy as well as follows and corporate performance of management by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. In addition, roles and responsibilities of Board of Directors, Executives and Employees and related person

Boards has target indicators (KPI) on financial and any plans starting from beginning of year by follows business operation as monthly and quarterly to get status of the operation if the target is under Analysis to set the guidelines.

Moreover, Internal Audit Committees are responsible for Internal Audit directly which includes make sure that internal control system are enough and appropriate risk management to keep company beneficial by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. Moreover, require Directors and Executives report to company on their stakeholders or any person who related to equity as related to management of company or subsidiaries follows regulations, conditions and methods which announced from Capital Market Commission.

- **Vision**

Board of Directors has aware of importance on business operation by set vision and mission of company in order for Directors, Executives and employees intend to operate in the same direction also has policies to reviews annually. In year 2017, the company has set vision in accordance with business operation and responsibilities to social and environment

### **3.2 Good Corporate Governance**

The Board of Directors realizes on good corporate governance by setting policies which are consists of 3 parts such as Corporate Governance, Business Ethics and Employee Ethics in order for practical of Boards, Executives and every employees within organization in good response on business operation as transparently and confidently to shareholders and investor relations. Although create stability to organization and good benefits to shareholders, stakeholders and environmental thus reinforces to employees by reviews and revise to be suitable with current situations together with public through company website.

### **3.3 Eliminating conflicts of interest**

(Details shown in Form 56-1 No. 12 “Related Transaction”)

Board of Directors has clearly practice guidelines to eliminating conflicts of Interest to build beneficial to company and shareholders, any transaction cause conflict of interest the company will clarify and disclosed in the resolution of the meeting as in accordance with regulations from Capital Market by stakeholders (Directors) will leave the room and no vote for that agenda for independently decision and disclosed information quickly for transparently

### **3.4 Supporting on responsibility to social, environmental and human right**

Board of Directors realizes on importance of responsible to social and environmental along with business operation by participate in enhance quality of life to be better around the factory, respect human right and fairly in labor thus make communities and factory to live together sustainably

### **3.5 Internal Control System and Internal Audit**

- **Internal Control System**

The Board of Directors realizes the importance and provides internal control system for operation in term of Financial follows the policies and rules by appointed Internal Audit to be responsible for checking the operation system of internal control as planned to report Audit Committee and Board of Directors. Moreover, they are independently to perform their duties. The Board of Directors shall review the appropriateness and adequacy of the internal control system in five aspects according to the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) is the internal control, risk assessment, operational control, information and communication technology and tracking systems one time per year.

In Board of Directors meeting No.1/2017 held on February 21, 2017 by Audit Committee has attended this meeting as considered adequacy of company internal control system follows COSO (The Committee of Sponsoring Organization of the Tread way Commission) with the conclusion of The Company has adequate and effectiveness in term of internal control system which shown in Annual Report in the title of “Internal Control and Risk Management” and Form 56-1 “No.11 Internal Control”

- **Internal Audit**

The Board of Directors has assigned Audit Committee to reviews on company to have adequate internal control system for business operation with the effectiveness and report to Board of Directors and Shareholders. By this, the company has provide a separate internal audit unit as part of company's organization chart and this department is directly under The Audit Committee as assigned Mr. Khomwuthi Pornnaradol (Secretary of Audit Committee) whom holds the position of Director (Internal Audit). In addition Mr. Khomwuthi Pornnaradol and his quality team work will review, assess adequacy, effectiveness of internal control system which has standard check and sufficient independence thus give suggestion for improvement to achieve value added to organization and support corporate governance process.

In year 2017, Audit Committees have performed their tasks as assigned by Board of Directors completely and adequately. There is internal audit unit for helping organization to access in business goals by internal audit is qualified person to perform their duty properly. There are some issues need to be resolved from assessment of internal audit control system by related unit which includes appropriate feedback as management considered as necessary for business operation then propose to Board of Directors to be consider in the meeting (Board of Directors) quarterly.

Internal Audit will report the estimation and review on Internal Control System to Audit Committee quarterly and year 2017 there are 6 times of Audit Committee meeting and report to Board of Directors quarterly. By this, Audit Committee has reports comments on adequacy of internal control system and risk management system in Annual Report in the title of “Corporate Governance report of Audit Committee”

#### **4. Boards Meeting**

- Board of Director has set the meeting not less than 1 time per quarter which has been schedule in advance for whole year by not less than one time per quarter as specify each committee meeting in advance with clear agendas. The corporate secretary has send the documents related to the meeting 7 days in advance in order to provide board members adequate time to study documents before meeting, each meeting will take approximately 2 hours and in meetings there are openly and freely for feedback.

Other consideration, Chairman (as represented as) Chairman of the meeting shall have an opportunity to express their opinions freely, Voting shall be by majority vote by each director has one vote and any stakeholders as Director has to abstain or no comment or no attend on those agenda if there are equal vote then chairman entitled to one vote as casting vote.

Board of Directors has pay attention on management issues relating to conflicts of interest of all parties to carefully and fairly by fully disclose of information in case there is stakeholder as Directors then he/she has no right to comments of those agendas.

If there are any suspect or need more information from related person then Chief Executive Officer will request executives to clarified

End of the meeting, corporate secretary is responsible for recording and storing minutes of meetings and approved by chairman and corporate secretary. By this, Directors may comments; amend in the minute of meeting for the corrections.

Minutes of Board Meeting and sub-committee will storage in folder at the head office as convenience for Directors and related person to be referred.

In addition, the Board of Directors also allows non-executive directors to meet among themselves as necessary without management and proposed to the Board of Directors for acknowledgment.

The company has The Board of Directors Meeting 4 times in 2017, the number of meetings is appropriate and sufficient to serve The Board and business and all Directors of the Company attending the meeting not less than 80% of the meeting. If The Directors want to know some information, they can contact the Company Secretary.

- Audit Committee and Internal Audit has schedule meeting thus auditor will attend this meeting quarterly. In addition, year 2017 has process the meeting together by invited representative of Executives to attend this meeting.

In 2017, there are 6 times of Audit Committee Meeting

#### **5. Evaluation on Performance of Board**

Board has not evaluated on performance of Board yet but Board has considered on performance and makes improvement in order to be more productive in term of performance.



## **6. Remuneration of Directors and Executives**

The Board of Directors had appointed remuneration committee to consider certain amount of financial proposes to Board of Directors and shareholders every year. However, the Board of Directors cautiously determines the remunerations by comparing with that of similar industries and taking business growth into consideration and proposed to shareholders meeting for approval every year.

By this, 2017 Annual General Meeting of Shareholders which held on April 27, 2017 has approved remuneration fees not exceeding 1.95 Million Baht by paying each time at the same rate. Board of Directors has assigned to remuneration committee to determine remuneration of Directors and subcommittee thus proposed to Board of Directors for consideration and proposed to shareholding meeting every year.

Remuneration Committee has set the structure/ element of proper compensation to responsibilities and benefits of each committee

Remuneration of Senior Executives of company follows regulations and policies of Remuneration Committee which specified in business operation

## **7. Development of Directors and Executives**

The Board of Directors and management realize their fiduciary duty and responsibilities to the Company. The Company places importance on human resource development to enhance knowledge, ability and capability in order to conform to leadership and vision of directors and management. The directors and management are encouraged to attend seminar and training that are beneficial to performing duties in and out of the Company continuously including abroad trips. The following are example of courses held by Thai Institute of Director (IOD) as follows:

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Finance for Non-Finance Director
- Roles of Compensation Committee Program (RCC)

- **New Director**

The Company had orientation for new incoming Directors in order to acknowledge business policy including related information such as company's article of association, rules, and any regulations concerned with business operation. Moreover, this will be beneficial to new directors therefore the company has prepared guideline for directors as follows:

### **Guideline for Director**

1. Securities and Exchange Commission ACT (No.4) 2008
2. Charter on Board of Directors

3. Certificate of registrations on public company limited
4. Certificate of Company Registration and Objective of company
5. Article of Association
6. Policy manual on good corporate governance
7. Policy manual on listed company directors of SEC

**Other information**

- Company goals and vision
- Annual report together with presentation to guide nature of business to new directors

- **Existing Directors and Executives**

The Company has play importance roles on supporting knowledge to existing Directors which has training course related to task of Directors which this training held by IOD thus 9 members of directors has passed this training or equivalent to 100 percent including any related course on roles of director, related to business and encourage executives to have any knowledge in term of laws or any rules relating to Executives including training/ seminar which benefit to company and trainees.

- **Related person on Corporate Governance**

Corporate Secretary, Secretary of Audit Committee and Compliance and Investor Relation unit including any related person, the company has support and encourage to train/seminar any related courses by SEC/Stock Exchange of Thailand/Thai Listed Companies Association/ IOD and other institution regularly.

## **8. Succession Plan**

The Board of Director recognizes of importance on preparing the readiness for personnel as assigned to work in order to compensate senior management and head of each department who willing to retired as follows:

1. Provide development on secondary executives in term of vision, knowledge and ability to support chief executive and commandant respectively.
2. Provide training in term of enhance academic knowledge and learn in real work situation
3. Provide secondary executives to be corporate and work with Chief Executive
4. Set secondary executives which can descendant and set properly on positions
5. Prepare personnel with unique capabilities and gain more comprehensive management
6. Middle executives to have chance in management in lines.
7. Provide training of each line systematically

8. Provide training to Chief Executive, Middle executives to be responsible on their Task with honest to organization and overview of organization in order to become next level of executives.

The Company has schedule meeting every month by Executive Chairman which is operating results thus includes shareholders meeting to set organization objective. In addition, create a sense of participation and build awareness in working process and as part of succession plans.

By this, Executive Committee has followed and evaluated the operation results of the person who will be promoting to be Executive Director. For the consideration will be raised in the Board of Directors for approval.

## Corporate Social Responsibility

### Policy of Corporate Social Responsibility

1. Operation with fairness
2. Anti-Corruption
3. Respect in Human rights
4. Treatment to labors fairly
5. Responsibility to consumer
6. Treatment the environment
7. Community and Social Development

### Overall Policy:

The company has impose regulations on all processes and services (CSR in process) in order to reduce impact on environment thus company has realize that production from electricity from renewable energy and manage raw materials for biomass fuel need integration on social and environmental sustainability.

At the present, business operation is more complicated which affect from changes in economic mechanism, market condition and conditions in term of marketing and trading. The importance of business operation is expectation of stakeholders would like to see company demonstrate responsibility toward economic system, social and environment thus no limitation of scope to impact directly from business operation but should support the stability of society and the environment stand out (CSR after Process) as follows:

1. The company will prevent to protect any losing from accident, illnesses, injuries due to work, importance on protecting life, properties of employees and organization although care on employees, communities and any stakeholders health.
2. The company of protecting ecosystems by control, protect and reduce risk through improve efficiency in every activities or process or procedure to produce goods or services. In addition, there should be minimal or no impact on safety, occupational health, community or environment.
3. The company strive to practice under laws or related industrial standards in order for related safety, occupational health and environment
4. The company strive on quality management tools as well as production process with efficiently goods or services to deliver product or service on time and meet customer classification

5. The company strive fair on business operation and make awareness to employees in anti-corruption through cooperate with private sectors, public sectors and social sectors to build alliance for social responsible
6. The company creates jobs for local people and has revenue thus build awareness on homeland

## **Implementation and Reporting**

### **Guidelines on CSR of Company**

#### **1. Operation with fairness**

The company has operate their business transparently, duties with honesty, morality, ethics and fairness both major and minor by equality including overseeing use of inside information to establish the equality of all parties.

In term of employee, company– there are development through knowledge for all employees by training with quality system with safety environmental to life and properties, employee gain confidence in quality of working life and be rewarded fairly, encourage employees to work with transparency and be treated equally, has channel for staff to claim and process to complaint clearly.

In term of partner, company has set policies on procurement for confident that every partners are based on equality and fairness and company has comply with term of contract or agreement strictly.

In term of society, community and environment – company has set regulation in the process of production and services (CSR in Process) in order to reduce any problem effect to environment.

#### **2. Anti-Corruption**

The company plays attention on importance of anti-corruption and to Build standard on fair business operation, set up policies on anti-corruption in written as approval from Board of Directors and communicate Directors, Executives and every level of employees to acknowledge and adhere for guideline thus includes send employees for training on anti-corruption and social responsibility as to declare that company anti-corruption in all forms in society.

#### **Social Responsibility**

The Board of Directors of company has duties and responsibilities to set policies and oversight to have system which supports effective of anti-corruption to aware that management has play importance role on anti-corruption and to instill a corporate culture.

#### **Practice against Anti-Corruption**

1. Directors, Executives, every level of employees need to practice in accordance to Anti-Corruption and business ethics and must not involve in corruption whether directly or indirectly.

2. When employees see action refer to corruption or any inquiry especially failure to comply with ethical rules and legal requirements, obliged to report their superiors or acknowledge committee on business ethics through various channels (as prepared by company) and to cooperate in investigation.
3. Those who commit fraud corrupt then considered an ethical business which need to be consider in accordance with stated regulations thus may also be punished by law if the act applicable to law.
4. The process on facts, company has channel to communicate and receive any Complaint in company's website, annual report in title of Corporate Governance Report and Manual on Business Ethics by quick and composed process consists as follows:
  - 4.1 Clear and Enough details on clue or complaints must be truth and/or enough information for investigate
  - 4.2 Importance summaries, clues or any complaints, recipient need to Consider and send to committee on business ethics which consists of employees from various departments in order to find out the truth.
  - 4.3 Any whistleblower or appellant will get equal coverage whether as employees or third parties
  - 4.4 Any whistleblower or appellant could choose not to disclose information on name, address or telephone number or any other contact information unless whistleblower or appellant seems that disclose on that information helpful on further process inquiries or acknowledge any facts or mitigate damages easily and more quickly.
5. Fairness process - committee on business ethics will consider with fairness and Protect whistleblower or appellant, complaints and any stakeholders involved in Investigation process and report- keep the information secretary and disclose as needed with regard to safety and damage of whistleblower or appellant or those who cooperate in the investigation, source of information or related person.
6. Any process in accordance with anti-corruption in according to guidelines set out in manual business of ethics which includes company's regulation and guideline in related issues as well as any other practice as company may arise.
7. This guideline for anti-corruption covers personnel management which included recruitment or personnel selection, promotion, training, evaluating performance of employee and reward.

Apart from this, the company has set channels to communicate with employees and related person to report suspicious or complaints when a subject may be illegal, fraud or wrongful behavior of managers and employees as well as behavior that may become a problem and cause damage to company. The company will listen and take action on all complaints equally and with fairness by

protection of complaints with fairness, information been given by complainants will be kept confidential by the complainants must provide details of the subject matter, which will provide clues or complaints, along with their names, addresses and telephone numbers send to the channel as follows:

1. Via the email to

1.1 Manager Director : suthin@rwi.co.th

1.2 Corporate Secretary : pipit@rwi.co.th

2. Send the sealed mail to

2.1 Mr. Suthin Phadetpai “Board of director and Manager Director” or

2.2 Mr. Pipit Jaovisidha “Corporate Secretary”

Rayong Wire Industries Public Company Limited

900/14 SVOA Tower 18<sup>th</sup> Floor, Rama III Road, Bang Pongpang, Yannawa, Bangkok  
10120

### **3. Respect in Human Rights**

The company has operate business by respect to laws and human Rights strictly and seem all employees receive honor and respect equally along with baseline operating according to principles of human rights. No discrimination on any person, treated equally to principles of human rights without discrimination for skin color, race, sex, religion, nationality, religion, social or political opinion, property, disability, birth, national poverty devoid of human origins, sexual orientation, patient or disease etc. The practices are as follow

- Give out knowledge on Human Rights to employees through orientation about ethics of company
- Avoid becoming partner with organization that may lead major violations of human rights
- Employees right in argument to prove ourselves in case of mistake or fraud on indicated, there are no unfair terminations

Employees of company all valuable resources and most importance part is driving business successfully to meet goals of organization and strive to provide all employees with sense of pride and confidence in organization. By taking care of employees equally without discrimination, support and strengthen environment on working together to create innovation and new technology to support work/employees for harmony with confidence and trust on human rights respects. It also recognized importance of promoting development potential of all employees to have knowledge, abilities to work with economic fluctuations. To create stabilities in profession and provide opportunity to move ahead based on potential of each person, as well as to participate in given operation direction. Compensation is granted for appropriate and fair benefits

#### **4. Treatment to labors fairly**

The company carry labor standard consistent with laws and practice in accordance with requirement of international law and charter of worker as concerned and taking into account of needs for employees of company also affect performance of employees as a whole. As well as opportunity for employees to have communication channel, feedback and complaint issues between employees and bosses through business ethics committees or via company's website and presented to The Executive Committee

In the past year, any complaints has been considered and edited in order for keep relationship. The company will listens and propose suggestion from every level of employees equally and keep it secretly.

The company has policies to develop employees for knowledge as exemplified by need of each department in order to create completed ability in our organization in both professional development, marketing, management, quality of life and give priority to taking care of safety and hygiene at work. Setting establishment of Security Council occupational health and environment of work on safety and hygiene for employees by provides safety inspection of workplace regularly, security guard for 24 hours a day, install CCTV and alarm system inside the building, fire evacuation, first aids as well as ongoing employees every year.

For employees benefits of company yearly as follows:

- Support educational inside and outside working hours
- Provide training and knowledge about working both inside and outside places consistently
- Provides incentive monetary bonus, shift value experiences
- Provides uniforms for daily employees and monthly employees
- Provides transportation
- Provides expenses on transportation, traveling expenses and fuel.
- Provides welfare grants victims in case of death of parents and spouse of employees
- Provides money for retirement
- Hygiene canteen with the cheap price
- Provides financial support for lunch
- Providential Funds for saving in the future which members send 5% of salary and get return from Providential Fund monthly with the same rate.
- Health Checkup every year and accordance with risk from work
- Send employee to seminar outside the company which held by agencies in order to increase knowledge and develop capabilities and skills to work to employees continuously



- Provide a lump sum payment to an employee or compensation funds to benefit after retirement
- Provides a saving cooperative
- Provide welfare grants rent
- Providing the company with professional nurse as well as medical supplies and drugs
- Provide competitive sport to enhance good health, create harmony with good relations among employees

## **5. Responsibility to consumer**

The company has policies on use of tools on communication, marketing, advertising, public relation, show product must follows realistic together with products usage guideline with environment and fairness to all parties involved and responds to customers' satisfaction to contribute success of company's business. In accordance with a condition which has been agreed with customers, their satisfaction, equally treatment and fairness as located on basic of receiving fair compensation of both parties and delivery goods and services with the fair price.

- To provide guidance which includes information and accurate enough to customers, meet their needs with fast and confidentiality of customers.
- Create new innovation in order for value added in term of products and services continuously according to company's policies "Committed to producing quality products, on time delivery and continuous improvement"
- To provide authority to serve customer or consumers. Complaints enquiries and feedback on quality of products and services easily with an emphasis on access to customers' requirement are truly; ready to act fairly towards the customer or consumer.

## **6. Treatment the environment**

The company recognizes the importance to engage in responsible Care, environment and business practices with regard to impact on resources and environment as designated one of company's mission policies as follows

- Promote staffs with awareness regarding responsibility for environment throughout organization continuously by powered from both inside out and outside to inside out
- Update and develop ongoing technology management of the system in both production of goods and services in order to reduce environmental impact.
- In accordance with production policies of company consistent with ISO 14001:2004

In addition, company recognize importance of maintaining environmental quality and aims to develop quality management system, environmental management system as comprehensive resources to acknowledge value and environmentally friendly as well as develop of sustainable environmental care. The company has participated in project "enhancing industrial development to environmental and social responsibility, sustainable" in cooperation with Ministry of Industry. As well as promoting planting and awareness campaign, executives and employees to contribute to

environmental care also promotes awareness of environmental issues through exhibition, public relations as signs with knowledge about environment.

## **7. Community and Social Development**

The Company has supported on activities or to participate in the related activities of community development which may be held every year by rotation and opportunities. Thus in 2017, the Company participated in the following activities.

- Supported Children Day at Wat Huay Phong School and Mab Ta Phut Community on 13 January, 2017.
- Participated in the Safety and Environment Governance Flag Receiving Ceremony at Mab Ta Phut Industrial Estate on 24 March, 2017.
- Joined Blood Donation no. 48 at Mab Ta Phut Industrial Estate on 7 April, 2017.
- Participated in the watering elderly activities at Mab Ta Phut Industrial Estate on 11 April, 2017.
- Jointed Blood Donation at Blood Bank of Rayong Hospital on 11 August, 2017.
- “Rayong Wire Volunteer for temple development” activity at Wat Nuen Kraprok on 23 August, 2017.
- Sharing for Dad Activity for Wang Chan Forest Conservation Club, Wang Chan District, Rayong Province on 9 October, 2017.’
- Joined with Loy Krathong Festival, Khlong Nam Hu Community on 2 November, 2017.
- Joined with Loy Krathong Festival, Chark Luk Ya Community – Eastern Side on 2 November, 2017.
- CSR Activity for “Sprout Nursery by recycling material” on 22 November, 2017.
- Joined Blood Donation no. 49 at Mab Ta Phut Industrial Estate on 23 November, 2017.
- “Coloring Sharing and Smiling” Activity at Child Development Center of Wat Nuen Kraprok during 9-11 December, 2017.
- Joined activity of Encoring and Kid and Family Smile Sharing at Rayong Hospital on 15 December, 2017.
- Joined activity of landscape modification around Saket Island Project with community, local small fishing boat club at Saket Island on 24 December, 2017.
- Supported Red Cross Lottery of the National Council on Social Welfare of Thailand
- Supported Kathin Ceremony of Industrial Estate Authority of Thailand.
- Donated to support with Thai Listed Company Association in the Stock of Exchange of Thailand mai.

## **Business practices that affect Corporate Social Responsibility**

The company does not have any disputes about environmental issues and there is not history of an environmental compliance issues with government agencies. In addition, company's compliance department industrial and other regulations specified by government agencies as company has passed inspection and license related to various government agencies on a regular basis every year

**Activities to benefit society and environmental**

At the present, private sector has play importance roles and mutual protection by anti-corruption as create higher ethical standard in order to achieve goals. Thai Institute of Director (IOD) cooperate with Securities and Exchange Commission on encourage listed companies participated in anti-corruption by IOD is secretary of the project.

The company recognizes importance on contributing to development on corporate governance in line with current circumstances therefore designed to enter into mentioned project by joined to participate of private sector on anti-corruption and completed this assessment about anti-corruption. The alliance is committed to support and take part in strategy of prevent and suppress of corruption.

## **Explanation and Examination of Financial Status and Business Operation Performance**

### **Summary of the Economic Outlook and Overview of Steel Industry in 2017 and Trend in 2018**

Steel production in 2017 had product index 123.84, decreased 4.16% compared to previous year. Long Steel had product index 8.55%, decreased for Round Bars Steel and Deformed Bars Steel in which decreased 17.10% and 10.31% respectively due to the stagnant of construction industry. For Flat Bars Steel had product index 1.23% decreased. The decreased product was Chromium Plate decreased 23.36% due to the continued industry; the production of seafood can industry also decreased. Also Galvanized Plate increased 14.50% using in automotive industry. PMI's trend 2017 will expand for 1.5-2.5%. Having positive factor from the recovery of global economy will continually support the export expansion in good level, including the driven from government investment such as; mega investment for high speed mass rapid transit system, double track railway, including Eastern Economic Corridor (EEC). However, private investment also expanded by having the steel consumption for 17.02 Million Ton by 3% increased.

## **Explanation and Examination of Financial Status and Business Operation Performance**

### **1. Analysis of Business Operation Performance**

#### **Performance Overviews**

Rayong Wire Industries Public Company Limited is principally engaged in the manufacture and distributor of steel wire products in order to serve as raw material for the production of construction customers. The Company's products include Steel Wires for Pre-stressed Concrete Wire ("PC-Wire"), Steel Wires Strand for Pre Pre-stressed Concrete ("PC-Strand"). The customer targets of the Company are both government and private sectors.

Taking into consideration of overall performance in 2017, the Company's sales revenue was Baht 925.52 million, increased of Baht 326.82 million, compared to Baht 598.70 million in 2016 or increase 54.59%. The profit for the period was Baht 66.25 million or increased of Baht 453.52 million, compared to the year 2016 with the net profit of Baht 14.61 million.

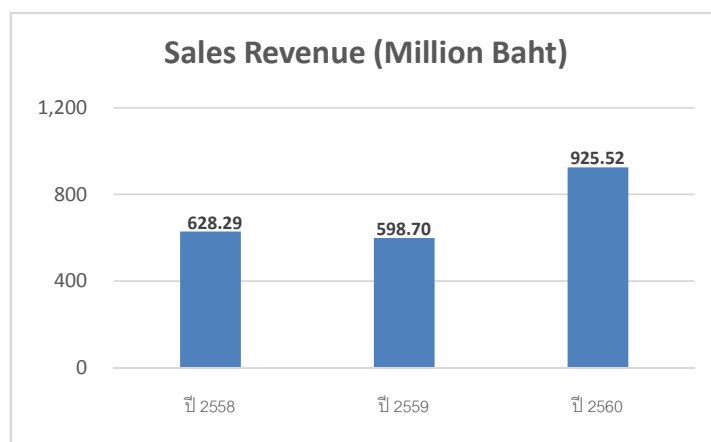
The financial position at the end of 2017, the Company had total assets of Baht 1,355.37 million, total liabilities of Baht 326.27 million, and shareholder's equity of Baht 1,029.11 million.

In terms of liquidity at the end of 2017, the Company's liquidity and liquidity ratios were 3.01 times and 2.31 times respectively. For Investment structure, the Company's debt to equity ratio increased from 0.05 times in 2016 to 0.32 time in 2017.

#### **Income**

The Company's total revenue was Baht 944.88 million, increased of Baht 336.09 million when comparing to the total revenue of year 2016 which had Baht 608.80 million or increased 55.21%. It could be seen that the total revenue in 2017 increased significantly. Although in 2017, the market

condition of steel wire and construction industry were stagnant, but Company was able to increase the sales volume and high sales revenue due to the strategies for cost controlling, management for raw material cost, production cost and other expenses that affected to provide capabilities to set up the sales price and sales volume as specified direction.



Other Incomes consisted of wire-scrap selling resulting from the production process, Interest Income, revenue from the use of credit line, other profit from the sales of temporary investment and others revenue in 2017 was Baht 19.36 million which increase of Baht 9.26 million, compared to 2016 which had other revenue of 10.10 million Baht due the wire scrap increased.

#### **Revenue classified into type of products**

**Revenues from selling the Steel Wires for Prestressed Concrete Wire (PC-Wire)** in 2017 was Baht 544.05 million or equivalent to 58.78% of sales revenue, an increase of Baht 135.72 million or an increment for 33.24% compared to year 2016 which was Baht 408.33 million or an increase of 68.20% of sales revenue due to the adjustment of strategies in several sectors such as; management, cost of raw material, cost of production, selling price, sales volume, including sales promotion in several channels. In 2017 market condition of steel wire and construction industry were stagnant. However, the Company still continually created high revenue.

**Revenue from selling Steel Wires Strand for Prestressed Concrete (PC-Strand)** in 2017 was Baht 348.53 million or equivalent to 37.66 % of sales revenue, an increase of Baht 168.65 million or an increment for 93.75 % compared to year 2016 which was Baht 179.88 million or an increase of 30.05 % of sales revenue due to the adjustment of strategies in several sectors such as; management, cost of raw material, cost of production, resulting in lower cost of goods sold, was able to compete in high competition of steel wire market. The Company also set up strategy to invest in large project which needed high volume of Steel Wires Strand. In addition, Company also expanded the customer's base to CLMV such as: Cambodia, Laos PDR, Myanmar, Vietnam which were the members of ASEAN had borders closed to Thailand, easily for goods transportation and had have economic trend growth

continually, including the quality production development in order to increase to international standard. This was good responded and regularly received orders by European customers

**Revenue from selling Wire Mesh (WM)** in 2017 was Baht 15.15 million or equivalent to 1.64% of sales revenue, an increase of Baht 11.74 million or an increment for 343.92% compared to year 2016 which was Baht 3.41 million or in increase of 0.57% of sales revenue due to the increasing of this type of product which was planned for market channel by focusing on the large customer which clear sales volume resulting to the Company to regularly receive revenue.

**Revenue from selling Ordinary Low Carbon Steel Wire (OLC)** in 2017 was Baht 11.87 million or equivalent to 1.28% of sales revenue, an increase of Baht 5.08 million or an increment for 74.81% compared to year 2016 which was Baht 6.79 million or in increase of 1.13% of sales revenue due to the increasing of this type of product which had lower production process compared to other type of products caused lower production cost, easily to negotiation to open the new channel with new customer, including to use with the Steel Wires for Prestressed Concrete Wire (PC-Wire) in order to produce pile and electricity pole which were the main production of the Company by having the same customer base and selling together with the main Company's products.

**Revenue from selling Gas Metal Arc Welding Wire (GMAW)** in 2017 was Baht 2.03 million or equivalent to 0.22% of sales revenue, an increase of Baht 1.75 million or an increment for 611.95% compared to year 2016 which was Baht 0.29 million or in increase of 0.05% of sales revenue due to Company already negotiated with business partners for this type of product by selling remain finished goods but the selling covered the cost of goods sold. That was the reduced price in order to have high sales volume but was still in the breakeven point. And during the year 2017, the Company provided details study in order to provide the guideline to update production modification and lowest cost of production in order to compete in the market. Results were made Company and management to decide to cancel the production due to this production modification would use high investment and not worth for investment.

**Selling from Hard Drawn Wire (HDW)** since the clarification in 2016, the Company modified machine to produce Hard Drawn Wire (HDW) but found some problems and not appropriate advance, also this type of product was to support the bed industry and automotive industry that need higher safety requirement and standard than the normal product sold to customer and could create damage. Management decided to have detailed and trial study to ensure for the production in order to deliver the best product to customer. Therefore in 2016, Company decided to stop distribution. After Company and engineer, technical consultant studied and modified machine, including the inspection process. In year 2017, then Company started commencing production and distribution. Thus the year of 2017, Company had revenue from selling Hard Drawn Wire for Baht 3.88 million or equivalent to 0.42% of sales revenue, an increase of Baht 3.88 million or an increment of 100%, compared to 2016 which had no revenue from this type of product as described above.

**Other Incomes** consist of wire-scrap selling resulting from the production process. Interest income was the revenue from the use of credit line. The other profit was from the sales of temporary

investment. Therefore, the total amount of other income in 2017 was Baht 19.36 million in total, an increase by 91.74% compared with year 2016 which was Baht 10.10 million. Due to in year 2017, there was higher production volume caused the wire-scrap was also high, as well as the price of wire-scrap in 2017 was higher than the price of wire-scrap in year 2016.

**Cost of Goods Sold** In 2017, the Company has cost of goods sold as of Baht 786.12 million, increased of Baht 250.34 million, compared to 2016 which was Baht 535.78 million or increased by 46.72%, the increased value was related to the increased sales volume due to the result of increasing sales volume, as well as management team had the appropriate and effective management. The major cost of goods sold structure consists of cost of raw material cost about 70-85% of the total product cost and varies according to the volume of production and sales. In addition, they are the cost of the semi-production to complete the finished goods such as; water, electricity, labor, repairing and maintenance equipment cost including depreciation and other production costs.

**Expenses** can be divided into 2 types:

- Selling expenses: in 2017 it was equivalent to Baht 29.60 million, increased by Baht 4.94 million which was equivalent to 20.05% when comparing to 2016 which was Baht 24.66 million. It was on the right track that in line with the increment of sales volume because the Company expanded to overseas market caused this selling expenses was higher, mostly from the employee allowance, the customer entertainment, sales promotion and transportation cost.

- Administrative expenses: In 2017 it was equivalent to Baht 34.60 million, decreased of Baht 1.08 million or 3.05% decreased, comparing to the same period of 2016 which was Baht 35.68 million. Most of Administrative expenses consist of salary and remuneration, vehicle allowance, travelling expenses, office depreciation, etc.

**Other Profit/Loss** In 2017, it was Baht 2.71 million, increased of Baht 1.73 million or increased 177.16% compared with 2016 which was Baht 0.98 million due to Company ordered some raw material in foreign currency and placed hedging for the total amount. So when the Baht currency was strengthen at one moment. The Company had recorded profit or loss according to the exchange rate required by accounting standard.

**Financial Cost** In 2017 it was Baht 0.86 million, increased of Baht 0.76 million or increased by 771.96% compared with 2016 which was Baht 0.09 million. The main financial cost was interest expenses for importing raw material from overseas due to higher production volume resulting to higher importing the raw materials.

**The net profit (loss)** In 2017, it was Baht 80.86 million, increase of Baht 66.25 million or 453.52% compared to 2016 which was Baht 14.61 million. Due to in 2016, there was the fluctuations of world iron ore prices, combined with the uncertain government policies, the basic infrastructure and construction projects were stagnant affected to lower sales volumes and sales price. However, in 2017, there was the bit till sustain of fluctuations of world iron ore prices, the Company had strictly and concisely provided the control strategy of raw material purchasing due to there was high raw material

ratio when compared with the total cost of production, affected to the setting up the sales price as per required direction. However, for marketing plan still emphasized on the sales volume and large project, including customer expansion both in CLMV and Europe.

## 2. Analysis of financial position

### Overview of Financial Statements

Description	Amount (Million Baht)		Increase (Decrease)	
	Year 2017	Year 2017	Million Baht	Percentage
Total Assets	1,355.37	990.23	365.14	36.87
Total Liabilities	326.27	50.70	275.56	543.51
Total Shareholder's Equity	1,029.10	939.53	89.58	9.53

#### (1) Assets

As of December 31, 2017, the Company had total assets of Baht 1,029.10 million, an increase of Baht 89.58 million or 9.53% from the previous year which was Baht 939.53 million. The major reasons were as follows:

- Cash and cash equivalents of 2017 was Baht 20.50 million, decrease of Baht 45.08million compared to Baht 65.58 million of the same period of last year due to repayment of loans from customers at the end of year. Therefore, this money was allocated to pay for raw materials at the beginning of year 2017.
- Short-term investment in 2017 was Baht 448.58 million, an increase of Baht 283.68million, compared to Baht 164.89 million of the same period of last year. These short-term investments were mainly invested in a fund of high liquidity bank in 2017. Short-term investment was increased due to increasing of sales revenue and repayment.
- Trade and other receivables of year 2017 was Baht 261.77 million, an increase of Baht 113.32 million compared to Baht 148.45 million of the same period of last year due to higher sales volume. However, the debt collector department focused closely and continuously in order to receive fully outstanding payment from customers.
- Inventories in 2017 was Baht 192.27 million, a decrease of Baht 7.07 million compared to the same period of year 2016 which was Baht 199.34 million. It was obviously seen that the inventories between two fiscal years were similar because the management of raw materials, factory equipment, semi-products and finished goods were efficiently planned to produce and sales.



- Other current assets in 2017 were Baht 1.52 million, a decrease of Baht 0.19 million compared to the same period of the previous year which was Baht 1.72 million due to a decrease of undue buying tax.
- Non-current assets in 2017 was Baht 402.24 million, a decrease of Baht 8.02 million, compared to the same period of the previous year which was Baht 410.25 million due to the decrease in buildings and equipment which was already deducted the depreciation and a decrease of deferred tax assets.

## **(2) Liabilities**

As of the end of 2017, the Company had total liabilities of Baht 326.27 million, an increase of Baht 275.57 million compared to the same period of the previous year which was Baht 50.70 million. The reasons were as follows:

Current liabilities increased by Baht 273.65 million, was consisted of an increment in short-term loan from financial institution was Baht 262.18 million and an increment in trade accounts payable and others payable of Baht 4.86 million and an increment in accrued revenue tax of Baht 6.65 million.

Non-current liabilities increased by Baht 1.91 million, resulting from an increment in the calculation of employee benefit retirement on actuarial basis, increased by Baht 1.92 million and the liabilities under finance lease decreased by Baht 0.01 million.

## **(3) Shareholder's Equity**

At the end of 2017, the Company's shareholder's equity was Baht 1,029.10 million, an increase of Baht 89.58 million from the same period of previous year which was Baht 939.53 million due to the Company's net profit for the year 2017 was Baht 80.24 million and also fully paid common shares increased by Baht 2.92 million, surplus of common shares value increased Baht 6.42 million.

## **3. Asset Quality**

### **• Trade and Net Other Receivables**

The Company had other receivables and netother receivables for the amount of Baht 261.77 million in the year 2017. Allowance of doubtful accounts had been recorded in full amount in compliance with the policy. Trade accounts receivable can be classified by the aging of debtor as follows:

Aging of Outstanding Debt	Year 2017		Year 2016	
	Million Baht	%	Million Baht	%
Trade Receivables – Public Undue payment	182.24	70.56	113.82	75.33
Due payment				
Not over 3 months.	70.10	27.14	27.32	18.08
Not over 3 months, less than 6 months.	3.00	1.16	0.17	0.11
Over 6 months, less than 12 months.	0.49	0.19	0.27	0.18
Over 12 months	2.46	0.95	9.51	6.30
<b>Total</b>	<b>258.30</b>	<b>100.00</b>	<b>151.09</b>	<b>100.00</b>
<u>Deducted</u> Allowance of doubtful debt.	(2.46)	(0.96)	(9.75)	(6.45)
<b>Trade Receivables – Public – Net</b>	<b>255.83</b>		<b>141.34</b>	

As of 31 December, 2017, the Company had trade account receivable before allowance for doubtful accounts of Baht 258.30 million and set the provision of doubtful accounts from lack of liquidity of Baht 2.46 million. The outstanding debt over 12 months was for full amount. The management team of Company had a policy to make allowance for doubtful accounts for outstanding balances from 181-270 days over due date at the rate of 65%, for outstanding balances from 271-365 days over due date at the rate of 90%, for outstanding balances more than 365 days over due date at the rate of 100%. The Executives considered these trade debtors were lack of liquidity. In addition, the management had also increase criteria of lending strictly to debtors and accelerated the pursuit of outstanding debt closely and continually. Thus, it could see that the allowance for doubtful accounts in 2017 had decreased from year 2016 by Baht 7.29 million. However, for the outstanding receivables who have set aside the allowance for doubtful accounts. The Company had followed the legal debt collection process to receive the repayment urgently.

As for the commercial credit policy, normally the Company will allow commercial credit approximately 30-120 days with an average credit of approximately 90 days. Currently, the Company tries to improve the efficiency of debt collection by pursuing debt collection to customers and providing credit team to short-term trade only and did not allow credit for new customers. The Company checks and monitors the financial liquidity of new customers strictly and carefully. Therefore, the aging of debt collection was with the average of 59 days, shown to the potential of debt collection which was shorter than the credit term allowance.

- **Inventories**

As of 31 December, 2017, the net inventories were Baht 192.27 million, a decrease of Baht 7.06 million compared with the same period of previous year, which was Baht 199.33 million or a decrease of 3.55%. The main reason was because of the decreasing of raw material and finished goods. Thus, management controlled raw material and finished goods to be sufficient to sales

requirement by carefully setting up the Safety Stock in order to protect from the risk of higher raw material cost and to closely monitor on the price of raw material movement. The details of the inventories can be presented as follows:

Inventory Characteristics	Year 2017		Year 2016	
	Million Baht	%	Million Baht	%
Raw Material	124.42	64.67	122.66	60.36
Plant Material	4.21	2.19	3.79	1.87
Semi-Products	11.20	5.82	7.21	3.55
Finished Goods	52.56	27.32	69.53	34.22
<b>Total</b>	<b>192.39</b>	<b>100.00</b>	<b>203.19</b>	<b>100.00</b>
<u>Deducted</u> revaluation allowance	(0.13)	(0.06)	(3.85)	(1.89)
<b>Total</b>	<b>192.27</b>		<b>199.34</b>	

As of 31 December, 2017, the Company's net inventories were approximately Baht 192.27 million, with the proportion of raw materials, plant materials, semi-products, finished goods were equivalent to Baht 124.42 million, Baht 4.21 million, Baht 11.20 million and Baht 52.56 million respectively and were equivalent to 64.67%, 2.19%, 5.82%, and 27.32% respectively. The revaluation allowance was Baht 0.13 million.

#### 4. Liquidity

- **Cash Flow**

For the performance year of 2017, the Company's net cash flow decreased by Baht 45.08 million, resulting in a decrease in the Company's cash from Baht 65.58 million to Baht 20.50 million. The cash flow had changes because of the following activities.

Description	Amount (Million Baht)
Cash flow from operating activities	10.87
Cash flow from investing activities	(330.11)
Cash flow from financing activities	274.16
<b>Cash equivalent increase (decrease)</b>	<b>(45.08)</b>

In 2017, the Company's cash flow from operation activities was positive of Baht 10.87 million due to the Company's operating results of the end of year 31 December, 2017 after the adjustment of

non-cash having gain of Baht 101.36 million, trade receivables and other receivables was increased by Baht 106.20 million. Inventories was decreased by Baht 7.07 million. Prepaid rental was decreased by Baht 0.35 million. Other current assets was decreased by Baht 0.20 million. Other non-current assets were increased by Baht 1.12 million. Trade and other account payable were increased by Baht 9.34 million. Obligation for employee benefit was decreased by Baht 0.27 million. Other current liabilities were decreased by Baht 0.01 million, Interest income was Baht 5.57 million. Interest payment was Baht 0.64 million. Payment of corporate income tax was Baht 4.77 million.

Cash flow from investing activities was negative of Baht 330.11 million, mainly from cash paid for short-term investment, fixed deposits of Baht 2.86 million, cash payments for short term investments, bills of exchange of Baht 80.00 million, cash payments for short-term investments available for sales as of Baht 459.36 million, cash payment for short term investments for related business of Baht 28.50 million, cash payment for purchasing equipment of Baht 20.25 million. But there were cash received from disposal of short-term investment for fixed deposit of Baht 14.43 million, cash received from disposal of short term investment available for sale securities for the amount of Baht 106.00 million, cash received from disposal of short-term investment bill of exchange for the amount of Baht 140.00 million, and cash received from car sales for the amount of Baht 0.43 million.

Cash flow from financing activities was positive of Baht 274.16 million, resulting from cash received from the short-term loan from financial institution for the amount of Baht 264.83 million and cash received from the exercise of warranties in the amount of Baht 9.33 million. Based on the above reasons, cash and cash equivalent net were increased by Baht 45.08 million. As of 31 December, 2017, cash and cash equivalent were Baht 20.50 million in total.

- **Important Liquidity Ratios**

In addition to the business operation performance in 2017 was higher profitable. The liquidity ratio was remained in very good level. Liquidity ratios and quick ratios were at 3.01 and 2.31 times respectively. The average collection period was 58.77 days remained close to the average of 90 days credit term allowance. The account payable turnover ratio decreased to 34.95 days due to average of trade payable was increased. Cash Cycle was decreased from 139.23 days in 2016 to 76.43 days in 2017 due to the lower collection period and increased repayment period.

## **5. Sources of funding**

- **Debt**

At the end of 2017, the Company had total liabilities of Baht 326.27 million. The main liability was current liabilities consisted of short term loan from financial institution for purchasing raw material for the amount of Baht 262.18 million, accounts payable and other payables of Baht 47.34 million, and accrued corporate withhold tax for Baht 6.65 million. For non-current liabilities were the employee benefit obligations to be paid on retirement for Baht 9.68 million.

- **Shareholder's Equity**

In the year 2017, the Company's net profit was Baht 80.24 million and issued common shares from exercising warrant was for Baht 9.33 million, resulting in an increase in shareholder's equity from Baht 939.53 million in the year 2016 to Baht 1,029.10 million in the year 2017.

**6. Factors that may affect to the future performance and financial position.**

- See Risk Factors Section for details.

## Corporate Governance Report from Audit Committee

Dear Shareholders,

Audit Committee of Rayong Wire Industries Public Company Limited has been appointed from Board of Directors which consisted of 3 members who were fully qualified and experiences. In year 2017, there were 6 times of Audit Committee meetings as name list of Audit Committees attended these meeting as follows:

Names		Position	No. Attend the Meeting
Mr. Worawit	Siriwatwimon	Chairman of Audit Committee	5/6
Mr. Wichien	Sophanpanitkl	Audit Committee	6/6
Asso.Prof.Dr. Pison	Udomworarat	Audit Committee	6/6

Audit Committee had conducted the missions independently as duties and responsibility assigned by Board of Directors in order to review the Company to have sufficient corporate governance in compliance with the requirement and best practices for Audit Committee of the Stock Exchange of Thailand. The Audit Committee attended the meeting to consider and to provide the suggestions to main related topics with Executives, Auditors and Internal Auditors and to report result of operation and any suggestions to the Board of Directors every quarter in order to perform according to the acknowledged issues by Board of Directors. The following conclusions were as follows:

### Review of Financial Statements and Reports

- The Audit Committee reviewed the Company's quarterly and annual financial statements, financial information. The review was conducted by means of enquiring, and obtaining additional information from Executive and Auditors particularly on the completeness, accuracy and adequacy of information disclosure in financial statements prior to any acknowledgement on the financial reports and transaction adjustment which might significantly affect to the financial reports and any observation by Auditors.
- The Audit Committee acknowledged the mentioned reports from accounting & finance division which prepared in compliance with the financial reporting standards, including significantly adequacy disclosure on notes to the financial statement was completeness, accuracy, adequacy, reliability and using appropriate and reasonable accounting principle.

## **Review of Internal Control System and Internal Audit**

### **Risk Management and Good Corporate Governance.**

- Audit Committee reviewed the Company that having effective and efficient internal control system by considering from the summary of internal control report and monitoring by internal auditors each quarterly according to approved plan which covering the main system of the Company. Audit Committee also provided recommendation beneficial to internal control system to be more effective, as well as review the internal control system of the Company according to the evaluation form of COSO 2013 of the Office of Securities and Exchange Commission. Thus, there were no any issues or any flaw which might significantly impacted to the Company. This can present that Company emphasizes on the importance of internal control system to reasonably assure that Company has provided adequate, effective and efficient internal control system.
- Audit committee had duties to review and monitor the internal control tasks assigned by Board of Directors independently, including the sufficient of personnel within the department in order to ensure that able to perform work on internal control appropriately and effectively. In addition, Audit Committee considered and approved the annual audit plan of internal audit and major risks of the Company, also revised the plan to be line with the changed risks, including monitored the progress of implementation of internal audit. Audit Committee has seen that internal control system of the Company was independent, sufficient, appropriate and effective. The performance of internal audit department achieved planned targets; good coordinated with executives and auditors and good supported the operation of Audit Committee.
- Audit Committee reviewed the Company for Risk Management which was appropriate and effective by reviewing all main risk factors as presented in Annual Report.
- Rayong Wire Industries Public Company Limited has promoted all employees level to continually have ethics, moral, created awareness of Protection of Anti-Corruption in order to build as culture and value within organization through the Policy of Anti-Corruption and Fraud by having channel to inform for executives and all employee levels.
- Audit Committee reviewed and evaluated performance by having self-assessment in compliance with the Charter of Corporate Governance Committee. Result of the assessment, Audit Committee had performed the assigned work with independently and effectively in line with the Code of Conduct and Charter of Audit Committee. This was to enhance the Good Corporate Governance effectively.
- Audit Committee provided report for Audit Committee's Performance to Board of Directors consistently each quarterly. In 2017, submitted report to Board of Director for 4 times.

### **Review of Compliance with Law**

- The Audit Committee reviews the Company's compliance with the law on securities and stock exchange, the regulations of the Stock Exchange of Thailand, the rules of the Securities and Exchange Commission, Terms of SET Capital Market Commission, and other laws related to the business

operation of the Company and the Company's obligation to external parties. The Audit Committee reviewed that there were no significant issues with regard to illegal practices and such requirements.

### **Review of Related Transactions**

#### **Acquisition and Disposition of Assets**

- The Audit Committee considered the transaction between the Company and any persons or entity related or transactions that might have conflicts of interest with the Company according to the rule and guidelines of the Office of Securities and Exchange Commission, Capital Market Commission Agencies and other relevant requirements. This was to ensure that such transactions were reasonable and best interests to the Company. The Audit Committee reviewed the report of the executives for financial transactions or transaction that provided financial assistance related to such consideration. The Company operated under normal business condition with the general commercial terms which were reasonable, fair and in the best interests of the Company, including significant have been revealed and shown in the financial statements and notes of the financial statements accurately.
- The Audit Committee considered acquisition and disposition of Company's large and high value assets which affected to the financial status and Company's performance to the rule and guidelines of the Office of the Securities and Exchange Commission, Capital Market Commission Agencies. The Audit Committee reviewed the report of the executives for acquisition and disposition of Company's assets that The Company operated under normal business condition accurately and completely.

#### **External Auditors**

- The Audit Committee had considered and evaluated the independence of performance of Auditors for year 2017 that has been conducting the audit consecutive on the 5<sup>th</sup> year and seen that the overall performance was satisfactory level and adequacy independent.
- For 2018, the Company has selected the Auditors from new accounting office that registered auditors certified by the Office of the Securities and Exchange Commission due to the existing auditors had been conducting for consecutive 5 years. The Audit Committee considered that in order to provide the independent, then proposed to Board of Directors during the Shareholder Meeting to appoint Mr. Suwatchai Mekha-amnuaychai, Certified Auditors no. 6638 and/or Mr. Chawala Thienprasertkij, Certified Auditors no. 4301 and/or Mr. Kiatniyom Khuntisuk, Certified Auditors no. 4800 and/or Mr. Wallop Wilaiworawit Certified Auditors no.6797 of Deloitte Touche Tohmatsu Chaiyos Limited. (Deloitte) to be auditors for the Company for 2018 with the audit fee for 2018 and financial statement review quarterly totaling Baht 1,600,000.-, Decreased by 11.85%.

#### **Comments and observation as a whole**

From the operation of the Audit Committee in 2017 assured that the Company had the accounting system and financial reporting correctness and reliability with the adequate and appropriate internal control, effective risk management, good corporate governance, including practices in compliance with



law, rules and regulation related to the business operation of the Company. Audit Committee's reviewed with knowledge and capabilities with due care and well –being Independent adequate and no restriction in obtaining information, resources and cooperation from Executives, employees, and related, as well as comments and suggestions were very straightforward in order for the benefit for all stakeholders equally.

On Behalf of Audit Committee



(Mr. Worawit Siriwatwimon)

Chairman of Audit Committee

## **Report on Responsibilities of the Board of Directors on Financial Reporting**

Financial Statement of Rayong Wire Industries Public Company Limited was made under policies of Board of Directors which in accordance with basic accounting principles and recorded adequately together with using judgment for estimating Financial Statement to reflect the reality in company operation.

The Board of Directors has realized an importance of quality of Financial Statement by review on Financial Statement and disclosed importance information in Notes to Financial Statement together with explanation and analysis to beneficial of shareholders and investors.

The Board of Directors has appointed the Audit Committee which consists of The Independent Directors to be responsible for the quality of the financial statement and evaluate the internal control system and internal audit effectively to ensure recording accounts are correctly, complete, adequate and preserve of asset including to prevent corruption or unusual by comments of the Audit Committee appeared in report of Audit Committee which disclosed in annual report this year.

From Management Structure and Internal Control System and reviews from Certified Public Accountant, it is reasonable confident to believe that the Financial Statement of the company as of December 31, 2017 shows operating results, cash flow with reasonable accuracy accounting to basic accounting principles.



(Mr. Wutichai Leenabanchong)

Chairman of the Board

**RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED**

**STATUTORY FINANCIAL STATEMENTS**

**31 DECEMBER 2017**



## Independent Auditor's Report

To the shareholders and the Board of Directors of Rayong Wire Industries Public Company Limited

### My opinion

In my opinion, the financial statements of Rayong Wire Industries Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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*PricewaterhouseCoopers ABAS Ltd.*  
15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand  
T: +66 (0) 2844 1000 F: +66 (0) 2286 5050, [www.pwc.com/th](http://www.pwc.com/th)

Key audit matter	How my audit addressed the key audit matter
<p><b>Allowance for net realisable value of inventories</b></p>	<p>Refer to Note 2.6 Accounting policies and Note 11 Inventories, the Company carries inventory at the lower of cost or net realizable value (NRV).</p> <p>As at 31 December 2017, the Company held inventories, consisting of finished goods product, work in process (WIP) and raw material which were made from steel, amounting to Baht 192,268,030 with allowance for NRV amounting to Baht 125,310.</p> <p>The Company considered the allowance for NRV based on lower of cost comparing to net realizable value of inventory on hand balance at year end. The NRV was measured by the current world steel commodity price which was fluctuated based on demand and supply of world steel market and global economic.</p> <p>I focused on the consideration of appropriateness and sufficiency of the allowance for NRV due to the NRV was directly reflected from the world steel price and it was uncontrollable circumstance. The operational performance of the Company was significantly dependent to the fluctuation of the world steel price.</p> <p>I obtained the understanding on the Company's methodology for consideration and calculation of allowance for NRV to ascertain on the appropriateness and consistency.</p> <p>I tested the indicator of allowance for NRV, for each finished goods item, by comparing cost per unit to net realizable value evidenced by samples of sale invoices issued at year end date. The selling price on invoices were alighted to the world steel price. I calculated allowance for NRV for the finished goods which net sales price lower than cost per unit.</p> <p>Therefore, I extended the same calculation to WIP and raw material items that related to the finished goods, to come up with total amount of expected allowance for NRV.</p> <p>I performed recalculation of allowance for NRV estimated by management and assessed the completeness, appropriateness and timeliness of recording.</p> <p>In addition, I further monitored trend of net sales price after year end to foresee if there was an indicator for declining in net sales price after year end, which should be reflected into the allowance for NRV onto the financial statements. I found that the trend of selling price of the world steel price was slightly growth.</p> <p>As the result of these procedures, the methodology of considering and recording allowance for NRV was proper and acceptable based on industry practice.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 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 financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### **Responsibilities of the directors for the financial statements**

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "P. Thangtanagul".

**Pisit Thangtanagul**

Certified Public Accountant (Thailand) No. 4095

Bangkok

21 February 2018

**Rayong Wire Industries Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2017**

	<b>Notes</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	20,496,547	65,579,540
Short-term investments	9	448,576,617	164,892,366
Trade and other receivables	10	261,765,772	148,447,094
Short-term loan to a related party	26	28,500,000	-
Inventories	11	192,268,030	199,336,667
Other current assets		1,524,066	1,719,449
<b>Total current assets</b>		<b>953,131,032</b>	<b>579,975,116</b>
<b>Non-current assets</b>			
Restricted cash	28	168,900,000	168,900,000
Plant and equipment	12	228,184,282	232,936,425
Intangible assets	13	215,720	279,098
Prepaid rents	14	877,443	1,227,897
Deferred tax assets	15	2,135,854	6,109,959
Other non-current assets		1,923,823	799,512
<b>Total non-current assets</b>		<b>402,237,122</b>	<b>410,252,891</b>
<b>Total assets</b>		<b>1,355,368,154</b>	<b>990,228,007</b>

Director \_\_\_\_\_  
(Mr. Wutichai Leenabanchong)

Director \_\_\_\_\_  
(Mr. Suthin Phadetpai)



**Rayong Wire Industries Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2017**

	<b>Notes</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	17	262,177,483	-
Trade and other payables	16	47,340,965	42,479,952
Current portion of liabilities under finance lease agreement	17	13,625	33,708
Income tax payable		6,646,594	-
Other current liabilities		408,585	421,165
<b>Total current liabilities</b>		<b>316,587,252</b>	<b>42,934,825</b>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreement	17	-	14,216
Employee benefit obligations	18	9,678,871	7,752,183
<b>Total non-current liabilities</b>		<b>9,678,871</b>	<b>7,766,399</b>
<b>Total liabilities</b>		<b>326,266,123</b>	<b>50,701,224</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
900,000,000 ordinary shares, at par value of Baht 0.50 each (31 December 2016: 900,000,000 ordinary shares, at par value of Baht 0.50 each)		<u>450,000,000</u>	<u>450,000,000</u>
Issued and fully paid-up share capital			
606,034,439 ordinary shares, fully paid-up of Baht 0.50 each (31 December 2016: 600,202,100 ordinary shares, fully paid-up of Baht 0.50 each)	20	303,017,220	300,101,050
Premium on paid-up capital	20	162,015,053	155,599,480
Retained earnings			
Appropriated - legal reserve	21	45,000,000	45,000,000
Unappropriated		517,806,869	437,805,423
Other components of shareholders' equity			
Unrealised gain on revaluation of available-for-sale securities, net of income tax		<u>1,262,889</u>	<u>1,020,830</u>
<b>Total equity</b>		<b>1,029,102,031</b>	<b>939,526,783</b>
<b>Total liabilities and equity</b>		<b>1,355,368,154</b>	<b>990,228,007</b>

**Rayong Wire Industries Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2017**

	Notes	2017 Baht	2016 Baht
<b>Revenues</b>			
Sales of goods	29	925,523,822	598,699,674
Other income	22	19,363,691	10,098,994
<b>Total revenues</b>		<u>944,887,513</u>	<u>608,798,668</u>
<b>Expenses</b>			
Cost of goods sold		786,123,335	535,783,113
Selling expenses		29,609,286	24,664,112
Administrative expenses		34,596,773	35,685,334
Gain on exchange rate	23	(2,706,184)	(976,388)
Finance costs	23	862,073	98,866
<b>Total expenses</b>		<u>848,485,283</u>	<u>595,255,037</u>
<b>Profit before income tax</b>		96,402,230	13,543,631
Income tax	19	(15,541,601)	1,064,798
<b>Profit for the year</b>		80,860,629	14,608,429
<b>Other comprehensive income (expense):</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(1,073,979)	5,089
Income tax relating to items that will not be reclassified		214,796	(1,018)
Items that will be reclassified subsequently to profit or loss			
Unrealised gain from revalue of available-for-sale securities	9	1,578,637	1,276,059
Less Reclassify of realised gain to profit or loss during the year	7	(1,276,062)	(2,359,870)
Income tax relating to items that will be reclassified		(60,516)	216,762
<b>Other comprehensive (expense) income for the year, net of tax</b>		<u>(617,124)</u>	<u>(862,978)</u>
<b>Total comprehensive income for the year</b>		<u>80,243,505</u>	<u>13,745,451</u>
<b>Earnings per share</b>	25		
Basic earnings per share		0.134	0.024
Diluted earnings per share		0.117	0.022

Rayong Wire Industries Public Company Limited  
Statements of Changes in Equity  
For the year ended 31 December 2017

				Retained earnings		Other components of equity	
						Unrealised gain (loss) on revaluation of available-for-sale securities	Total equity
Notes	Issued and fully paid-up share capital Baht	Premium on paid-up capital Baht	Appropriated - legal reserve Baht	Unappropriated Baht		Baht	Baht
Opening balance at 1 January 2016	300,000,000	155,377,170	30,000,000	438,192,923		1,887,879	925,457,972
Changes in equity for the year							
Issuance of ordinary shares	20 101,050	222,310	-	-		-	323,360
Legal reserve	21 -	-	15,000,000	(15,000,000)		-	-
Total comprehensive income for the year	-	-	-	14,612,500		(867,049)	13,745,451
Closing balance at 31 December 2016	300,101,050	155,599,480	45,000,000	437,805,423		1,020,830	939,526,783
Opening balance at 1 January 2017	300,101,050	155,599,480	45,000,000	437,805,423		1,020,830	939,526,783
Changes in equity for the year							
Issuance of ordinary shares	20 2,916,170	6,415,573	-	-		-	9,331,743
Total comprehensive income for the year	-	-	-	80,001,446		242,059	80,243,505
Closing balance at 31 December 2017	303,017,220	162,015,053	45,000,000	517,806,869		1,262,889	1,029,102,031

**Rayong Wire Industries Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

		2017	2016
	Notes	Baht	Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		96,402,230	13,543,631
Adjustments:			
Interest income		(5,405,726)	(2,220,919)
Finance costs	23	862,073	98,866
Gain from disposal of short-term investment	9	(1,594,433)	(4,048,055)
Reverse doubtful accounts		(7,288,292)	(204,384)
Depreciation	12	20,277,001	14,059,506
Amortisation	13	63,378	281,690
Employee benefit obligations	18	1,121,459	902,705
Unrealised gain on exchange rate		(2,652,584)	-
Gain on disposal of assets		(427,116)	(370,675)
Changes in operating assets and liabilities			
Trade and other receivables		(106,199,451)	(4,343,474)
Inventories		7,068,637	(18,903,418)
Prepaid rents		350,454	351,415
Other current assets		195,383	(81,968)
Other non-current assets		(1,124,311)	109,947
Trade and other payables		9,340,048	14,612,153
Employee benefit obligations paid	18	(268,750)	-
Other current liabilities		(12,580)	21,426
Cash generated from operations		10,707,420	13,808,446
Add Interest received		5,574,789	2,515,622
Less Interest paid		(646,318)	(98,866)
Less Income tax paid		(4,766,626)	(368,594)
Net cash generated from operating activities		10,869,265	15,856,608
<b>Cash flows from investing activities</b>			
Acquisition of short-term investment - fixed deposits	9	(2,858,254)	(2,698,281)
Acquisition of short-term investment			
- available-for-sale securities	9	(459,360,000)	(134,500,000)
Acquisition of short-term investment - promissory note	9	(80,000,000)	(60,000,000)
Acquisition of loan to a related party	26	(28,500,000)	-
Increase in restricted cash		-	623,309
Acquisition of equipment		(20,253,955)	(125,166,524)
Acquisition of intangible assets	13	-	(260,000)
Proceeds from sales of short-term investment			
- fixed deposits	9	14,431,015	-
Proceeds from sales of short-term investment			
- available-for-sale securities	9	106,000,000	352,100,000
Proceeds from sales of short-term investment			
- promissory note	9	140,000,000	-
Proceeds from disposal of assets		427,126	411,215
Net cash (used in) generated from investing activities		(330,114,068)	30,509,719

**Rayong Wire Industries Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2017**

	<b>Note</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings from financial institutions		264,830,067	-
Proceeds from exercise of warrants	20	9,331,743	323,360
Net cash provided by financing activities		274,161,810	323,360
<b>Net increase (decrease) in cash and cash equivalents</b>		(45,082,993)	46,689,687
Opening balance of cash and cash equivalents		65,579,540	18,889,853
<b>Closing balance of cash and cash equivalents</b>		20,496,547	65,579,540
<b>Significant non-cash transaction</b>			
Acquisition of equipment which has not been paid		1,205,869	5,900,659

## **1 General information**

Rayong Wire Industries Public Company Limited (“the Company”) is a public company limited, incorporated in Thailand. The address of the Company’s registered office is as follows:

5 I-5 Road, Tombol Mabtapud, Amphur Muang, Rayong and its branch is located at 900/14 SVOA Tower, 18<sup>th</sup> Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok.

The principal business operations of the Company is manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire.

The Company’s major shareholder as at 31 December 2017 and 2016 is Capital Engineering Network Public Company Limited, incorporated in Thailand.

These financial statements were authorised for issue by the Board of Directors on 21 February 2018.

## **2 Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below:

### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention, except short-term investment as disclosed in the accounting policies below (Note 2.7).

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

## **2 Accounting policies (Cont'd)**

### **2.2 Revised financial reporting standards, and related interpretations**

Revised financial reporting standards and interpretations are effective on 1 January 2017 and 2018 which are relevant and have a significant impact to the Company:

The Company's management assessed and considered that the above revised standards will not have a material impact on the Company.

### **2.3 Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and presentation currency.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

### **2.4 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents comprise cash on hand, call deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

### **2.5 Trade and other receivables**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling and marketing costs.

## **2 Accounting policies (Cont'd)**

### **2.6 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

### **2.7 Short-term investment**

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale and are included in current assets as management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or the investment may need to be sold to raise operating capital.

All types of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

Available-for-sale investment is subsequently measured at fair value. The fair value of investment is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of available-for-sale investment are recognised in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.



## **2 Accounting policies (Cont'd)**

### **2.8 Plant and equipment**

Plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building	20 years
Building improvement	10 - 20 years
Machinery and equipment	10 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicle	5 years

The assets' residual values and useful lives are reviewed every period end, and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

Interest costs on borrowings to finance the construction of plant and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare the property for its intended use.

### **2.9 Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of not more than 5 years.

### **2.10 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## **2 Accounting policies (Cont'd)**

### **2.11 Leases - Where a Company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **2.12 Borrowing**

Borrowings are recognised initially at the fair value, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### **2.13 Employee benefits**

#### **Short-term employee benefits**

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

#### **Defined contribution plans**

The Company participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The provident fund is funded by payments from employees and by the Company. The Company's contributions to the provident fund are charged to the statement of revenues and expenses in the year to which they are related.

#### **Retirement obligations**

The Company provides for retirement benefits, payable to employees under the labour laws applicable in Thailand. The liability recognised in the statement of financial position in respect of severance payments, the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated, using the projected unit credit method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows, salary increase rate, turnover rate, mortality rate, and disability rate.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income (expense) in the period in which they arise.

## **2 Accounting policies (Cont'd)**

### **2.14 Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.15 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2 Accounting policies (Cont'd)**

**2.16 Share capital**

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.17 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders for annual paid or board of directors for interim paid.

**2.18 Revenue recognition**

**Sale of goods**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Company. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

**Interest income and other income**

Interest income are recognised using the effective interest method.

Income from the sale of raw materials scrap (steel) is recognized when the process of bidding occurs.

**2.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as "the board of directors" that makes strategic decisions.

### **3 Financial risk management**

#### **Financial risk management policies**

The Company is exposed to normal business risks from changes in market interest rates risk, foreign exchange risk, credit risk, liquidity risk, and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### **3.1 Interest rate risk**

Major income and operating cash flows of the Company are not dependent on fluctuation of interest rate in the market. Certain borrowings have interest rates closed to the market rate and some are lower. The Company has not hold derivative financial instrument to manage risk that may incur from interest rate fluctuation.

#### **3.2 Foreign exchange risk**

The Company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Company has entered into forward exchange contracts to hedge liabilities denominated in foreign currencies.

#### **3.3 Market price risk of raw material**

The Company is exposed to market price risk of raw material relating to purchases of steel, which is commodity that subjects to fluctuation in world market price. Management closely monitors price trend of steel and plan material usage ahead, in order to manage material purchase effectively. Nonetheless, the Company does not enter into forward contract to hedge against material price.

#### **3.4 Credit risk**

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

#### **3.5 Liquidity risk**

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

#### **4 Critical accounting estimates and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 18.

##### Deferred taxes

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Management judgment is used in considering whether it is probable that the Company will generate sufficient taxable profits from its future operations to minimise these deferred tax assets. The Company's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

#### **5 Capital risk management**

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

#### **6 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors who makes strategic decision.

## 6 Segment information (Cont'd)

### Business segments

The Company operates in a single business represents the business of manufacturing and distributing prestressed concrete wire, prestressed concrete strand wire and welding wire. Management considers that the Company has only one major geographic segment. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements.

### Geographical segments

The Company operates in a single geographic area, mainly in Thailand. Management considers that the Company has only one major geographic segment. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements.

## 7 Fair value

### 7.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Asset</b>				
Available-for-sale securities equity securities (Note 9)	-	445,718,363	-	445,718,363

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Asset</b>				
Available-for-sale securities equity securities (Note 9)	-	90,461,351	-	90,461,351

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

The Company reclassified available-for-sale investments gains 1,276,062 of Baht (2016: Baht 2,359,870) from other comprehensive income into profit or loss, following disposal of investment during the year.

**7 Fair value (Cont'd)**

**7.2 Valuation techniques used to derive Level 2 fair values**

Level 2 available-for-sale equity securities are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Association of Investment Management Companies, which is calculated by fund manager of the mutual fund.

**8 Cash and cash equivalents**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Cash on hand	77,985	68,417
Deposits with banks - current and saving accounts	20,155,452	59,361,668
Short-term bank deposits	263,110	6,149,455
	<u>20,496,547</u>	<u>65,579,540</u>

During 2017, the interest rate of saving deposits at banks is 0.125% - 0.75% per annum (2016: 0.125% - 0.75% per annum).

During 2017, the interest rate on short-term bank deposits was 0.90% per annum (2016: 0.90% per annum) and these deposits have maturity within 3 months.

**9 Short-term investment**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Held-to-maturity debt securities		
- Fixed deposit accounts	2,858,254	14,431,015
- Promissory note	-	60,000,000
Available-for-sale securities (Note 7)	445,718,363	90,461,351
	<u>448,576,617</u>	<u>164,892,366</u>

Fixed deposit accounts represented fixed deposits at banks that have maturity dates within 6 to 12 months and carry interest at rate between 0.65% - 1.30% per annum (2016: 0.75% - 1.50% per annum).

Available-for-sale securities are investment in an open-ended fund at a bank, which had no maturity date. The aggregate market value as at 31 December 2017 was Baht 445.72 million. (31 December 2016: Baht 90.46 million.)



**9 Short-term investment (Cont'd)**

Movement of Short-term investments are as follows:

	<b>Held-to-maturity debt securities</b>		<b>Available-for-sale</b>
	<b>Fixed deposit accounts Baht</b>	<b>Promissory note Baht</b>	<b>Open-ended fund Baht</b>
Balance at 1 January 2017	14,431,015	60,000,000	90,461,351
Addition	2,858,254	80,000,000	459,360,000
Disposal	(14,431,015)	(140,000,000)	(106,000,000)
Gain on disposal (Note 22)	-	-	1,594,433
Change in fair value of available for sale security	-	-	302,579
Fair value at 31 December 2017	<u>2,858,254</u>	<u>-</u>	<u>445,718,363</u>

The fair values of the investments are as follows:

	<b>Available-for-sale Open-ended fund Baht</b>
Cost as at 31 December	444,139,726
<u>Add</u> Unrealised gain	<u>1,578,637</u>
Fair value at 31 December	<u>445,718,363</u>

**10 Trade and other receivables**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Trade accounts receivable - third parties	258,296,941	151,093,360
<u>Less</u> Allowance for doubtful accounts	<u>(2,463,344)</u>	<u>(9,751,636)</u>
Trade accounts receivable - third parties, net	255,833,597	141,341,724
Amount due from related party (Note 26)	-	27,761
Other receivables	5,813,568	7,077,609
Accrued income - related party (Note 26)	118,607	-
	<u>261,765,772</u>	<u>148,447,094</u>

**10 Trade and other receivables (Cont'd)**

The aging analysis of the trade accounts receivable - third parties is as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Trade accounts receivable - third parties		
Within credit terms	182,236,818	113,824,018
Over credit terms:		
Not later than 3 months	70,102,290	27,323,541
Later than 3 months but not later than 6 months	3,003,966	167,534
Later than 6 months but not later than 12 months	490,523	266,310
Later than 12 months	2,463,344	9,511,957
	258,296,941	151,093,360
<u>Less</u> Allowance for doubtful accounts	(2,463,344)	(9,751,636)
Trade accounts receivable - third parties, net	255,833,597	141,341,724

**11 Inventories**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Raw materials (net with allowance)	124,296,400	120,550,819
Factory supplies	4,209,636	3,790,583
Work in process	11,197,493	7,207,136
Finished goods	52,564,501	67,788,129
	192,268,030	199,336,667

The cost of inventories included in cost of goods sold amounting to Baht 666.25 million (2016: Baht 449.83 million) (Note 23).

The Company record allowance write-down of inventories to net realisable value amounting to Baht 0.13 million (2016: Baht 3.85 million).

The Company reverse Baht 3.85 million of previous inventory write-down. The Company has sold all the goods that were written-down at original cost. The amount reversed has been include in cost of sales in the statement of comprehensive income.

Rayong Wire Industries Public Company Limited  
Notes to the Financial Statements  
For the year ended 31 December 2017

12 Plant and equipment

	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture fixtures, and office equipment Baht	Vehicles Baht	Assets under construction Baht	Total Baht
<b>At 1 January 2016</b>						
Cost	163,298,685	382,443,404	14,724,843	14,952,623	53,289,789	628,709,344
Less Accumulated depreciation	(133,576,150)	(341,955,715)	(13,493,753)	(12,361,951)	-	(501,387,569)
Less Provision for impairment	(9,540,360)	(1,515,673)	-	-	-	(11,056,033)
Net book amount	20,182,175	38,972,016	1,231,090	2,590,672	53,289,789	116,265,742
<b>For the year ended 31 December 2016</b>						
Opening net book amount	20,182,175	38,972,016	1,231,090	2,590,672	53,289,789	116,265,742
Addition	3,464,829	2,427,170	549,505	3,995,794	120,333,431	130,770,729
Disposal, net	-	(40,538)	-	(2)	-	(40,540)
Transfer	-	173,338,937	113,100	-	(173,452,037)	-
Depreciation	(5,075,369)	(7,278,385)	(569,445)	(1,136,307)	-	(14,059,506)
Net book amount	18,571,635	207,419,200	1,324,250	5,450,157	171,183	232,936,425
<b>At 31 December 2016</b>						
Cost	166,763,514	558,168,973	15,387,448	21,165,240	171,183	761,656,358
Less Accumulated depreciation	(138,651,519)	(349,234,100)	(14,063,198)	(15,715,083)	-	(517,663,900)
Less Provision for impairment	(9,540,360)	(1,515,673)	-	-	-	(11,056,033)
Net book amount	18,571,635	207,419,200	1,324,250	5,450,157	171,183	232,936,425

Rayong Wire Industries Public Company Limited  
Notes to the Financial Statements  
For the year ended 31 December 2017

12 Plant and equipment (Cont'd)

For the year ended 31 December 2017

	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture fixtures, and office equipment Baht	Vehicles Baht	Assets under construction Baht	Total Baht
Opening net book amount	18,571,635	207,419,200	1,324,250	5,450,157	171,183	232,936,425
Addition	320,016	9,264,851	1,273,107	2,099,000	2,567,894	15,524,868
Disposal, net	-	(5)	(3)	(2)	-	(10)
Transfer	1,114,419	1,162,503	-	-	(2,276,922)	-
Depreciation	(2,988,925)	(15,034,091)	(596,066)	(1,657,919)	-	(20,277,001)
Net book amount	17,017,145	202,812,458	2,001,288	5,891,236	462,155	228,184,282

At 31 December 2017

Cost	168,197,948	568,347,388	16,622,817	15,764,814	462,155	769,395,122
Less Accumulated depreciation	(141,640,443)	(364,019,257)	(14,621,529)	(9,873,578)	-	(530,154,807)
Less Provision for impairment	(9,540,360)	(1,515,673)	-	-	-	(11,056,033)
Net book amount	17,017,145	202,812,458	2,001,288	5,891,236	462,155	228,184,282

**12 Plant and equipment (Cont'd)**

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

	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost of assets under finance lease agreement	102,124	102,124
<u>Less</u> Accumulated depreciation	(49,187)	(28,762)
Net book amount	<u>52,937</u>	<u>73,362</u>

Depreciation of Baht 17.75 million (2016: Baht 11.67 million) was recorded in cost of goods sold and Baht 2.52 million (2016: Baht 1.84 million) was recorded in administrative expense.

**13 Intangible assets**

Intangible assets comprise computer software licences.

	<b>Baht</b>
<b>At 1 January 2016</b>	
Cost	1,986,223
<u>Less</u> Accumulated amortisation	(1,685,435)
Net book amount	<u>300,788</u>
<b>For the year ended 31 December 2016</b>	
Opening net book amount	300,788
Addition	260,000
Amortisation	(281,690)
Net book amount	<u>279,098</u>
<b>At 31 December 2016</b>	
Cost	2,246,223
<u>Less</u> Accumulated amortisation	(1,967,125)
Net book amount	<u>279,098</u>
<b>For the year ended 31 December 2017</b>	
Opening net book amount	279,098
Amortisation	(63,378)
Net book amount	<u>215,720</u>
<b>At 31 December 2017</b>	
Cost	2,246,223
<u>Less</u> Accumulated amortisation	(2,030,503)
Net book amount	<u>215,720</u>

#### 14 Prepaid rentals

Prepaid rentals represents long-term operating lease of land at factory location. Prepaid rentals are amortised on a straight-line basis over the rental period started from year 1994 to year 2020, around 26 years. Annual prepaid rentals to be amortised to rental expense.

#### 15 Deferred tax assets

The analysis of deferred tax assets and deferred tax liability is as follows:

	2017 Baht	2016 Baht
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	492,669	1,950,327
Deferred tax asset to be recovered after more than 12 months	1,960,836	4,421,112
	<u>2,453,505</u>	<u>6,371,439</u>
Deferred tax liabilities	<u>(317,651)</u>	<u>(261,480)</u>
Deferred tax asset, net	<u>2,135,854</u>	<u>6,109,959</u>

The gross movement and the deferred income tax account is as follows:

	2017 Baht	2016 Baht
At 1 January	6,109,959	4,829,421
Credited (charged) to profit or loss (Note 19)	(4,128,381)	1,064,798
Credited (charged) to other comprehensive expense	154,276	215,740
At 31 December	<u>2,135,854</u>	<u>6,109,959</u>

The movement in deferred tax assets during the year is as follows:

	Allowance for doubtful accounts Baht	Allowance for declining value of inventory Baht	Allowance for declining value of assets Baht	Employee benefit obligations Baht	Tax Losses Baht	Total Baht
<b>Deferred tax assets</b>						
At 1 January 2016	1,991,204	1,788,246	153,451	1,370,913	-	5,303,814
Charged (credited) to profit or loss	(40,877)	(1,017,409)	(109,908)	180,541	2,056,296	1,068,643
Charged (credited) to components of other comprehensive income	-	-	-	(1,018)	-	(1,018)
At 31 December 2016	1,950,327	770,837	43,543	1,550,436	2,056,296	6,371,439
Charged (credited) to profit or loss	(1,457,658)	(745,775)	(43,543)	170,542	(2,056,296)	(4,132,730)
Charged (credited) to components of other comprehensive income	-	-	-	214,796	-	214,796
At 31 December 2017	<u>492,669</u>	<u>25,062</u>	<u>-</u>	<u>1,935,774</u>	<u>-</u>	<u>2,453,505</u>

**15 Deferred tax assets (Cont'd)**

The movement in deferred tax assets during the year is as follows: (Cont'd)

	Unrealised gain on revaluation of available-for- sale securities Baht	Liabilities under finance lease agreement Baht	Total Baht
<b>Deferred tax liabilities</b>			
At 1 January 2016	(471,969)	(2,424)	(474,393)
Charged (credited) to profit or loss	-	(3,845)	(3,845)
Charged (credited) to components of other comprehensive income	216,758	-	216,758
At 31 December 2016	(255,211)	(6,269)	(261,480)
Charged (credited) to profit or loss	-	4,345	4,345
Charged (credited) to components of other comprehensive income	(60,516)	-	(60,516)
At 31 December 2017	(315,727)	(1,924)	(317,651)

Statement of Financial Position shows the balance as follows:

	2017 Baht	2016 Baht
As at 31 December		
Deferred tax assets	2,453,505	6,371,439
Deferred tax liabilities	(317,651)	(261,480)
Deferred tax, net	2,135,854	6,109,959

**16 Trade and other payables**

	2017 Baht	2016 Baht
Trade accounts payable	23,089,534	21,902,256
Accrued expenses	15,797,097	8,194,451
Accrued expenses - the parent (Note 26)	192,600	192,600
Unearned Revenue	-	272,930
Other payables	8,261,734	11,917,715
	47,340,965	42,479,952

## 17 Borrowings

	2017 Baht	2016 Baht
<b>Current:</b>		
Short-term borrowings from financial institutions	262,177,483	-
Current portion of liabilities under finance lease agreement	13,625	33,708
Total current	262,191,108	33,708
<b>Non-current:</b>		
Liabilities under finance lease agreement	-	14,216
Total non-current	-	14,216
Total	262,191,108	47,924

Liabilities under finance lease agreement - minimum lease payments:

	2017 Baht	2016 Baht
Not later than 1 year	21,828	43,656
Later than 1 year but not later than 5 years	-	21,828
	21,828	65,484
<u>Less</u> Future finance charges on finance lease agreement	(8,203)	(17,560)
Present value of liabilities under finance lease agreement	13,625	47,924

During the year, the Company has the short-term borrowings from financial institution in US dollar currency and Thai Baht currency. The principle due within 6 month from transaction date and interest payment period settled by the financial institution. Short-term borrowings carried interest at the rate between 1.80% to 2.80% per annum. The borrowings are liability under trust receipt for purchasing raw material from oversea.

### Borrowing facilities

As at 31 December 2017, the Company has available unused letters of credit for purchase of goods and raw materials amounting to Baht 894.70 million (31 December 2016: Baht 1,340 million and US Dollar 3 million).



**18 Employee benefit obligations**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Liabilities in the statements of financial position		
Retirement benefits	9,678,871	7,752,183
Expenses in the statements of comprehensive income		
Retirement benefits	1,121,459	902,705

The movement in the employee benefit obligation is as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
At 1 January	7,752,183	6,854,567
Current service cost	823,041	605,781
Interest cost	298,418	296,924
Benefit payments	(268,750)	-
(Gain) loss from change in assumptions	1,073,979	(5,089)
At 31 December	9,678,871	7,752,183

The amounts recognised in profit or loss for the years ended 31 December are as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Cost of sale	265,718	195,576
Selling expenses	62,128	45,728
Administrative expenses	793,613	661,401
	1,121,459	902,705

The actuarial assumptions used are as follows:

	<b>2017</b>	<b>2016</b>
Discount rate	2.96%	3.48%
Expected salary increase rate	5.90%	6.16%
Turnover rates	5% - 31%	5% - 31%
Mortality rates	100% of TMO17	100% of TMO08
Disable rates	10% of TMO17	10% of TMO08

	<b>Change in assumption</b>		<b>Impact on defined benefit obligation</b>			
			<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Discount rate	0.50%	0.50%	Decreased 5.13%	Decreased 5.53%	Increased 5.51%	Increased 5.95%
Salary growth rate	0.50%	0.50%	Increased 4.99%	Increased 5.41%	Decreased 4.70%	Decreased 5.09%

The weighted average duration of the defined obligation is 22 years (2016: 22 years).

**18 Employee benefit obligations (Cont'd)**

Expected maturity analysis of undiscounted retirement benefits:

	<b>Less than a year Baht</b>	<b>Between 2-5 years Baht</b>	<b>Between 6-10 years Baht</b>	<b>More than 10 years Baht</b>	<b>Total Baht</b>
At 31 December 2017					
Retirement benefits	1,215,335	681,530	6,967,751	18,534,406	27,399,022
	<b>Less than a year Baht</b>	<b>Between 2-5 years Baht</b>	<b>Between 6-10 years Baht</b>	<b>More than 10 years Baht</b>	<b>Total Baht</b>
At 31 December 2016					
Retirement benefits	487,071	1,289,739	4,064,274	18,894,102	24,735,186

**19 Income taxes**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Current tax	11,413,220	-
Deferred tax (Note 15)	4,128,381	(1,064,798)
	<u>15,541,601</u>	<u>(1,064,798)</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Profit before tax	96,402,230	13,543,631
Tax calculated at a tax rate of 20%	19,280,446	2,708,726
Tax effect of:		
Income not subject to tax	(3,747,810)	(506,328)
Expenses not deductible for tax purpose	8,965	4,088
Utilisation of previously unrecognised tax losses	-	(3,271,284)
Tax charge	<u>15,541,601</u>	<u>(1,064,798)</u>

The weighted average applicable tax rate was 16.12% (2016: 7.86%).

In 2015, the Company did not recognise deferred income tax assets of Baht 3.27 million in respect of losses in 2015 amounting to Baht 16.36 million. In 2016, considering to probable of taxable profit will be available against which the deductible temporary difference can be utilised. Therefore, the Company recognise deferred income tax assets of Baht 2.06 million that can be carried forward against future taxable income (note 15).

**20 Share capital**

	<b>Number of ordinary shares Shares</b>	<b>Ordinary shares Baht</b>	<b>Share Premium Baht</b>	<b>Total Baht</b>
At 1 January 2017	600,202,100	300,100,050	155,599,480	455,700,530
Issuance of ordinary shares (Note 24)	5,832,339	2,916,170	6,415,573	9,331,743
At 31 December 2017	606,034,439	303,017,220	162,015,053	465,032,273

In 2017, there are 5,832,339 RWI-W1 warrants indicated to be exercised. Exercise price of these warrants amounting to Baht 9,331,743 were already received and share issuance process were completed in June 2017.

**21 Legal reserve**

	<b>2017 Baht</b>	<b>2016 Baht</b>
At 1 January	45,000,000	30,000,000
Appropriation during the year	-	15,000,000
At 31 December	45,000,000	45,000,000

The Public Companies Act B.E. 2535 requires that a 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.

**22 Other income**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Sales of raw material scrap	9,754,937	1,937,607
Income from the use of the credit limit (Note 26)	51,989	70,192
Realised gain from disposal of short-term investment (Note 9)	1,594,433	4,048,055
Profit on disposal of assets	427,126	411,215
Interest incomes	5,145,557	2,220,919
Interest incomes – related company (Note 26)	260,170	-
Others	2,129,479	1,411,006
	<u>19,363,691</u>	<u>10,098,994</u>

**23 Expense by nature**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Raw material and consumables used (Note 11)	666,625,924	449,826,665
Staff costs	71,174,600	60,914,080
Utilities expense	46,181,419	33,730,049
Transportation expense	20,158,466	15,976,064
Depreciation (Notes 12)	20,277,001	14,059,056
Amortisation (Note 13)	63,378	281,690
Gain on exchange rate	(2,706,184)	(976,388)
Repair and maintenance expense	8,429,052	6,352,640
Management fee and internal audit service fee (Note 26)	720,000	720,000
Finance cost	862,073	98,866
Others	16,699,554	14,272,315
	<b>848,485,283</b>	<b>595,255,037</b>

**24 Warrants**

**Warrants No.1 (RWI-W1)**

On 30 April 2015, the Annual General Meeting of Shareholders No. 1/2558 has approved issuance of warrants to existing shareholders. The issuance process was completed on 30 September 2015. In addition, the meeting approved capital increase from Baht 300.00 million to Baht 450.00 million by issuing new ordinary shares of 300,000,000 shares, at par value of Baht 0.50, to support exercise of warrants RWI-W1. The Company registered the increase in capital as approved with the ministry of commerce on 7 July 2015.

Type of warrants	: Issued in the names of respective holder and negotiable.
Term of warrants	: 3 years from the issuing and offering date (offering date 30 June 2015)
Number of warrants	: 299,982,259 units
Ratio	: 2 ordinary shares per 1 warrant
Offering price	: Baht 0 per unit
Exercise ratio	: 1 warrant per 1 ordinary share (which will be changeable)
Exercise price	: Baht 1.60 per share
Exercise date	: Every 15th of March, June, September and December of each year, throughout the term of the warrants.
Last exercise date	: 29 June 2018

Warrants is approved as securities in MAI on 13 July 2015.

Movement of warrants for the year ended 31 December 2017 are as follows;

	<b>RWI-W1 Warrants</b>
Opening balance	299,780,159
<u>Less</u> Exercised warrants during the year	<u>(5,832,339)</u>
Closing balance	<b>293,947,820</b>

## **25 Earnings per share**

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of paid-up and issued ordinary shares during the period.

<b>For the years ended 31 December</b>	<b>2017</b>	<b>2016</b>
Profit attributable to shareholders (Baht)	80,860,628	14,608,429
Weighted average number of ordinary shares for basic earnings per share calculation (Shares)	603,397,902	600,109,835
Adjustment for:		
Weighted average number of ordinary shares to be issued for warrants RWI-W1 for diluted earning per share (Shares)	87,357,074	68,278,528
Weighted average of ordinary shares for diluted earnings per share calculation (Shares)	690,754,976	668,388,363
Basic earnings per share (Baht)	0.134	0.024
Diluted earnings per share (Baht)	0.117	0.022

## **26 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Capital Engineering Network Public Company Limited ("the Parent") incorporated in Thailand, which holds 72.18% of the Company's issued and paid-up share capital (31 December 2016: 74.23%). The remaining 27.82% of the shares are widely held (31 December 2016: 25.77%).

**26 Related party transactions (Cont'd)**

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Natures of relationship</b>
1. Capital Engineering Network Public Company Limited	Thailand	Parent company, some common directors
2. Ua Withya Public Company Limited	Thailand	Related company through same major shareholder
3. Rayong Wire Industries Public Company Limited	Thailand	Related company through same major shareholder
4. Pipeline Company Limited	Thailand	Related company through same major shareholder
5. Evergreen Biomass Company Limited	Thailand	Related company through same major shareholder
6. EMC Public Company Limited	Thailand	Related company through same major shareholder
7. WJC Enterprises Company Limited	Thailand	Related company through same major shareholder
8. Paradise Green Energy Company Limited	Thailand	Related company through same ultimate parent company
9. UWC Komen Biomass Company Limited	Thailand	Related company through same ultimate parent company
10. UWC Solar Company Limited	Thailand	Related company through same ultimate parent company
11. Satuk Biomass Company Limited	Thailand	Related company through same ultimate parent company
12. UWC Amphan Biomass Company Limited	Thailand	Related company through same ultimate parent company
13. Green Energy Plantation Company Limited	Thailand	Related company through same ultimate parent company
14. UWCC (Cambodia) Company Limited	Cambodia	Related company through same ultimate parent company
15. Dimet (Siam) Public Company Limited	Thailand	Related company through same ultimate parent company
16. Ayutthaya Power Systems Company Limited	Thailand	Related company through same ultimate parent company
17. Saraburi Energy Systems 2 Company Limited	Thailand	Related company through same ultimate parent company
18. Interglob Investment Company Limited	Cambodia	Related company through same ultimate parent company
19. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

## 26 Related party transactions (Cont'd)

Relationship with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows: (Cont'd)

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

Transactions	Pricing policies
Revenue from sale of goods	Cost plus profit margin of around 10%
Fee from use of assets as collateral for credit facilities	2.00% per annum of pledged value
Internal audit fee	The amount has been approved by the Company's directors
Dividend paid	The amount has been approved by the ordinary general meeting of shareholders
Director and management benefit expenses represent salary, meeting allowance, per diem and bonus	The amount has been approved by the Company's directors and/or shareholders meeting
Interest expenses	Average MLR of 3 banks minus 1.75% per annum
Interest incomes	4.90% per annum of loan balance

The following transactions are carried out with related parties:

### 26.1 Revenues

	2017 Baht	2016 Baht
<b>For the years ended 31 December</b>		
<b>Income from the use of the credit limit</b> (Note 22)		
Related company	51,989	70,192
<b>Profit on disposal of assets</b> (Note 22)		
Related company	-	411,215
<b>Interest incomes</b> (Note 22)		
Related company	260,170	-

### 26.2 Expenses

	2017 Baht	2016 Baht
<b>For the years ended 31 December</b>		
<b>Management fee and internal audit service fee</b> (Note 23)		
The parent	720,000	720,000

**26 Related party transactions (Cont'd)**

The following transactions are carried out with related parties: (Cont'd)

**26.3 Purchase and sale of fixed asset**

	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>For the years ended 31 December</b>		
<b>Purchase of fixed assets</b>		
The parent	1,330,000	-
<b>Sale of fixed asset</b>		
Related party	-	1,291,255

**26.4 Key management remunerations**

	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>For the years ended 31 December</b>		
Short-term benefits	5,806,121	5,121,636
Provision for employment benefits	1,121,459	902,705
	<u>6,927,580</u>	<u>6,024,341</u>

**26.5 Outstanding balances**

	<b>2017 Baht</b>	<b>2016 Baht</b>
<b>Amount due from related party (Note 10)</b>		
Related party	-	27,761
<b>Accrued interest incomes (Note 10)</b>		
Related party	118,607	-
<b>Accrued expenses (Note 16)</b>		
The parent	192,600	192,600

**26.6 Short-term loans to related party**

	<b>2017 Baht</b>	<b>2016 Baht</b>
Related party	28,500,000	-



**26 Related party transactions (Cont'd)**

The following transactions are carried out with related parties: (Cont'd)

Movement of short-term loans to related company for the period ended 31 December 2017 and 2016 are as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Opening balance	-	-
Additions	28,500,000	-
Closing balance	<u>28,500,000</u>	<u>-</u>

Short-term loans to related party are unsecured in Thai Baht. The loans are due within 1 year, carry interest at the rate of 4.90% per annum.

**27 Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Not later than 1 year	3,584,985	3,489,236
Later than 1 year but not later than 5 years	2,524,877	4,499,044
Later than 5 years	-	-
	<u>6,109,862</u>	<u>7,988,280</u>

The other commitments are as follows:

	<b>2017 Baht</b>	<b>2016 Baht</b>
Bank guarantees	17,822,096	21,123,083

**28 Pledged assets**

As at 31 December 2017, deposit of Baht 168.90 million (31 December 2016: Baht 168.90 million) are pledged as collateral for letter of guarantee and credit facilities to use letters of guarantee, bank overdraft and liability under trust receipt for purchasing raw material from overseas issued by three domestic financial institutions.

## **29 Promotional privileges**

The Company received promotional privileges from the Board of Investment on 29 June 2012 for manufacturing of steel wire and steel wire mesh. Under the promotional privileges, the Company received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 13 February 2013 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. The Company must comply with the conditions and restrictions provided in the promotional certificates.

The Company received promotional privileges from the Board of Investment on 20 August 2015 for manufacturing of P.C WIRE and P.C STRAND WIRE. Under the promotional privileges, the Company received the exemption from corporate income tax from the promoted activities for the period of 8 years from the date income is first derived, which is 9 December 2016 and the reduction of 50% from regular corporate income tax including the deduction of annual net losses arising during the privilege period from net profit for a period of 5 years from the end of the privilege period. The Company must comply with the conditions and restrictions provided in the promotional certificates.

Income from promoted and non-promoted activities for the Company comprises the following:

<b>For the year ended 31 December 2016</b>			
	<b>Promoted activity Baht</b>	<b>Non- promoted activity Baht</b>	<b>Total Baht</b>
Sales	10,203,798	588,495,876	598,699,674
Other income	-	7,878,075	7,878,075
<b>Total</b>	<b>10,203,798</b>	<b>596,373,951</b>	<b>606,577,749</b>
<b>For the year ended 31 December 2017</b>			
	<b>Promoted activity Baht</b>	<b>Non- promoted activity Baht</b>	<b>Total Baht</b>
Sales	235,444,281	690,079,541	925,523,822
Other income	3,466,668	15,897,023	19,363,691
<b>Total</b>	<b>238,910,949</b>	<b>705,976,564</b>	<b>944,887,513</b>

### 30 Financial instruments

#### Accounting for financial instruments

Foreign currency forward contracts protect the Company from movements in exchange rates. The Company enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Company does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss.

At 31 December 2017, the Company has financial instruments, which their latest settlement date of forward foreign exchange contracts will be on 13 June 2018. The amount of the outstanding contracts as at 31 December 2017 and 2016 to be paid are:

	<b>2017</b> <b>USD</b>	<b>2016</b> <b>USD</b>
Forward foreign exchange contracts		
USD currency	4,724,825	438,867

The net fair values of forward foreign exchange contracts at the balance sheets date were:

	<b>2017</b> <b>Baht</b>	<b>2016</b> <b>Baht</b>
Forward foreign exchange contracts:		
- with negative fair values	(726,112)	(19,230)

The fair value of forward foreign exchange contracts, which is in Level 2.

### 31 Events after the reporting period

On 21 February 2018, the Board of Director meeting no.1 / 2018 of the Company had passed a resolution approving the Company to pay the dividend from the operating results of 2017, to the shareholders listed in the register on 8 March 2018. Dividends were announced at the rate of Baht 0.106 per share totaling Baht 64.24 million. Dividends will be paid on 25 May 2018.

## **Remuneration fee of Auditor**

### **1. Audit Fee**

The Company and subsidiaries as paid to auditor as following details.

- The auditors of the company, in the past fiscal year have paid amounting of 1,815,000 Baht.
- Auditor's Office, person or any related business to auditor in the past fiscal year as paid amounting of 0 Baht

### **2. Non-audit fee**

The Company has not paid remuneration of other services

- The auditors of the company, in the past fiscal year has paid amounting of 0 Baht and will have to pay in the future due to the agreement that the service is not completed in the past fiscal year has paid amounting of 0 Baht
- Auditor's Office affiliation of person or undertaking concerned with external auditor and audit office in the past account period of 0 Baht and need to pay for future due to agreement for unfinished work in past account period of 0 Baht.

## **Vision**

Rayong Wire Industries Public Company Limited aims to be a leader in one of three countries in the field of distribution and production of steel wire for Pre-Stressed concrete wire and Pre-Stressed concrete strand in 2020.

The company operates as a manufacturer and distributor of quality of production of steel wire including provided services according to customer demand continued and taking to improve the operating regularly, to provide customer satisfaction.

## **Mission**

The company focuses on the ability to customer demand effectively, had continuous development of production processes and emphasis on after-sales service. Also, improve knowledge of staff and management system throughout the company must be reliable and trust from customers and society as a whole. According to industry standards and requirements of the standard ISO 9001:2008 and environmental standards ISO 14001:2004.



### **สำนักงานพระราม 3 (Rama 3 Office)**

900/14 อาคารเอสวีโอเอ ทาวเวอร์ ชั้น 18 ถนนพระราม 3 แขวงบางโพงพาง เขตยานนาวา กรุงเทพฯ 10120

โทรศัพท์ : 0 2682 6328 (อัตโนมัติ) โทรสาร : 0 2682 6361-2 อีเมล : [rwi@rwi.co.th](mailto:rwi@rwi.co.th)

900/14 SVOA Tower 18<sup>th</sup> Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel : +66 2682 6328 (Auto) Fax : +66 2682 6361-2 email : [rwi@rwi.co.th](mailto:rwi@rwi.co.th)

### **ที่อยู่ใหม่ (ตั้งแต่ 1 เมษายน 2561) New Address (Begin April 1, 2018)**

1011 อาคารสุภาลัย แกรนด์ ทาวเวอร์ ชั้น 17 ถนนพระราม 3 แขวงช่องนนทรี เขตยานนาวา กรุงเทพฯ 10120 อีเมล : [rwi@rwi.co.th](mailto:rwi@rwi.co.th)

1011 Supalai Grand Tower 17<sup>th</sup> Floor, Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120 email : [rwi@rwi.co.th](mailto:rwi@rwi.co.th)

### **โรงงาน (Factory) นิคมอุตสาหกรรมบางตาพูด**

เลขที่ 5 ถนนโอ-5 ตำบลบางตาพูด อำเภอมือง จังหวัดระยอง 21150

โทรศัพท์ : 0 2682 6328 (อัตโนมัติ) โทรสาร : 0 2682 6361-2 อีเมล : [rwi@rwi.co.th](mailto:rwi@rwi.co.th)

Map Ta Phut Industrial Estate No.5, I-5 Road, Tambon Map Ta Phut, Amphur Muang, Rayong 21150

Tel : +66 3868 4489, +66 3868 4522 7 Fax : +66 3868 4490 [www.rwi.co.th](http://www.rwi.co.th)