

Annual Report 2015

Asefa Public Company Limited



**“We are a leading manufacturer and provider
in Electrical Power Distribution, Switchboards,
Automation and Energy Efficient Solutions
as well as After Sales and Integrated Engineering Services
in Thailand and ASEAN.”**

ASEFA PUBLIC COMPANY LIMITED



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Financial Highlights

For the Fiscal year ended December 31 st	Consolidated Financial Statements			Separate Financial Statements		
	2015	2014	2013	2015	2014	2013
Stock Data						
Par value (Baht)	1.00	100.00	100.00	1.00	100.00	100.00
Book value (Baht)	2.28	153.06	169.04	2.28	151.85	166.46
Earning per share (Baht) *	0.45	0.34	109.41	0.46	0.35	113.77

Operating (Unit: million baht)						
Sales revenue	2,549.60	1,692.93	2,117.21	2,373.09	1,639.21	1,857.09
Total income	2,563.17	1,704.19	2,126.23	2,405.33	1,650.63	1,863.85
Net profit	206.75	113.65	182.20	212.11	118.08	189.45
Balance Sheet (Unit: million baht)						
Current assets	1,501.36	1,062.63	1,113.03	1,474.25	1,035.75	993.09
Total assets	2,257.77	1,726.91	1,737.99	2,257.36	1,718.66	1,586.11
Current liabilities	895.12	931.70	1,021.17	894.33	928.30	878.26
Total liabilities	1,001.68	1,114.67	1,180.18	1,000.89	1,111.27	1,036.79
Paid-up capital	550.00	400.00	330.00	550.00	400.00	330.00
Shareholders' equity	1,256.09	612.24	557.82	1,256.47	607.39	549.31

Financial Ratio						
Returns on shareholders' equity (ROE) (%)	22.13	19.43	37.82	22.76	20.42	40.34
Returns on fixed assets (%)	45.71	32.38	52.34	45.07	32.62	57.26
Returns on assets (ROA) (%)	14.06	9.74	16.18	14.41	10.20	18.80
Gross profit margin (%)	22.35	22.62	24.33	23.03	22.72	26.11
Net profit margin (%)	8.07	6.67	8.57	8.82	7.15	10.16
Current assets ratio to items of current liabilities (times)	1.68	1.14	1.09	1.65	1.12	1.13
Liquidity ratio to liabilities (times)	0.71	0.62	0.62	0.67	0.51	0.63
Debt ratio to shareholders' equity (times)	0.80	1.82	2.12	0.80	1.83	1.89

Note:

*In 2015, the weighted average number of common shares was 462,054,795 shares

In 2014, the weighted average number of common shares was 333,068,493 shares

In 2013, the weighted average number of common shares was 1,665,205 shares



Message from Board of Directors

In 2015, the Company celebrated its 18th anniversary, the year in which the company was listed and traded for the first time in the Stock Exchange of Thailand (SET) as Industrial group and Industrial Material and Machinery sector in August 5th, 2015 under the name of Asefa Public Company Limited.

Throughout 18 years, the company has been determined to be the leader in Electrical Power Distribution, Switchboard, Automation and Energy Efficient Solutions, as well as After Sales and Integrated Engineering Services, both in Thailand and ASEAN. The Company has potential in the international standard products, the manufacturing process operated by new-technology machinery and skilled personnel with the experience of professional services, as well as the company's mission and commitment in business operation, which has brought the Company success in becoming the top leader in Thailand.

In the past few years, Thailand's economic condition has expanded increasingly because the political situation in the country has moved into a clearer direction. To encourage economic growth and assure both Thai and foreign investors, the Thai Government issued the economic stimulus package as well as the promotion and fiscal policies. Because of this, the investments should increase in both public and private sectors. Meanwhile, the manufacturing and service industries' demands for electric energy are still increasing. These factors, consequently, are the reason why the company's business should remain supported.

At the end of 2015, Thailand's economy has moved toward ASEAN Economic Community or "AEC." To tie in the business with ASEAN group, Asefa Public Company Limited saw a great opportunity in business operation. Therefore, the company has conducted a research, expanded the business by developing personnel in the company and establishing electrical power systems both in Thailand and foreign countries, in order to deal with the competition.

In the name of the chairman of Asefa Public Company Limited, I feel truly grateful to our shareholders, investors, financial institutions, business partners, customers, and all related parties who always trust and support the company. I also want to say thank you to our management team and all employees who always work with honesty, unity, and prudence, putting great effort and bringing success to our company as we intend to. We affirm that we will operate business with good governance and always consider the interests of all related parties, society, and the environment conforming to the company's vision to remain the leader in Electrical Power Distribution, Switchboard, Automation and Energy Efficiency Solutions, as well as After Sales and Integrated Engineering Services. We also aim to provide Electrical Power Devices that meet the demands to satisfy customers and participants, stabilizing the company and continuing to grow sustainably.



Vision

Be the Leader in Electrical Power Distribution, Switchboards, Automation and Energy Efficient Solutions as well as After Sales and Integrated Engineering Services in THAILAND and ASEAN.

Mission

In order to fulfill the vision and an approach to business, the company has defined its mission as follows:

- Development of New Technologies, Products, and Process;
- Development of Customer Satisfaction;
- Development of Environment and Social Responsibility; and
- Development of Human Resources Management and Staff's Opportunity.



/// Company's General Information

Company's name	ASEFA PUBLIC COMPANY LIMITED
Company's registration	0107558000091
Business	Manufacturing, selling and installing in Electrical Power Distribution, Switchboard Automation and Energy Efficiency Solutions, Metal Trunking System, Lighting and Solution as well as After Sales and Integrated Engineering Services
Registered capital	550,000,000 Baht
Paid-up capital	550,000,000 Baht
Locations	5 Moo 1 Rama II Road, Khok-kra-bue, Mueang Samutsakhon, Samutsakhon 74000
Telephone	0 2686 7777
Fax.	0 2686 7788
Website	www.asefa.co.th
IR contact	Tel: 0 2686 7788 ext. 1700 E-mail: asefa@asefa.co.th
Company secretary contact	E-mail: pichai-p@asefa.co.th

Subsidiaries	<ol style="list-style-type: none">Varitek Company Limited Electrical Distributor (Ceased operations on September 30th, 2014)Lighting Mart Company Limited Manufacturing and selling electric lamps (Ceased operations on September 30th, 2014 and company liquidation on October 8th, 2015.)Asefa Suntech Joint Venture - Joint Venture Company co-organized with Suntech Engineering Co., Ltd. to jointly bid for demolition projects Bang Pakong Combined Cycle Power Plant Unit 1 and Unit 2 of the Electricity Generating Authority of Thailand
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References	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel: 0 2009 9000 Fax: 0 2009 9991
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Nature of Business Operation

/// Revenue Structure

The Company gains income from three major sources including 1) Manufacturing Products 2) Supplied and Distributed Products and 3) Services. For reference, the structure of revenue is shown as follows:

Products	Operator	2013		2014		2015	
		MB	%	MB	%	MB	%
Manufacturing Products							
• Switchboards designed and developed by the Company	Asefa	927.55	43.62	707.83	41.53	1,085.38	42.34
• Licensed products	Asefa	433.89	20.41	353.15	20.72	428.70	16.73
• Other	Asefa	97.78	4.60	84.99	4.99	123.32	4.81
Total Manufacturing Products Revenue		1,459.22	68.63	1,145.97	67.24	1,637.40	63.88
Supplied and Distributed Products							
• Electrical and control products	Asefa, VRT	112.85	5.31	61.95	3.64	80.89	3.15
• Electrical power distribution products	Asefa	112.91	5.31	147.47	8.65	254.68	9.94
• Lighting equipment	Asefa, LTM	24.70	1.16	20.23	1.19	12.98	0.51
• Cable	Asefa, VRT	166.54	7.83	28.83	1.69	5.02	0.20
• Others	Asefa, LTM, VRT	75.83	3.57	39.71	2.33	16.95	0.66
Total Supplied and Distributed Products Revenue		492.83	23.18	298.19	17.50	370.52	14.46
Services							
• Integrated engineering services	Asefa	84.05	3.95	176.77	10.37	302.56	11.80
• After sales services	Asefa	81.10	3.81	72.00	4.23	62.30	2.43
Total Services Revenue		165.15	7.77	248.77	14.60	364.86	14.23
Power plant demolition	Joint Venture	-	-	-	-	176.82	6.90
Other incomes*	Asefa, LTM, VRT	9.02	0.42	11.26	0.66	13.57	0.53
Grand Total		2,126.23	100.00	1,704.19	100.00	2,563.17	100.00

Note * Other incomes compose of profit from selling assets, buildings rent and interest income.

Product and Service Descriptions



Products and Services

- 1 **Manufacturing Products**
- 2 **Supplied and Distributed Products**
- 3 **Services**

The Company's business is based on the production, distribution, and installation of Electrical Power Distribution products, having Medium and Low Voltage Switchboard and Control Board as the main merchandise. The Company procures and sells equipment required for the electrical distribution maintenance, ranging from the original source to the end-point electrical equipment, guaranteeing convenience and safety in electrical distribution for electrical manufacturers, distributors, and end-users. The Company is a manufacturer, distributor, developer, and designer of switchboards, including other type-tested switchboards copyrighted by the world's leading companies.

In addition, the Company is a manufacturer and distributor of products relating to Electrical Power Distribution, such as metal trunking, lighting solution, power suspension, power module controller, and other equipment to serve every expectation of customers. The company also covers related services necessary to switchboard system, including consultation, design, installation, engineering integrated service, and after sales service. The Company's product features and services can be summarized as follows:

1 **Manufacturing Products**

includes Asefa Modular Switchboards, Licensed Switchboards, Metal Trunking, and Lighting Solution as listed below.



/// 1.1 Asefa Modular Switchboards

Manufactured according to the IEC standards such as ANSI (American National Standards Institute), NEC (National Electrical Code), and NEMA (National Electrical Manufacturers Association), the Asefa's own products include electric control panel, automation device, motor panel, substation unit, and other panels related to electrical distribution system.

A customer can customize the interior parts selecting from various versions, types, brands, and designs (the most common being Modular type). Depending on the budget and model, the products can be used in projects, buildings, factories, or other specialized fields, effectively designed for a convenient construction, installation, and modification, guaranteeing safety, competitive price and services by a team of expert engineers.





1.1.1 Modular SF6 Switchgear

Descriptions

- A medium voltage switchgear.
- A breaker switch at interface and insulated by SF6 (Sulfur Hexafluoride), it is known by its high safety technology that puts out sparks.
- The product at its maximum is capable to withstand 36kV voltage, 630A current and 20kA short circuit as well.
- Used to protect and as breakers of transformers. Expandable to support various usages.



1.1.2 Compact Substation

Descriptions

- The product is combined with medium voltage switchgears, transformers, and low voltage ring main units.
- High safety IEC standard. The product is capable to support 3000kVA transformer with 36kV voltage at maximum.
- It is suitable for underground system which requires neatness and saving of space, for example, a hospital, a campus, an airport, a pier, a village, etc.
- To distribute medium voltage for low voltage system.



1.1.3 Main Distribution Board: MDB

Descriptions

- A main distribution board.
- Distributes low voltage from a transformer to a sub-switchboard.
- The product capacity is maximized at 690V/6300A and 100kA withstanding, with water and dust protection index at IP65.



1.1.4 Double Safety Door Switchboard

Descriptions

- A main switchboard with double safety door.
- Has a double-layered front door withstanding low voltage, designed with a Japanese style, guaranteeing maximum safety.
- Maximum range of voltage is 690V. Maximum usage of voltage is 6300A. And maximum voltage range withstanding short circuit is 100kA. The maximum index for water and dust protection is IP65.



1.1.5 Capacitor Bank Panel

Descriptions

- Control panel and Power Factor adjustor.
- Available range for low-voltage system and 36kV high voltage.
- Used for parallel connection to a main switchboard. Break circuit and control capacitor to increase efficiency of whole electrical system.



1.1.6 Motor Control Center: MCC

Descriptions

- Switchboard and motor control panel.
- Used for controlling, operating, and monitoring an electric motor in various conditions.
- Maximum voltage available up to 12kV.
- Both wall-mounted and floor-standing models are available.



1.1.7 Control Automation Board

Descriptions

- A control and display panel of automation system.
- Can monitor from long distance, analyze and process data automatically or via user interface by sending signals to other controlling instruments such as Programmable Logic Control to command other equipment in the system to follow.
- Compatible with a display screen and touch screen.
- Used to control switchboard performance in power plant or station.



1.1.8 Console and Control Desk

Descriptions

- A Control Desk.
- Controls the motor equipment performance, transmission system, or machine's command system via users.
- Generally installed in the Control Room, it increases user's safety from danger caused by machines or environmental hazards while operating.



1.1.9 Sub Distribution and Final Switchboard: SDB

Descriptions

- Sub Distribution Board.
- Compatible for both indoor and outdoor operations.
- Distributes power to terminal equipment such as floor-level distribution board or water pump motor.

/// 1.2 Licensed Switchboard

The products for which the Company received a license to produce and distribute from the world's leading manufacturers are Type-Tested Switchboard or Type-Tested Assembly (TTA), according to IEC standards, for example, IEC 60439-1, IEC 61439-2, IEC 62271-200 or IEC 62271-202, and so on.

The licensor will design the prototype switchboard, specifying model, size, scaling, and types of main equipment, as well as other accessories and busbar assembly. After having passed the standard test, the licensor will specify the manufacturing standard, design, and testing, in order to insure that the licensee can produce the products as identical as the prototype. Therefore, the switchboards produced by the Company will have the same quality as the imported switchboards, and can be used in large projects that need highly stable and safe electrical system such as power plants, power stations, public utility systems, industrial factories, skyscrapers, hospitals, and data centers, etc. There are 5 Type-Tested switchboards licensed to the Company, including Schneider Electric S.A.'s NEX 17.5 kV, NEX 24 kV, BIOSCO, BLOKSET, and Socomec S.A's ATS By-pass.

socomec
Innovative Power Solutions
Licensee

Schneider
Electric
Licensee



1.2.1 Medium Voltage Metal Clad Switchboard: NEX 24

Descriptions

- 24kV medium-voltage switchboard
- A heavy duty switchboard for which the Company is the only licensee to manufacture in Thailand.
- Used for medium voltage system. TTA-tested and followed IEC 62271-200. Support maximum voltage of 24 kV, maximum electric current of 2000 A, and can withstand maximum short-circuit electric current of 25 kA.
- Recommended for a power distribution station—both EGAT's and private—heavy industrial factory, and end-users who desire safety and stability of switchboard.



1.2.2 Medium Voltage Metal Clad Switchboard: NEX 17.5

Descriptions

- 17.5 kV medium-voltage switchboard.
- A heavy duty switchboard for which the Company is the only licensee to manufacture in Thailand.
- Used for medium voltage system. TTA-tested and followed IEC 62271-200. Support maximum voltage of 17.5 kV, maximum electric current of 2500 A, and can withstand maximum short-circuit electric current of 31.5 kA.
- Recommended for a power distribution station—both EGAT's and private—and heavy industrial factory.



1.2.3 Low Voltage Switchboard: BLOKSET

Descriptions

- TTA switchboard.
- Complied with IEC 60439-1 and IEC 61439-2.
- Supports wide range of usages. With Modular system design, the product is expandable or adaptable according to the customer's specification.
- Supports maximum voltage of 690 V, maximum electric current of 6300 A, and can withstand maximum short-circuit electric current of 100 kA.
- There are several types depending on the usage such as main distribution board, motor control panel, capacitor bank, sub distribution board, etc. Has a fully-withdrawable model that can support vital work or works that require electrical distribution continuity.



1.2.4 MV/LV Prefabricated Substation: BIOSCO

Descriptions

- TTA compact substation.
- The IEC 62271-202 certified switchboard for which the Company is the only licensee to manufacture in Thailand.
- Used for medium-to-low-voltage electrical distribution.
- Composed of medium-voltage switchgears, transformers, and low-voltage breakers. High safety with transformer range support of 1600 kVA, and maximum voltage range of 24 kV.
- Recommended for underground electrical distribution system required to create land economy and scenery, such as in hospital, campus, airport, marine port, residential buildings, etc.



1.2.5 Automation Transfer Switch with Bypass: ATS-Bypass

Descriptions

- Automatic transfer switch panel.
- The Company is the only licensee to manufacture in Thailand.
- Used to switch circuits between two electrical distribution sources with a bypass function that can be performed during maintenance.
- TTA tested, IEC 61439-2 certified, and internal equipment passed IEC 60947-6-1 standard.
- Licensed by SOCOMEC S.A., and recommended for the electrical distribution that requires high stability such as data center, hospital, and airport, etc.

// 1.3 Other Products

The Company also manufactures and distributes products relating to Electrical Distribution in order to support and cover all application features, including metal trunking and lighting.



1.3.1 Metal Trunking

Descriptions

- Metal trunkings and cable ladder.
- Have various sizes, models, and raw materials.
- Certified by IEC, ANSI, TIS, etc.,
- Used in both internal and external electrical system installation.
- Supports wiring in various projects.
- Can select coating either Epoxy Polyester Powder Paint or Hot-Dip Galvanized.
- Produced from high-quality material by modern machinery and painting process, such as cold-hot compressed metal sheet, aluminum-zinc coated metal sheet.
- Consists of products such as wireway, cable ladder, cable tray, floor trunking, and perforated trunking.



1.3.2 Lighting and Solutions

Descriptions

- Under the trademark "ALUMAR".
- Has a team of engineers ready for customer's consultation, regarding designs and application of lighting systems in order to assure high-efficiency usage.
- Uses high-quality materials to design and manufacture the Company's lamps such as European-imported aluminum and lampholders.
- Has quality control in manufacturing and production quality test according to the standards.
- Received good feedbacks from customers in both government and private sectors, and responded well to the customers' needs.
- The products manufactured by the Company lighting solution include fluorescent luminaires, down light luminaires, lowbay and highbay luminaires, street light luminaires, and flood light luminaires.

2 Supplied and Distributed Products

Beside manufacturing and distributing, there are buy-and-sell products related to switchboards and electrical system that the Company provides customers. The Company sources the products from leading manufacturers and distributors and offers the customers a complete one-stop service as well as supporting urgent request with stored products. Also, the Company prepares teams of expert engineers to service the customers with advice and after sales services and modern calibration devices. There are 5 of products in the category.

/// 2.1 Electrical and Control Products

Under the world's leading brand, the product group is applied to break circuits, control, protect, display, and distribute electricity ranging from EGAT to end appliances, renowned with its high efficiency and usage as a part of switchboard and other electrical systems.



2.1.1 Switching Device

- Used as circuit breakers.
- Prevents short-circuit hazards.
- The products include Load Break Switch, Magnetic Contactor, Circuit Breaker, Safety Switch, etc.



2.1.2 Protection Equipment

- Protects the system.
- Receives signals from other equipment to process data and transmit signals to control appliances in order to switch circuits.
- The products include Protection Relay, Overload Relay, Fuses, etc.



2.1.3 Control Equipment

- Commands and controls other appliances.
- Receives signals directly or via other transmitting devices to complete assignment.
- The products in this category are Control Relay, Programmable Logic Controller, Push Button, Variable Speed Drive, etc.



2.1.4 Signaling and Regulating Equipment

- Displays and transforms electric current or voltage.
- Transmits signals to a receptor device in order to control, save, or display data.
- The products in this category are Indicator Lamp, Meter, Potential Transformer, and Current Transformer, etc.

/// 2.2 Electrical Power Distribution Products

The high-quality products are used for distributing electrical power from the beginning of power source through the end appliances.



2.2.1 Ring Main Unit: RMU

Descriptions

- A medium-voltage switchboard.
- Works as switching device, controls electricity, and protects the circuit when overloading or short circuit occurs.
- The products are widely installed in medium-sized buildings to large-sized buildings.
- There are both extendable and non-extendable models.
- Supports maximum voltage of 24 kV, maximum electric current of 630 A, and can withstand maximum short-circuit electric current of 16 kA.



2.2.2 Transformer

Descriptions

- Transforms voltage level as required.
- Certified by IEC 60076-1 and 60076-11 standards.
- Available for both oil-type transformer and dry-type transformer.
- Can transform voltage from medium voltage 36 kV to low-voltage 416/240V or 400/230V and supports maximum electric power up to 3,000 kVA.



2.2.3 Busduct

Descriptions

- Busduct or Busway
- Made from aluminum and copper conductors.
- Designed to replace wires and easy to assemble.
- Made for the system that requires large quantity of electricity and can branch out into sub-distribution panel or terminal electrical appliances. Maximum electric current is 5000A for low voltage at 416/240V.



2.2.4 Load Center, Consumer Unit and Safety Switch

Descriptions

- Final distribution board
- Used for localized electrical system control.
- Available for 1- Pole switching device and 3-Poles switching device with maximum 42 sub-circuits and 250A, 416V capability.



2.2.5 Uninterruptible Power Supply: (UPS)

Descriptions

- Uninterruptible Power Supply
- Recommended for a personal computer or a device that requires uninterrupted distribution both offline and online.
- Capable with 416/240V and maximum power at 1,000 kVA.

/// 2.3 Lighting and Solutions

Electric lamps including Fluorescence, LED, and energy saving lamps from the Company have passed Thai Industrial Standard (TIS). In the past, the lighting business was handled by LTM but has been transferred to the Company since September 30th, 2014. The lighting, lamp, products, and appliances sold by the Company are:



Descriptions

- Well known by the trademarks of Ligman, GE
- Covers all application for downlights, LED, street lamps, floodlight, high bay lamps, etc.
- Provides a high performance lighting control system called Digital Lumens.
- Provides the customers with experienced specialist teams and advice.

/// 2.4 Wiring

Formerly, the Company distributed wires via VRT, but after VRT was dissolved since September 30th, 2014, VRT business has been under the company's superintending.



MI Cable Descriptions

- Fireproof cable.
- High-temperature resistance up to 1080 C° with copper shield coating.
- Distributes electrical power to the critical system even during fire.
- Appropriate for distributing power to the emergency electrical system such as elevator, firepump, generator and exit sign etc.

/// 2.5 Other Products

Moreover, the Company provides components, peripheral devices, cables and other appliances in one-stop to support the main appliance performance both in medium voltage and low voltage, according to the customer's requirements. The products are data transfer cable, peripheral devices for the main unit including Auxiliary Contact, Communication Interface, etc.

3 Services

With experience and expertise in electrical distribution system and equipment that can support all incoming requirements from the customers, the Company provides services in designing, sourcing, installing, and consulting by the teams of professional engineers along with modern technology of tools. Followings are services provided by the Company:

/// 3.1 Integrated Engineering Services

The Company's Integrated Engineering Services cover all project sides including electrical power distribution system, data center and redundancy electrical power system, energy management and monitoring system, automation and communication system, power quality solution, lighting solution, and ventilation/sanitary system.



3.1.1 Electrical Power Distribution Solution

The service covers finding solution from medium voltage distributor system, transformer, switching and control device, and until end-distributor including load center or consumer unit.



3.1.2 Data Center and Redundancy Electrical Power System

The addition of UPS, ATS-Bypass, or PDMU (Power Distribution Monitoring Unit) shall be applicable to Data Center and Redundancy Electrical Power System which requires high stability of power system. The system is recommended for customers who have data centers such as commercial banks, mobile phone service providers, etc.



3.1.3 Energy Management and Monitoring System

The Energy Management and Monitoring System by genius measurement and displaying are able to be manipulated via a computer or a wireless touchscreen, so the energy consumption can be reported to the customers exactly. It is recommended for electricity bill calculation in department stores or commercial buildings when collecting payment from the renters with correction and convenience.



3.1.4 Automation and Communication System

This distribution system cooperates with the electrical communication system and automation control to increase efficiency, security, and convenience for the users both in remote controlling system such as SCADA or Building Automation System (BAS), and in alarm & data log system such as fire alarm, CCTV, etc.



3.1.5 Power Quality Solution

Power quality solution shall increase stability of the system and extend the useful life of equipment. Accurate calibrators and quality improvement devices such as Power Quality Meter, Active Harmonic Filter/Passive Harmonic Filter, Capacitor Bank, etc.



3.1.6 Lighting Solution

Design, arrangement, and analysis are covered by the service. The Company uses DiALUX, an international standard software, to analyze the system for the best solution. The service also covers equipment specification for Lighting Control System.

Integrated Engineering Services as per Project 2013 — 2015

Characters of Projects	2013		2014		2015	
	Number of Project	Million Baht	Number of Project	Million Baht	Number of Project	Million Baht
Less than 1 million Baht	5	1.99	3	1.90	-	-
Between 1 to 10 million Baht	6	20.94	10	44.66	4	15.65
More than 10 million Baht	5	156.97	4	230.67	3	128.42
Total	16	179.90	17	277.23	7	144.07

/// 2. After Sales Services

The Company provides the customers various services related to switchboard and electrical systems to increase performance and equipment useful life. The services include Modification and Upgrade, and Preventive Maintenance and Spare Part Management.



2.1 Modication and Upgrade

The service itself provides advice, customization to develop the system or alternate the usage, and installation planning which covers MV and LV Power Cable, Distribution Transformer, Bus way, Power Monitoring & Control, and protection control devices such as Circuit Breaker, PT & CT, etc.



2.2 Preventive Maintenance and Sparepart Management

Calibration and test report are included within the service by standardized tools that are accurate and efficient. Since the Company also entirely distributes switchboards and equipment, spares and backup parts are ready instantly to support customer's needs, for example, MV and LV Power Cable, Distribution Transformer, Bus way, Power Monitoring & Control and also protection control devices such as Circuit Breaker, PT & CT, etc.

Corporate Social Responsibility



Corporate Social Responsibility Policies

"Aiming for Environmental Development and Social Responsibility" is one of Asefa Public Company Limited's missions. Throughout 18 years of business operation, Asefa runs business by focusing on Product Development, Human Resources Development, Environment, and Social Responsibility to maintain the balance between profit gain and social contribution.

/// Principles of Asefa's corporate social responsibility

1. Operating Business Ethically

The Company operates business with integrity under the framework of maintaining a competitive environment which is fair, equitable, and stipulated within Business Code of Conduct. The Company uses Business Code of Conduct to take a responsibility to all stakeholders whether it is society, community, employees, shareholders, investors, customers, partners, competitors, and government agencies. Therefore, the guidelines for the Code of Conduct toward stakeholders have been established as follows:

1. Honesty and Reliability
2. Showing Respect to Others
3. Impartiality and Objectivity
4. Non-Infringement of any Intellectual Property Rights including Copyrights and Patents
5. Confidentiality
6. Accuracy in Storing Information
7. Internal and Trading Data Storage
8. Conforming to the Laws and Regulations
9. Fair Competition
10. Responsibility to Shareholders
11. Accuracy of Data Communications in both inside and outside the organization

2. Anti-Corruption Policies

Throughout many years of business operation, the Company commits to uprightness, transparency, and anti-corruption by practicing this policy equitably and fairly, and realizing about prevention of corruption both inside and outside the organization. The Company implants all employees to behave legally and morally.

Two anti-corruption principles which are transparency and participation can be summarized in details as follows:

• Transparency

1. Processing work openly, directly, and can be clarified if any suspicion is identified.
2. Giving personnel in the organization an opportunity to access information.
3. Personnel in the organization are willing to know all procedures in operating activities and processes.
4. Personnel in the organization can be investigated.

• Participation

1. Participants have an opportunity to participate to perceive, learn, understand, give an opinion, and propose problems and any related issues.
2. Participants cooperate in consideration about problem solving and decision making.
3. Participants cooperate in development process as Development Partners which have guidelines as follows:
 - Creating awareness, value, attitude about conforming the rules with integrity to Employees.
 - Providing effective internal control systems, verifying, and balancing power to prevent Employee from performing or involving in any corruption.
 - Directors, executives, and employees are prohibited from the act of demanding or receiving any properties or other benefits for oneself or others which are likely to cause wrongfully performing or refraining official duties, or cause the Company to lose benefits.
 - Directors, executives, and employees are prohibited from offering or giving payments or other benefits to third parties in order to induce them to do or avoid things which are unlawful or are not fitting to their positions.

3. Respect for Human Rights

The Company values and respects human rights, does not violate any individual or group's rights and freedom both directly and indirectly with fairness and impartiality.

In addition, the Company is aware that all employees are valuable resources; therefore, the Company stipulates policies in order to treat employee with respect to their honor, personal dignity, and human rights, including maintaining a safe environment at the workplace for employee's life and property.

4. Treating Employees with Fairness

The Company adheres to treat labors with fairness and pay salary to employees properly, punctually, and impartially, including supporting in training and skill development. The Company arranges other training apart from work to make employees understand about work process in every detail and adjust knowledge to improve their work performance.

5. Consumers Responsibilities

The Company adheres to take responsibility toward consumers which are the Company's customers as follows:

• Warranty

We are willing to guarantee that the product we produce and deliver are high-quality.

• Quality

We deliver high-quality product and service to customers.

• International Standard

We adhere to produce product based on international standard.

• Ethics

Our products and services are in accordance with regulations and agreement with customers.



6. Environmental Conservation

The Company is aware of power and environment entirely; therefore, the Company has used the idea of eco-friendly and environmental conservation to adapt with the Company's new factories and buildings. Even though investment fees are expansive, it's still worthy in order to decrease environmental issues. The Company established and developed energy conservation buildings by including energy conservation systems into buildings for highly efficiency known as "Energy Efficiency" and the Company also applied the latest technology with various functions to manage the energy mentioned above such as:

- Harmonic Filter is the system that helps improve electrical quality by decreasing or removing harmonic from electrical systems to prevent electrical overload problem.



- T5 Energy Saving and LED



- Power Monitoring System



- Automatic Lighting Control System



- Control room



- Building Automation System



- Water Auto Flush Valve is water resources management system that makes the most efficient use of water and reduces the damage.



- Softener, Reverse Osmosis and Ultraviolet system are the cleanest drinking water treatment that helps create high-quality health and unadulterated 100%. Moreover, it also has the process of Reverse Osmosis (RO) which is the most delicate water treatment and Ultra Violet that helps kill bacteria.



In addition, the Company had improved the landscape in the Company whether it is growing trees, building up yard, and providing modern or equipped exercise equipments for employees, including environmental management and waste segregation. The Company also informed policies about managing wastes that derived from the production process which are Reduce, Reuse, and Recycle policies.



Reduce | Reuse | Recycle



Also, it was necessary to create awareness among employees about energy conservation and environmental conservation, and focusing on Green Activities as well as reducing Employees' transportations to decrease energy use and economize fuel use by using communication devices and information technology, improving Internet and Intranet systems, and using group communication programs. Furthermore, the Company releases a paper reduction campaign by using Paperless Office systems as much as possible.



7. Community and Social Development

The Company is giving support in community and social development continuously in order to fulfill community and social requirements to improve living conditions in community and society. Therefore, the Company has arranged activities to express social responsibility in every year and all employees collaborate to apply executives' policies into many activities.

For previous activities in 2015, the Company encouraged employees to concentrate to all communities around the Company, including communities in the remote area. The Company also operates projects for social and public utility for helping people in community in several ways whether it is child education and potential development, environmental development, or community and social development. The list of projects and activity details are summarized as follows:



• Child Education and Potential Development

Project name: "Buddy System" Project

Activity: Arranged seminar and training about Electrical Engineering to university students across the country in order to create quality personnel to the country. The Company anticipates that these university students will apply knowledge and skill that they have learnt to improve their abilities and develop the country. The Company has arranged this activity continually since 2011 until now, six years in total.

Subject and training topics are:

1. Basic Knowledge of Low-Voltage Switchboard Design.
2. Basic Knowledge of Power Installations and Switchboard for New Generation of Engineers.
3. Standards of High-Voltage and Low-Voltage Electrical Equipment Systems.
4. Preparing Basic Knowledge of Switchboard and Standards for New Generation of Engineers in Order to Prepare for Entering into ASEAN Community.
5. Power Supply and Power Control Systems inside Industrial Factory.

Place: In 2015, there are 8 universities that participated in this project as follows:

1. Mahidol University
2. Rajamangala University of Technology Rattanakosin Wangkraikangwon Campus.
3. Rajamangala University of Technology Lanna Chiangrai
4. Rajamangala University of Technology Lanna Chiangmai
5. University of Phayao
6. Mahasarakham University
7. Ubon Ratchathani University
8. Prince of Songkla University





In 2015, there are 39 colleges (Vocational Certificate and High Vocational Certificate) that participated in this project as follows:

- | | |
|--|--|
| 1. Bangkeawfa Industrial and Community Education College | 21. Sawang Dan Din Industrial and Community Education College |
| 2. Thanyaburi Technical College | 22. Kumphawapi Industrial and Community Education College |
| 3. Muak Lek Technical College | 23. Nong Bua Lam Phu Technical College |
| 4. Lopburi Technical College 2 | 24. Nam Phong Technical College |
| 5. Kanchanburi Technical College | 25. Nakkonsithammarat Industrial and Community Education College |
| 6. Pho Thong Industrial and Community Education College | 26. Chaiya Industrial and Community Education College |
| 7. Sena Industrial and Community Education College | 27. Lang Suan Industrial and Community College |
| 8. Pak Chong Industrial and Community Education College | 28. Bang Saphan Industrial and Community Education College |
| 9. Kabinburi Industrial and Community Education College | 29. Satun Technical College |
| 10. Bangpakong Industrial and Community Education College | 30. Luang Prathan Rat Nikon Industrial and Community Education College |
| 11. Thai-Austrian Technical College | 31. Trang Industrial and Community Education College |
| 12. Map Ta Phut Technical College | 32. Thalang Technical College |
| 13. Loeng Nok Tha Industrial and Community Education College | 33. Nan Technical College |
| 14. Chumphae Industrial and Community Education College | 34. Phrae Technical College |
| 15. Nakhonratchasima Technical College | 35. Samrong Industrial and Community Education College |
| 16. Chachoengsao Technical College | 36. Chiang Rai Technical College |
| 17. Det Udom Technical College | 37. Chiang Mai Technical College |
| 18. Kantharalak Technical College | 38. Uttaradit Technical College |
| 19. Prasat Industrial and Community Education College | 39. Phitsanulok Technical College |
| 20. Nangrong Industrail and Community Education College | |

Furthermore, the Company collaborated with Public Institute in developing Vocational Student's knowledge and skill to produce Electricians and to maintain Public Policies of Bilateral Cooperation Program to improve educational standards by training an actual work, and the Company also signed a Memorandum of Understanding (MOU) with other Technical Colleges to send students to participate in training and working in the Company yearly such as:

1. Roi-et Technical College: Networking and Collaboration Project between the educational institution and corporation.
2. Samrong Industrial and Community Education College: Personnel Development Project organized by corporation to train students.





Project Name: Project “Academic Seminar for People”

Activity: The Company arranged seminar and training about electrical engineering to people across the country. The Company also cooperated with State Enterprises such as Electricity Generating Authority of Thailand and Private Sector such as Industrial Estate Authority of Thailand to arrange seminar and training to personnel in any institute that were interested for 17 times in 2015.

Schedule for Seminar Topics and held locations in 2015

Session	Seminar Topic	Place
1	Advanced Electrical Power Distribution and Professional Advancement as Engineers	Asefa Public Company Limited
2	High Performance Solution for Electrical Power Distribution and Electrical Quality Problems that affect Power Factor Improvement	Asefa Public Company Limited
3	High Performance Solution for Electrical Power Distribution and Electrical Quality Problems that affect Power Factor Improvement	Golden Tulip Sovereign Hotel Bangkok
4	Methods to Improve Devices' Efficiency in Power Distribution and Power Supply Systems, Switchboard, and Other Related Standard Regulations	Asefa Public Company Limited
5	Switchboard Regulations and Standards	Asefa Public Company Limited
6	Methods to Improve Devices' Efficiency in Power Distribution and Power Supply Systems, Switchboard, and Other Related Standard Regulations	Rachaphruk Grand Hotel, Korat, Nakhon Ratchasima
7	Switchboard Regulations and Standards	Asefa Public Company Limited
8	Method to Improve Devices' Efficiency in Power Distribution and Power Supply Systems, Usage and Maintenance for devices in Editing, Distribution, Control, and Switchboard Systems	Sima Thani Hotel, Nakhon Ratchasima
9	Method to Improve Devices' Efficiency in Power Distribution and Power Supply Systems, Usage and Maintenance for devices in Editing, Distribution, Control, and Switchboard Systems	Asefa Public Company Limited
10	Understanding in Switchboard, Maintenance, Design, and Electric Wire Professional Selection	Khum Phucome Hotel , Chiang Mai
11	Low-Voltage Switchboard Standard Test	Asefa Public Company Limited
12	Electrical Quality that affects Electrical Devices inside Electrical Systems, Inspection, and Initial Electrical Quality Reports	Asefa Public Company Limited
13	Switchboard: Design and Selection Standard Regulations	Asefa Public Company Limited
14	Understanding in Switchboard and Maintenance	Buri Sriphu Boutique Hotel, Songkhla
15	Understanding Switchboard and the Related Standards	Prince of Songkla University, Songkhla
16	Understanding Switchboard and the Related Standards	Mahidol University (Salaya), Nakhon Pathom
17	Understanding Switchboard and the Related Standards	Khon Kaen University, Khon Kaen

Project Name: Asefa united to share for needy children.
Activity: Provided scholarships and school supplies.
Place: Thetsaban Wat Nong Kae School, Hua Hin District, Prachuap Khiri Khan And Ban Khao Chao Border Patrol Police School, Pran Buri District, Prachuap Khiri Khan



Project Name: Asefa united to share for needy children.
Activity: Provided scholarships and school supplies.
Place: Ban Tha Wang Hin Border Patrol Police School, Pran Buri District, Prachuap Khiri Khan



Project Name: Asefa united to share for needy children.
Activity: Reconstructed library and nursing houses as well as donated money and materials.
Place: Ban Tam Hin Border Patrol Police School, Suan Phung, Ratchaburi



Project Name: Asefa united to share the community returns
Activity: Provided scholarships, school supplies, and foods along with held a recreation activity.
Place: Chumchonwatbomrungthum School, Kaeng Khoi District, Saraburi



Project Name: Asefa united to share for needy children.
Activity: Donated money and materials, provided food, and along with joined to do building improvement.
Place: Sarawanaram School, Nadee, Prachinburi



• **Environmental Development**

Project Name: Mangrove Reforestation Project

Activity: Joined activities to plant mangroves.

Place: Baan Mai Chai Lane, Khlong Khon, Mueang Samut Songkhram District, Samut Songkhram



• **Community and Social Development**

Project Name: Asefa united to share for the king

Activity: participated with Khok Krabue Subdistrict Administrative Organization (SAO) to do voluntary activities due to The Celebrations on the Auspicious Occasion of His Majesty the King and donated supplies to the organization.

Place: Siwapasawas canal, Ekkachai - Bang Bon Rd. And Rama II Rd. Samut Sakhon



Other Activities of the Company in 2015

/// Sales and Marketing



- Business visitations from Business Alliance Customer Group consisting of 71 companies at Asefa Public Company Limited.



- Football Competition for Bonding: 5th annual TEMCA Champions Cup 2015 at Super Kick Stadium.



- The Company's Annual Party: Asefa & Schneider (Thailand) Bowling 2015 at Blu-O Rhythm & Bowl Siam Paragon.



- Customer and Business Alliance Thank You Party: "Asefa Thank You Party" at Mandarin Oriental Hotel.

/// Investor Relations



- Board of Management and staffs from Securities and Exchange Commission and The Stock Exchange of Thailand paid a visit at Asefa Public Company Limited and Joint Venture Asefa Suntech at Bangpakong Power Plant.



- Press conference about preparing to list in The Stock Exchange of Thailand and appointing leaders to distribute ordinary shares.



- Asefa Open-House Analyst Meeting welcomes analysts from securities companies offering ordinary shares to the public for the first time.



- Asefa Nation-Wide Road Show gives information to investors offering ordinary shares (IPO) at Hat Yai, Chiang Mai, Khon Kaen, and Bangkok.



- Contract Signing Ceremony: the appointment of distributors and insurance of ordinary shares distribution.



- 1st Trading Day Ceremony at The Stock Exchange of Thailand.



- Opportunity Day: Statement of business turnovers during 2nd and 3rd quarter 2015.



- Money Talk@SET Seminar on the topic of “Analyze New IPO Shares”.



- The Profit Show for Smart Investors.



- “Foundation Structure of Communication and Thailand’s Development” Seminar by Krungsri Securities Public Company Limited.



- Visitation by analysts and investors at Asefa Public Company Limited.

Personnel Training Seminar Topics in 2015

No.	Seminar Topics	Location
1	Safety in Electrical Operation	Asefa Public Company Limited
2	Supervisor's Skills	Asefa Public Company Limited
3	KAIZEN: Production Increase by Cooperation	Asefa Public Company Limited
4	Effective Communication and Networking	Asefa Public Company Limited
5	Asefa Solution: The Sustainable Sales and Marketing Plan	Asefa Public Company Limited
6	Constructive Negotiation	Asefa Public Company Limited
7	Safety and Occupational Health for New Employees	Asefa Public Company Limited
8	Bonding Activity: Walk Rally for "Teamwork and Company's Spirit Building"	Baanmaichailane Resort, Samut Songkhram
9	Asefa Going Forward Together	Asefa Public Company Limited
10	Personality Training: "Smart Professional Image Plus" by John Robert Power Institution	InterContinental Bangkok Hotel
11	Annual High-Tier Management Seminar	Amari Hua Hin, Prachuap Khiri Khan
12	Engineer Personnel Development	Asefa Public Company Limited
13	Annual Medium-Tier Management Seminar	Grand Pacific Sovereign Resort & Spa, Prachuap Khiri Khan
14	Crane Operator, Crane Supervisor, Signal Man, Rigger, Tower Crane, Mobile Crane	Asefa Public Company Limited
15	First Aid Training and CPR	Asefa Public Company Limited
16	Change or Die in AEC Free-Trade Era	Asefa Public Company Limited
17	Risk Evaluation in the Company	Asefa Public Company Limited
18	Value-Added Tax	Asefa Public Company Limited
19	The Interpretation of ISO9001: 2015 Specifications	AVANI Atrium Bangkok Hotel
20	The Internal Quality Evaluation of ISO9001: 2008	AVANI Atrium Bangkok Hotel
21	Introduction to Quality Management System ISO9001: 2008	Asefa Public Company Limited
22	ISO9001: 2015 Requirement & Internal Audit	Arize Hotel Sukhumvit Bangkok
23	ISO9001: 2015 Requirement & Internal Audit	Asefa Public Company Limited
24	English Language Course "English for Basic Communication"	Asefa Public Company Limited
25	Asefa Learning & Activity Day	Asefa Public Company Limited
26	Safety in Spray-Paint Job	Asefa Public Company Limited
27	Annual Introduction Course to Fire Fighting and Fire Drill	Asefa Public Company Limited



/// Health Promotion and Festivals

- Annual Songkran Festival at Asefa Public Company Limited
- 2nd Annual ASEFA CUP Volleyball Competition at Asefa Public Company Limited
- Bike for Mom Activity at Samut Sakhon City Hall
- Bike for Dad Activity at Samut Sakhon City Hall
- Annual Health Check-Up
- Asefa Family Happy New Year 2016

/// Others

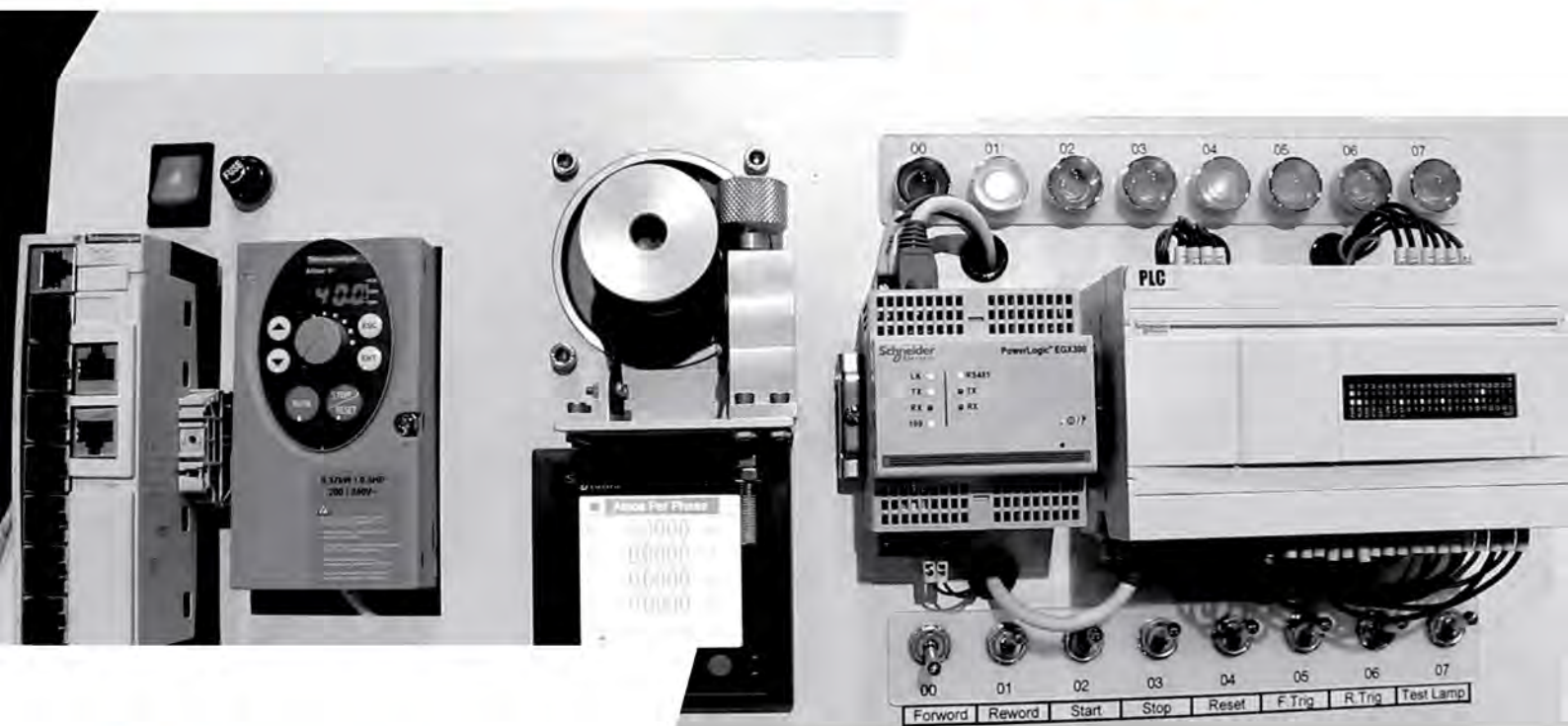
- Handover Ceremony of Bangpakong Combine Cycle Power Plant unit 1 and 2 Project

/// Awards and Certificates

- Received certificate of safe construction from Department of Labor Protection and Welfare, Labor Ministry, from the following projects:
 - 1) Out-Patient Administration and Radiodiagnosis Building, Udon Thani Cancer Hospital
 - 2) ASEAN Dentistry Research Center
 - 3) Bangpakong Combine Cycle Power Plant Block 1 and 2 Project
- Green Industry Level 2 Certificate from Industry Ministry
- Trainee's Diploma of Labor-Skills Examiner
- Signboard for Labor-Skills Test Center



Competition and Industrial Trend



/// Industrial Trend

Switchboards are considered main gateways to control and distribute electrical power to consumers' equipment. As an essential device for every consumption, switchboards are installed in residences, commercial buildings, office buildings, factories, power plants, etc. The growth of Thailand's business, volume of usage, individual or government investment, and industry growth fundamentally affecting the business engagement of the Company.

It is reported by power generation development plan of Thailand that overall power consumption has been affected by national business expansion which raises infrastructure construction and ASEAN community participation.

Power Generation Plan during 2015-2036

- Generation Efficiency as of December, 2014	37,612 mega Watts
- Power Generation during 2015-2036	57,459 mega Watts
- Deposition Power Generation during 2015-2036	-24,736 mega Watts
- Overall Estimated at 2036-year end	70,335 mega Watts

Ref: Thailand's Power Development Plan during 2015-2036 (PDP2015) by Energy Policy and Planning Office.

In 2015, the Company's turnover was dramatically increased as per the growth of industry that requires much electrical power, for instance, data center, power plant, and mass transportation.

// Competition

Since switchboard is essential equipment for all type of power users, the competitors in the market range from small entrepreneurs who offer small switchboard for small electrical system to multinational companies that offer all types of electrical equipment, including type-tested switchboards for large-scale electrical systems.

Therefore, major competitors of the company are switchboard manufacturers that are the distributors of multinational companies and use their equipment as main components of the switchboard. The company and its competitors are able to manufacture and distribute switchboard from small-sized switchboards to type-tested switchboards licensed from abroad. Mostly, the international distributors in Thailand have not owned a factory. When there is an order, they will hire the partnership to produce and sell. Major competitors are listed below.

Company's Name	Brand of main equipment	Capital of 31/12/14 (million baht)	Total Income (million baht)			Net profit (million baht)		
			2012	2013	2014	2012	2013	2014
Asefa Co.,Ltd	Schneider Electric	400.00	1,539.67	1,863.85	1,650.63	137.75	189.45	118.08
TIC Modular System Co.,Ltd.	Moeller	50.00	778.89	708.70	849.66	4.60	8.96	11.34
PMK Industry Co.,Ltd.	ABB	50.00	535.59	491.99	584.20	21.20	20.23	27.44
E.S. International (1991) Co.,Ltd.	Siemens	8.00	264.43	287.55	275.90	15.47	15.90	11.67
U-SMD Co.,Ltd.	Schneider Electric	22.50	171.50	201.18	240.95	-4.62	0.06	1.87

Source: BOL, Company Executives

Since the Company has various products that can serve customers' needs and provide other services, it especially prepares five models of type-tested switchboards both for medium voltage and low voltage usage to support the customers' needs aside a variety of equipment. Besides, the Company designs, manufactures, and distributes its own brand switchboards and equipment as well as services that include Integrated Engineering Services and After Sales Services. Thus, the Company holds good relationship with the customers and suppliers to create advantage when in competition.

Risk Factors



1. Risk from Relying on Major Suppliers

The Company's switchboard parts and equipment are purchased from Schneider (Thailand) Co., Ltd. (Schneider Thailand), a subsidiary of Schneider Electric Industries SA from France, a world-leading electrical distribution system company. In 2013- 2015, the Company purchased 52.65%, 49.22%, and 44.60% respectively of its total procurement from Schneider Thailand, so that the Company holds risk from this dependence. If there is a termination of distribution, serious negative result can majorly affect the Company.

However, the Company has obtained a good relationship with Schneider (Thailand) for a long time, with a good partnership that always keeps up the priority to Schneider (Thailand) products and equipment as the main components of its switchboards and increases sales order continuously. As a result, the chance of being revoked the distribution from Schneider (Thailand) is minimal. If it was revoked, the Company could source products from other manufacturers.

2. Risk from Termination of License Agreement from Schneider Electric SA (Schneider Electric)

The Company has been granted licenses from Schneider Electric to manufacture type-tested switchboard that are IEC standard qualified including Nex 17.5, NEX 24, Blokset and Biosco, and revenue from the products, from 2013- 2015, were 20.49%, 20.86%, and 16.81% from total sales of the Company respectively. Type-tested switchboard income shall be lost if Schneider Electric terminates the licenses.

However, the Company has been a good business partner with Schneider Electric, granted Blokset since 2004 along with both purchasing and selling products and equipment from and to Schneider (Thailand) which makes Schneider (Thailand) have products to support their customers. The risk from agreement termination from Schneider Electric is very low.

3. Risk from the Presence of International Manufacturers

It is not difficult for overseas manufactures to enter Thailand's switchboard market, since they have high technology in productivity as well as large capital, and this causes risks to the Company.

However, those overseas manufacturers have no factory, yet switchboard business in Thailand requires other important factors such as relationships with contractors, pre sales and after sales service, and standards and regulations that are barriers to entry for those manufacturers from abroad. On the other hand, the Company has been in Thailand's switchboard market for a long time, has built relationship with customers, which are general contractor and M&E contractors, and understands standards and regulations. Therefore, the Company can serve the diverse requirements of each customer. Also, both before and after sales services which are continually, notable projects and buildings have trusted the Company's switchboard design, and moreover, the Company provides products to support electrical distribution equipment from plant connector or transformers to domestic switchboards.

4. Risk from Fluctuations in Copper Price

Copper bars or bus bars, besides of other electrical equipment, are one of the main parts of switchboards. The bars are made from copper flat bars and replace cords in a big-sized switchboard for better conductivity. Therefore, copper price fluctuation according to demand and supply in international market brings effect to the cost of productivity. If the price increases, the profitability of the Company shall decrease.

In order to prevent the fluctuation, the Company makes purchasing in prior by receiving daily price from a supplier. After price analysis with marketing condition, price trends, in-hand amount, and workloads, the purchasing then shall be done. This policy has made the Company's copper cost lower than the market price. From 2014 -2015, the average cost of copper was at 263.48 and 229.98 Baht per kilogram respectively while average prices from suppliers at the purchase date are 272.56 and 236.54 Baht per kilogram orderly

5. Risk from Investment in Bang Pakong Combined Cycle Power Plant

The Company set up Asefa Suntech Joint Venture in October 2014 to bid in Bang Pakong Combined Cycle Power Plant unit 1 and unit 2 with demolition from Electricity Generating Authority of Thailand (EGAT) and won the bid in December 2014, while the Company was not much familiar to manage. If the joint venture could not sell disposed materials and equipment at the expected price, the Company's operation would be affected. Moreover, the Company loaned from funding institutes and financed the project through the joint venture. If the project did not meet the plan and the projection within December 22nd, 2015, the Company would be responsible for the loan. Additionally, if the Joint Venture could not return the area within the specified date in the contract, the joint venture would be penalized daily by 0.1 percent of the contract price (Baht 295,000 per day) while the maximum penalty will not exceed 20 percent of the contract price or Baht 59 million.

However, before the venture agreement, the Company had studied the possibility thoroughly, and also Suntech Engineering Co., Ltd. was highly experienced in power plant construction. The Company had surveyed the possibility of scrap sales and the expected price. Such risk from the price was limited. It was predicted that the joint venture could pay back to the company as planned, so the company could repay to the financial institutes consecutively. If the venture failed to pay, the Company could alert Suntech by referring additional article in the contract which stated that all profit and load of debts are shared by both parties. Meanwhile, the joint venture accomplished the demolition action plan and motivated the plan month by month until December 9th, 2015, the completion of the project was submitted to EGAT's committee of approval. Asefa Suntech Joint Venture still have metal and equipment scraps to finish by selling.

Besides, the Company believes the power plant project investment is a business expansion and has raised experiences in electrical system project to the Company, so that in the future, the Company shall have more business channels as well as more opportunity.

6. Risk from Relying on Personnel (Engineers)

Since the core business of the Company is design and assembly of switchboard from the various characteristics and various requirements of the customer (Customized products), the Company requires personnel, mostly engineers, who have knowledge and experience in switchboards both in sales and design. If the Company could not retain the group of engineers, it shall affect the marketing competency of the Company and the product delivery to customers.

Nonetheless, the Company has separated tasks by which the engineers are responsible from several departments to avoid the risk from engineer turnover. Moreover, the Company also provides compensation, benefits and promotion to retain the personnel with the Company. As well, the Company issues personnel development policy in order to increase ability and quality of the personnel including training, knowledge support, and other activities. During 2013-2015, 6.14, 6.67, and 5.15 percent of engineer resignation records are reported respectively, and it indicates that most of the Company's engineers are kept annually and substitution is much efficient.

7. Risk from Management of Major Shareholder

The Company's key management is Mr. Phaiboon Ungkanakornkul who has experience in switchboard industry more than 25 years, has knowledge and expertise in switchboard business and also has good relationship with customers and suppliers in both domestic and international level for a long time. As a result, the Company has a risk from relying on the key management.

However, the fact that Mr. Phaiboon Ungkanakornkul is the co-founder and major shareholder who holds 36.36% of paid-in registered capital of the Company will be the motivation for him to continuously manage the Company. Also, the Company still trains staff and managers to assist the management in every section of works.



Major Changes and Developments

- /// 1997**
 - Registered under the name “Asefa Company Limited”.
 - Started the operation in switchboard business at Rama III (in two-room commercial building).

- /// 2000**
 - Added 2.50 million Baht registered capital to the previous 1.00 million Baht capital —3.50 million Baht in total—by issuing 25,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Moved from Rama III to Suksawat with the utility space of 3,869 sq.m., which was able to support more demands from the market.

- /// 2001**
 - Rented the additional factory in Samutsakorn Industrial Estate that contained 11,420 sq.m. of utility area to manufacture high-quality metal works for switchboard components and metal trunking, instead of purchasing from other factories.

- /// 2003**
 - Added 11.50 million Baht registered capital to the previous 3.50 million Baht capital —15.00 million Baht in total—by issuing 115,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Received ISO 9001: 2000 certification by Bureau Veritas Quality Internal (BVQI).
 - Deactivated Rama III factory.

- /// 2004**
 - Added 15.00 million Baht registered capital to the previous 15.00 million Baht capital —30.00 million Baht in total—by issuing 150,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Obtained license from Schneider Electric Industries S.A., France, in manufacturing low-pressure type-tested switchboard—BLOKSET— guaranteed by the standard of imported products.

- /// 2005**
 - Added 20.00 million Baht registered capital to the previous 30.00 million Baht capital —50.00 million Baht in total—by issuing 200,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Obtained license from Schneider Electric Industries S.A., France, in manufacturing medium-pressure type-tested switchboards, NEX 17.5 kV and NEX 24 kV, guaranteed by the standard of imported products.

- 
- /// 2006**
- Added 30.00 million Baht registered capital to the previous 50.00 million Baht capital —80.00 million Baht in total—by issuing 300,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
- /// 2007**
- Rented the third factory in Bangkhunthien with 2,976 sq.m. of utility area for increasing switchboard production capacity.
 - Added 80.00 million Baht registered capital to the previous 80.00 million Baht capital —160.00 million Baht in total—by issuing 800,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Restructured the Company by purchasing shares of similar businesses from the major shareholders, including 93.11 % shares of Varitek Co., Ltd. (VRT), the electrical equipment distributor, and 89.99 % of Lighting Mart Co., Ltd. (LTM), the electric lamp company.
- /// 2008**
- Bought a land with 38,108 sq.m. area including factory houses and offices located on Rama II Rd., Khok-Krabue, Samutsakhon and renovated into the new factory.
 - Obtained license from Schneider Electric Industries S.A., France to assemble a type-tested Prefabricated Substation BIOSCO, guaranteed by the standard of imported products.
- /// 2010**
- Received ISO 9001: 2008 certification by Bureau Veritas Quality Internal (BVQI).
 - Activated switchboard manufacturing at Rama II factory on the 7,912 sq.m. utility area, and deactivated three factories at Suksawat, Samutsakorn industrial estate, and Bangkhuntien.
 - Rented an additional 2,400 sq.m. factory at Bangbon, 1,473 sq.m. of which was assigned for metal works including metal trunking and small switchboard structure.
 - Awarded the Most Forward Looking Manufacturer of Electrical Products in Thailand by ASEAN Federation of Engineering Organization at Hanoi, Vietnam.
 - Purchased additional shares from LTM original shareholders which increased the Company's shareholder equity ratio from 89.99% to 94.99%
- /// 2011**
- Expanded the business towards After Sales Services.
- /// 2012**
- Expanded the business towards Integrated Engineering Services.
 - Purchased additional shares from VRT original shareholders which increased the Company's shareholder equity ratio from 93.11% to 99.99%.

- /// **2013**
 - Added 170.00 million Baht registered capital to the previous 160.00 million Baht capital —330.00 million Baht in total—by issuing 1,700,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
 - Obtained license from SOCOMEC S.A., France to assemble Automatic Transfer Switch - By Pass (ATS), a type-tested switchboard that can automatically receive current from the main generator or backup unit, guaranteed by the standard of imported products.

- /// **2014**
 - Constructed the additional factory buildings including offices, factory houses, warehouses, and a recreation center on Rama II area with 6,552 sq.m. utility area.
 - Built a new 364 sq.m. canteen.
 - Bought neighboring land around the Rama II factory, in the amount of 34120 sq.m., to support future expansion.
 - Restructured the Company group by transferring the subsidiaries including Varitek and Lighting Mart to the Company.
 - Set up Asefa Suntech Joint Venture with Suntech Engineering Co., Ltd.—in which Asefa held 50.00 % of shares (profit distribution ratio)—in bidding the demolition plan of Bang Pakong Combined Cycle Power Plant Unit 1 and Unit 2 from Electricity Generating Authority of Thailand (EGAT), with scraps and equipment being allowed for sales. The project to demolish and gentrify the area was due to EGAT by December 22nd, 2015.
 - Added 70.00 million Baht registered capital to the previous 330.00 million Baht capital —400.00 million Baht in total—by issuing 700,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.

- /// **2015**
 - In the 2015 Annual Meeting of Ordinary Shareholders on March 17th, 2015 the following decisions had been made.
 - Converted to Public Company Limited
 - Changed the fixed value from 100 Baht to 1.00 Baht per share.
 - Added 150.00 million Baht registered capital to the previous 400.00 million Baht capital —550.00 million Baht in total—by issuing 150 million ordinary shares, valued 1 Baht each, to the original shareholders as working capital. The details are as follows:
 - (1) 140 million of increased ordinary shares were offered to the public.
 - (2) 10 million of increased ordinary shares were offered to the directors and employees of the Company and/or subsidiaries.

In the case that shares were left over from the offer made to directors and employees mentioned in (2), the rest of the ordinary shares would be offered to the public in (1).

- The Company registered to Stock Exchange of Thailand in Industrial Group, Industrial Material and Machinery Sector, and the company's securities were primarily listed in the stock market on August 5th, 2015.



Major Shareholders



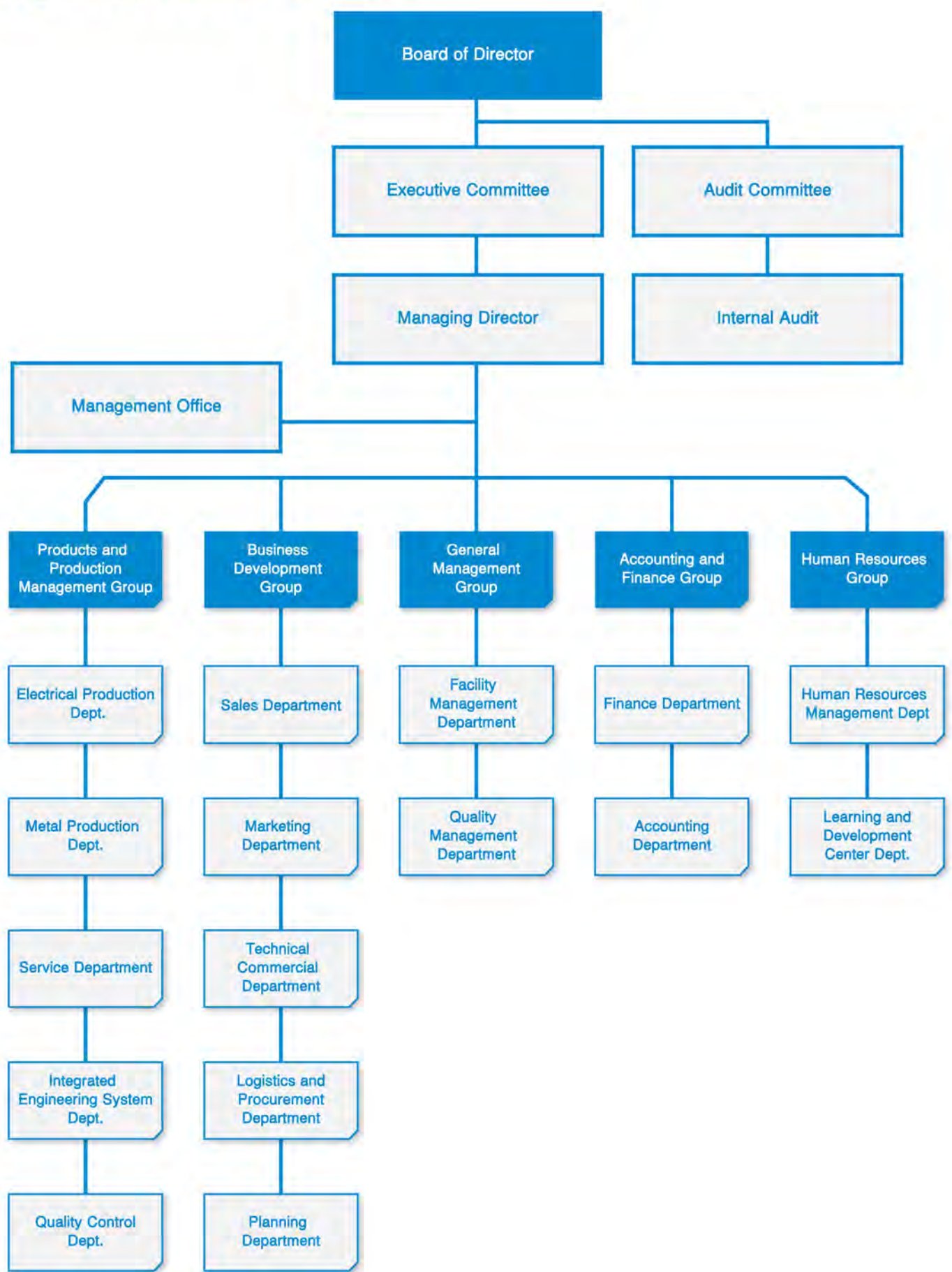
/// Top 10 major shareholders of December 30th, 2015

Item	Shareholders	Number of shares hold	Percentage
1	Ungkanakornkul Group		
1.1	Mr. Phaiboon Ungkanakornkul	173,560,000	31.56
1.2	Ms. Wantana Thanwiset*	26,440,000	4.81
1.3	Ms. Pornthip Ungkanakornkul	19,404,200	3.53
1.4	Ms. Pornsuda Ungkanakornkul	190,200	0.03
	Total shares held by Ungkanakornkul Group	219,594,400	39.93
2	Mr. Pornchai Uraisin	59,300,000	10.78
3	Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78
4	Mr. Chairat Tangtivaja	59,280,000	10.78
5	Mr. Alongkorn Jai-imsin	7,000,000	1.27
6	Mr. Supharoj Rojveera	4,000,000	0.73
7	Mr. Omaraj Youngcharoen	2,750,000	0.50
8	Mr. Pichit Chinwitthayakul	2,600,000	0.47
9	Mr. Punnaphop Atthachaipanich	2,300,000	0.42
10	Mrs. Worraphan Juengsupphaisal	2,200,000	0.40
	Total	418,304,400	76.06

Source: The Thailand Securities Depository Co., Ltd.

* Ms. Wantana Thanwiset is Mr. Phaiboon Ungkanakornkul's wife.

Organization Chart



Management Structure

The Company's management structure consists of 4 groups of committee: the Board of directors, the Audit Committee, the Board of Management and Management. The names are listed by the duty as following.

Board of Director

The Board of Director consists of the following 7 directors:

Name	Position
1. Mr. Soracit Phungsuk	Chairman / Independent Director
2. Mr. Phaiboon Ungkanakornkul	Director
3. Mr. Chairat Tangtivaja	Director
4. Mr. Sa-Ngeam Klomchitcharoen	Director
5. Mr. Pornchai Uraisin	Director
6. Asst. Prof. Prasit Pittayapat	Independent Director
7. Mr. Suphan Settapanich	Independent Director

Mr. Pichai Panchan is a Company Secretary.

Authorized Directors

Directors authorized to sign in binding the company consist of Mr. Phaiboon Ungkanakornkul, Mr. Sa-Ngeam Klomchitcharoen and Mr. Chairat Tangtivaja. Any two out of these three Directors shall commonly sign and affix the Company's common seal.

Board of Director's meeting

Name	Attended (Times)	
	2014	2015
1. Mr. Soracit Phungsuk	4/4	6/6
2. Mr. Phaiboon Ungkanakornkul	4/4	6/6
3. Mr. Chairat Tangtivaja	4/4	6/6
4. Mr. Sa-Ngeam Klomchitcharoen	4/4	6/6
5. Mr. Pornchai Uraisin	4/4	6/6
6. Asst. Prof. Prasit Pittayapat	4/4	6/6
7. Mr. Suphan Settapanich	4/4	6/6

The Audit Committee

The Audit Committee consists of the following 3 directors:

Name	Position
1. Mr. Soracit Phungsuk	Chairman
2. Asst. Prof. Prasit Pittayapat	Audit Committee
3. Mr. Suphan Settapanich *	Audit Committee

Remark: * Mr. Suphan Settapanich has the knowledge and experience in accounting and finance to serve and verify the reliability of the financial statement of the Company. Mr. Pichai Panchan is a Secretary to the Audit Committee.

The Audit Committee's meeting

Name	Attended (Times)	
	2014	2015
1. Mr. Soracit Phungsuk	4/4	4/4
2. Asst. Prof. Prasit Pittayapat	4/4	4/4
3. Mr. Suphan Settapanich	4/4	4/4

Board of Management

The Board of Management consists of the following 8 directors:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Chairman
2. Mr. Uton Srathong	Director
3. Mr. Boontherd Thongsamrit	Director
4. Mr. Burin Phraemongkol	Director
5. Mr. Choosak Sukhathammoo	Director
6. Mr. Phut Rueangthieng	Director
7. Mr. Nopporn Sornsom	Director
8. Mr. Sanya Chindaphan	Director

Ms. Chamamas Promsakul is a Secretary to Board of Management.

Management

The Management consists of the following 8 directors:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Managing Director
2. Mr. Uton Srathong	Asst. Managing Director
3. Mr. Boontherd Thongsamrit	Asst. Managing Director - Electrical Production Dept.
4. Mr. Burin Phraemongkol	Senior Department Manager - Planning Dept.
5. Mr. Choosak Sukhathammoo	Senior Department Manager - Sales & Marketing Dept.
6. Mr. Phut Rueangthieng	Senior Department Manager - Metal Production Dept.
7. Mr. Nopporn Sornsom	Senior Department Manager - HR Management Dept.
8. Mr. Sanya Chindaphan	Department Manager - Accounting Dept.

The Company Secretary

The Company's board of directors passed a resolution for the appointment of Mr.Pichai Panchan, a person possessing knowledge and ability who has passed training courses in relation to the performance of the duties of company secretaries from Thai Institute of Directors Association (IOD), to serve as the Company Secretary in compliance with Section 89/15 of the Securities and Exchange Act of B.E. 2535 (1992), revised with the Securities Exchange Commission Act (No.4) of B.E. 2551 (2008). The duties and responsibilities of the Corporate Secretary are as follows:

1. Supervise and advise the Board and Management on compliance with legal requirements, rules and regulations of the company, and monitor the implementation properly and consistently.
2. Make arrangements for meetings of the board of directors and shareholders, including operating for performance to resolution and coordinating to perform meeting resolutions.
3. Observe and make arrangements for the disclosure of information and information technology reports according to criteria and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand, including laws related.
4. Preparation and storage of the document as follows;
 - 4.1 Director's Registration
 - 4.2 Meeting invitations of the board of director and minutes to the meetings.
 - 4.3 Meeting invitations of shareholders and minutes to the meetings.
 - 4.4 Annual Report
 - 4.5 Reports direct and executive stakeholders.

Brief Background of Company Secretary

Mr. Pichai Panchan

Master Degree of Management, Kasetsart University

Bachelor of Account, Dhurakij Pundit University

Qualifications: Ability to coordinate tasks, summarize topics and arrange minutes to meetings; competent work performance, good skill in interpersonal relationships, communications techniques and strategic planning.

Trained the Company Secretary from Thai Institute of Directors Association (IOD) or independent organization that has credibility.

Responsibilities of the Board of Directors

1. Board of Directors Structure

The company's board of directors consists of experts with knowledge and experience in management positions in the organization, so that they can bring experience ability to develop policy and business direction effectively of the Company. That is the benefits to the Company and shareholders. The Board of Directors must set direction for the Company, the Company's policy, business plan and along with monitoring and supervision.

The Board of Directors comprised of independent directors in more than one third of the total directors. The Company currently has a total of 7 directors, 1 executive director and 6 non executive directors (including audit committee 3 people). In addition, the Board of Directors also appointed committees to assist in the governance of the company as below:

- 1.1 The Board of Management consists of 8 directors for setting the proposal of goals, policies, business plans, including the company's business strategies according to the board of director's policy.
- 1.2 The Audit Committee consists of 3 directors to perform specific and submitted to the Board of Directors to acknowledge. The Audit Committee has rights and duties as set out in the authority of the Audit Committee. The Audit Committee of at least one person must have knowledge and experience in accounting, sufficient to serve on the review of the reliability of the financial statements of the Company.

The Board of Directors's policy sets that the Chairman and the Managing Director must not be the same person, to achieve clarity on the responsibilities between policy, governance and management. The company has divided the roles and responsibilities between the Board of Directors and the Executive Management. The Board of Directors is responsible for policy and oversight of the executive. And the executive management of the Company responds to act in order to comply with the policy. In order to prevent arbitrary, the company has clearly defined a scope of authority in the operations of the company (Authority Table).

The Board of Directors appoints the Company Secretary to respond as detailed in 10.4, following the Securities and Exchange Act B.E.2535

2. Role and responsibilities of the Board of Directors

The Company set the board of directors to follow the best practices for listed companies. (Code of Best Practices) as the guideline of The Stock Exchange of Thailand. The Board of Director must understand and be aware of their roles and responsibilities according to the law and the Articles of Association of the Company, as well as the resolutions of the shareholders' meeting with integrity, taking into account the interests of the Company and shareholders. The board of director must set direction for the company, the company's policy, business plan and along with monitoring and supervision

Conflict of interest's policy

The Company has set forth measures for entering into related transactions between the Company and persons with potential conflicts of interest that the Stakeholders in the matter will not be able to take part in the approval of such transactions.

The Board of Directors must ensure that the Company complies with laws and regulations of the Securities and Exchange Commission and announced the order or the requirements of the Capital Market Commission and the Stock Exchange of Thailand, as well as complying to the requirements on disclosure of related party transactions and the acquisition or disposal of major assets of the company, including compliance with accounting standards set by the Association of Accountants.

The Company will provide the Audit Committee or auditors to offer opinions regarding the necessity of entry into related transactions, the reasons for the related transactions and the suitability of fees for related transactions and disclosing related transactions in remarks accompanying budgets which have been audited or reviewed by the Company's auditors by Form 56-1 (Form 56-1) and the annual report (Form 56-2)

Internal Control System

The Company recognizes the importance of internal controls for both the executive and operational levels; it has the power to determine the scope and was clearly written. There is a control to use the property to benefit the most, separating the responsibility for the approval the accounting records and information and storage assets apart. To achieve a balance and check each other appropriately, it also has internal controls on financial systems. The Company provided financial reports presented to the administrative lines of responsibility. The Internal Audit Department is responsible for monitoring the internal control system and reports directly to the Audit Committee.

The Company is targeting the business and measurable operation. The executive management will compare actual performance against targets set out on a monthly basis. There will be an assessment of the risks that come from both outside and inside that are found in the operation, an analysis of the causal factors and measures of an event that causes the risk factors, including measures to reduce risk, also assignment to the relevant authorities to continue the progress and report to the Committee.

3. Board of Director's meeting

The board of directors must arrange a meeting of the company's board of directors at least every three months and may be additional meetings as necessary. Each meeting has clearly set the agenda and sends a meeting invitation with the details 7 days prior to the Board of Directors for studying the information before the meeting, including taking a minute and keeping a report for checking.

4. Remuneration for Directors and the Management

The Company has set a Remuneration for Committee and an executive management at an appropriate level and the rate is sufficient for the treatment and management of quality without paying more than they should. And the rate can compare to the other companies in the same industry. Factors to be considered in the remuneration include experience, extent of the role and responsibilities. The remuneration of Committee shall be considered by a meeting of shareholders of the Company. Remuneration of executives management is according to the principles and policies set by the Board of Directors, which is determined by obligations, responsibilities, performance of each person and the results of operations of the Company.

5. Development of Directors and Executives Management

The Board of Directors is dedicated to promoting and facilitating the training about corporate governance to the Director, Audit committee, Executive Management and Company Secretary to provide continuous operational improvements, including the course of the Institute of Directors of Thailand (Thai Institute of Directors Association: IOD).

Committee

The management structure of the Company consists of the Board of Directors and another two sets of the committee — Audit Committee and Executive Management Committee. The Board of Directors, Audit Committee and Executive Management Committee have qualified under Section 68 of the Securities and Exchange Act B.E. 2535 and the Regulation of the Capital Market Authority. The authority and responsibility of committees are as follows:

Duties and Scope of Authority of Board of Directors

1. The Board of Directors has the authority, duty and responsibility of managing the Company according to the Company's bylaws, objectives and regulations, including legal resolutions by the meeting of shareholders with integrity and must maintain the Company's interests.
2. The Board of Directors must arrange the Company's balance sheets and profit-loss statements at the end of the Company's accounting cycle, which must be audited by an auditor and presented to the meeting of shareholders for consideration and approval.
3. The Board of Directors must set the company's goals, guidelines, policies, business plans and budgets along with monitoring and supervision, so the administration and management of executives concur with work planning policies and setting budgets.
4. The Board of Directors must consider reviews, audits and approvals of policy, strategy, business operators proposed by the executives.
5. The Board of Directors must consider designating executive structures with authority to appoint the Board of Management, Managing Director and other sub-committees as fitting, including setting scope of duties of the Board of Management, Managing Director, other sub-committees.

Authorizations according to the designated scopes of authority and duty must not have characteristics that allow the Board of Management, Managing Director and various sub-committees to be able to consider and approve transactions with potential conflicts of interest or conflicts of any other interests with the Company or its subsidiaries (if any), except for approval of transactions in line with policies and criteria considered and approved by the Board of Directors.

6. The Board of Directors may authorize a director, several directors, or any other persons to perform any action on behalf of the Board of Directors under the control of the Board of Directors, or the Board of Directors may authorize the aforementioned persons to have authority as deemed necessary by the Board of Directors within the period of time the Board of Directors sees fitting. The Board of Directors may cancel, withdraw, change or revise authorizations as deemed necessary.

Authorizations must not have characteristics of allowing the aforementioned persons to consider and approve of transactions in which they or other persons with potential conflicts of interests as stakeholders or other potential conflicts of interest with the Company or its subsidiaries (if any), according to announcements by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcements by related agencies, except for approval of transactions in line with policies and criteria considered and approved by the Board of Directors.

Duties and Scope of Authority of the Audit Committee

1. To review the accuracy and sufficiency of the Company's financial reports.
2. To review the suitability and effectiveness of the Company's internal control systems and internal audits, and to consider the independency of the internal audit agency, and to approve consideration of the appointment, transfer, termination of the head of internal audit or any other agencies responsible for internal audits.
3. To audit the Company's compliance with the laws governing securities and exchange markets, the specifications set forth by the Stock Exchange of Thailand, and the laws related to the company business.
4. To consider, select and propose the appointment of independent individuals in order to serve as the company's auditors, to propose remuneration for the aforementioned persons, and to attend meetings with the auditors without the management at least once a year.
5. To consider related transactions or transactions with potential conflicts of interest for compliance with the laws and regulations of the stock market in order to ensure that the aforementioned transactions are reasonable and in the company's optimal interests.
6. To prepare the Audit Committee reports for dissemination in the company's annual report. The aforementioned reports must be signed by the chairman of the Audit Committee and must contain the following minimum information:

- (a) Opinions on the accuracy, completeness and credibility of the company's financial report.
 - (b) Opinions on sufficiency of the company's internal control system.
 - (c) Opinions on legal compliance on securities and exchange, and securities market regulations or laws related to the company's business.
 - (d) Opinions on auditor's suitability.
 - (e) Opinion on potential conflict of interest transactions.
 - (f) Number of the Audit Committee's meetings and meeting attendance by each audit director.
 - (g) Overall opinion or observation received by the Audit Committee on execution of duty in line with charter.
 - (h) Other transactions that should be known by shareholders and general investors with the scope of the duties and responsibilities set forth by Board of Directors.
7. Any other operations assigned by the board of directors with the Audit Committee's approval.

Duties and Scope of Authority of the Board of Management

1. To consider and propose goals, policies, business plans and annual budgets for consideration of approval by the Board of Directors.
2. The Board of Management must supervise in compliance of the company's businesses with policies, work plans and budgets approved by the Board of Directors.
3. Consideration of approval of the Company's regular business transactions with investments or budgets approved by the Company's Board of Directors. The balances for each transaction must be made under authority with the approval of the Board of Directors.
4. To propose Company's structure, authority to administrate the corporation for consideration of approval by the Board of Directors.
5. The Board of Management has the authority to appoint or employ consultants associated with corporate administration for maximum efficiency.
6. The Board of Management must consider the company's profits and losses and propose interim dividend payments or annual dividends for approval from Board of Directors.
7. The Board of Management has the authority to authorize any person or persons to operate under the control of Board of Management or authorize the aforementioned person or persons to have authority as deemed fitting by the executive board of directors within a period of time deemed fitting by the Board of Management. The Board of Management may cancel, withdraw, change, or revise authorized persons or authorizations as deemed necessary.
8. Perform other duties assigned by Board of Directors.

Authorizations of authority, duties and responsibilities by the executive board of directors must not be characteristic of authorizations or temporary authorizations enabling the person or persons authorized by Board of Management to approve of transactions in which that person or other persons have potential conflicts of interest (according to the definitions set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) as stakeholders or with any other conflicts of interest with the company or its subsidiaries and/ or related companies. The Board of Management does not have the authority to approve of actions regarding the aforementioned issues. The aforementioned issues must be presented to the meeting of the board of directors and/or the meeting of shareholders (depending upon the case) for approval, except for approval of transactions under normal business and trade conditions according to the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

Scope of Authority and Duties of the Managing Director

1. Supervise business operations and/or administrate the company's daily work.
2. To prepare and propose of policy, strategy, business operators, budget, investment, Management Structure and rules of business according to economic situation for presentation to Board of Management and request approval from the Board of Directors.
3. Responsible to corporate governance of the implementation and operation of the Company according to policies, work plans and budgets approved by the Board of Directors and/or the Executive Board of Directors, as well as to monitor and evaluate the performance of the Company to comply with the policy and to report the performance of management, including the progress to the Executive Committee, the Audit Committee and the Board of Directors.
4. Consideration of approval of the Company's regular business transactions with investments or budgets approved by Board of Directors, the limit for each item according to the Authority Table that approved by the Board of Directors, but no more than the annual budget approved by the Board of Directors, including the contracts that relating to such matters.

5. To approve the cost of doing business as usual, according to the budget approved by the Board of Directors and in accordance with the Authority Table approved by the Board of Directors.
6. Establish the company's structure, appointment, employment, migration work, assigning payroll, compensation, bonus and lay off employees since the assistant department manager level.
7. Issue orders, regulations, announcement and various records for the company's performance in line with policies in the interests of the Company, including the maintenance of discipline in the corporation.
8. Be able to authorize and/or to assign other persons to perform a particular assignment whereas this authorization has to be within the scope as specified in this copy of document or has to follow regulation, requirements or instruction of Board of Directors and/or to follow the company's requirement.
9. Perform other duties assigned by the Board of Directors or sub-committees.

On any issue where the Managing Director, persons authorized by the Managing Director, or persons with potential conflicts of interest (according to the definitions set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) as stakeholders or other conflicts of interest with the company and/or its subsidiaries and/or affiliated companies, the Managing Director has no authority to approve of the aforementioned issues. The aforementioned issues must be presented to the meeting of the Company's Board of Directors and/or the meeting of shareholders (depending upon the case) in order to request approval, except for approvals of transactions in accordance with the company's regular business and trade conditions as set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

Directors and the Top Management Recruitment and Appointment

Selecting persons to be appointed as directors of the Company through a shareholders' meeting, the Board of Directors will consider the experience of knowledge, skills and qualifications required by law due to the Company having not nominated the committee to select candidates for such positions. Then the meeting of shareholders will elect directors in accordance with the rules and procedures set forth in the Articles of Association.

Board of Directors' composition and appointment

The requirements, nomination, appointment and dismissal of the directors are set out in the Articles of Association, which can be summarized as follows.

1. The Board of Directors shall comprise of not less than 5 directors, provided that at least half (1/2) of the directors shall reside within the Kingdom of Thailand and must qualify under the law.
2. The Annual General Meeting of Shareholders shall be elected of Directors according to the criteria and method for the following:
 - (1) Each shareholder shall have one vote per share.
 - (2) Each shareholder may cast all his/her vote(s) to elect one or several candidates as directors, but could not allot the votes to any person at any number.
 - (3) The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceeds the number of directors the Company required or to be elected at such time, the Chairman of the meeting shall have a second or casting vote.
3. At every Annual General Meeting of Shareholders, one-third of the directors shall retire from the office. If the number of directors is not a multiple of three, then the number of directors nearest to one-third must retire from the office. The directors to retire from office in the first and second years after the registration of the Company shall be determined by drawing lots. After that, the director who has held the office longest shall be the first person to retire. The retired shall be eligible for re-election.
4. Any Director who wishes to resign from office shall submit a resignation letter to the Company. The resignation shall be effective on the date the notice reaches the Company.
5. In the case of any vacancy on the Board of Directors (other than retirement by rotation), the Board of Directors shall elect a person who is qualified and does not possess any prohibited characterization as provided hereunder, to fill in the vacancy. The election shall take place at the subsequent Board of Directors' meeting unless the remaining term of the directorship is less than two months. The replacement director shall retain his/her office as long as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

6. The Shareholders' meeting may resolve to remove any director from the office before the expiration of his/her term of office by rotation. The resolution of such case shall consist of not less than three-fourth votes of shareholders attending the meeting and entitled to vote, and the total number of shares altogether should not be less than half of the total number of shares held by the shareholders attending the meeting.

Independent Directors' composition and appointment

The Board of Directors shall consider the basic features of the person to be appointed as independent directors based on qualification and disqualification of directors under the Public Law on the Securities and Exchange Commission Notification of the Capital Market Commission, including relevant rules, regulations of the Board. The Board of Directors shall consider the independent directors from experience. It will then be proposed to the shareholders' meeting to appoint a director of the Company. The Company has a policy of appointing independent directors, at least one third of the total membership and shall consist of not less than three persons.

Independent Directors' Qualification

1. Holding shares of no more than 1 percent of the total voting shares of the company, parent company, subsidiary company, related company or juristic persons who might have conflict of interest by including the shares held by the related persons.
2. Not a director or used to be a director who has a managing role, an employee, officer or consultant who receives the salary or authorized person of the company who has the influence on parent company, subsidiary company, related company, subsidiary company at the same level or juristic person who might have a conflict of interest unless such person has been released from such status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
3. Not a person who is related by blood or by legal registration as father, mother, spouse, siblings and child including the spouse of the child of the managing executive, major shareholders, authorized controlling persons or those nominated to be managing executives or authorized controlling persons of the company or subsidiary company.
4. Does not have or used to have the business relationship with the Company, parent company, subsidiary company, related company or juristic person who might have the conflict of interest in the way that might obstruct independent decision making. The person is not or used to be a major shareholder, director who is not an independent director, or the management of those who have business relationship with the company, parent company, subsidiary company, related company or juristic person who might have a conflict of interest unless such person has been released from such status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
5. Is not or used to be the auditor of the Company, subsidiary company, related company, or juristic person who might have a conflict of interest and not a major shareholders, director who is not an independent director, the management or audit partner of the company, parent company, subsidiary company, related company or juristic person who might have conflict of interest unless such person has been released from the status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
6. Is not or used to be professional service provider including legal consultant or financial consultant who receives the service fee more than 2 million baht per year from the company, parent company, subsidiary, related company or juristic person who might have a conflict of interest. In the case where the professional is a juristic person, this shall include major shareholders, directors who are not an independent director, the management or managing executive partner of the service providing entity unless such person is no longer in the status for at least 2 years before the application is submitted to Securities and Exchange Commission Thailand.
7. Is not the appointed director who represents the directors of the company, major shareholders or the shareholders who are related to the major shareholders.
8. Does not possess any characters that prevent giving an independent opinion on the operation of the business.

The Audit Committee's composition and appointment

The Board of Directors will appoint an Audit Committee that consists of three members who are the independent directors of the Company and qualified by the law, including the Securities and Exchange Commission regulations and/or regulations of the Stock Exchange of Thailand. In addition, the Audit Committee shall have the following additional features.

1. Not being a director who has been assigned by the Board of Directors to decide on the operation of the Company, subsidiaries, joint venture, subsidiary, company in the same order or entities that may have conflict.
2. Must not be the director of parent company or subsidiary in the same level of the listed company only.
3. Must possess adequate knowledge to be able to perform duties as the Audit Committee. In addition, at least one member of the Audit Committee must have adequate knowledge and experiences to audit credibility of financial statement.

The Audit Committee holds a term of three years.

Supervision of the operations of subsidiary and affiliated companies

The Company aims to invest in companies that engage in business as the core business of the Company or companies with similar or entity that will make the company's turnover or profit increase, also invest in a business that can support the Company's core business to increase the competitiveness of the Company.

The Company will send the directors or executives management who has the qualifications and experience to be represented in the management of subsidiaries and associated companies, to set policies and control the operations of the subsidiary and/or Company. The directors who represent the Company must act in the management of its subsidiaries and/or associates or operating under the Company policy, including the resolution of the Board of Directors and / or the shareholders' meeting, to bring the most benefit and to the sustainable growth of the Company.

The control of internal information

1. Prohibits directors, management and employees of the Company to disclose company secrets and/or internal data to other individuals for personal gain or for the gain of other individuals, whether directly or indirectly, with or without remuneration.
2. Prohibits directors, the management and employees of the Company including their spouse and minor children to use the information that hasn't been disclosed of the Company that has or may have an impact on the price of the securities of the Company, which they purchase, sell, offer to buy or sell, persuade others to buy or sell, offer to buy or sell securities of the Company, whether directly or indirectly, before the data is disclosed to the public, whether the aforementioned actions are for personal gain or the gain of others, or aimed at having the other persons take the aforementioned actions with the benefit of personal gain/remuneration. Any person found in violation will be subjected to penalties according to the disciplinary measures set forth by the Company.
3. Ensures the directors and the management of the Company including their spouse and minor children that they will report the holding of securities and report the changes in the Company's securities holdings to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.2535.
4. The company strictly forbids its directors, management, employees and staff, including the spouses and under-age children of the aforementioned, from trading the Company's shares during a period of one month before the financial statements are disclosed to the public.

The Company will notify the directors, management, employees and staff of the Company that they know about the above terms.

The Board of Directors and Management



/// Board of Directors

- | | |
|----------------------------------|---------------------------------|
| 1. Mr. Soracit Phungsuk | Chairman / Independent Director |
| 2. Mr. Phaiboon Ungkanakornkul | Director |
| 3. Mr. Chairat Tangtivaja | Director |
| 4. Mr. Sa-Ngeam Klomchitcharoen | Director |
| 5. Mr. Pornchai Uraisin | Director |
| 6. Asst. Prof. Prasit Pittayapat | Independent Director |
| 7. Mr. Suphan Settapanich | Independent Director |



/// Board of Management

- | | |
|------------------------------|--|
| 1. Mr. Utorn Srathong | Assistant Managing Director |
| 2. Mr. Boontherd Thongsamrit | Assistant Managing Director |
| 3. Mr. Burin Phraemongkol | Senior Department Manager, Planning Department |
| 4. Mr. Choosak Sukhathammoo | Senior Department Manager, Sales and Marketing Department |
| 5. Mr. Phut Rueangthieng | Senior Department Manager, Metal Production Department |
| 6. Mr. Nopporn Sornsom | Senior Department Manager, Human Resources Management Department |
| 7. Mr. Sanya Chindaphan | Department Manager, Accounting Department |

The Board of Directors and Management



Mr. Soracit Phungsuk

Position (s) - Chairman
- Chairman of the audit Committee
- Independent Director

Age 68
Education

Bachelor of Electrical Engineer (Power),
Far Eastern University, Philippines
Directors Accreditation Program (DAP)
68/2008

Percentage of shareholding in the Company 0.11
The number of listed companies in which the director has a position 1
The number of non-listed companies in which the director has a position 1
Work experience in the last 5 years

2007-Present	Chairman	Asefa PLC.
2000-Present	Chairman	Sunco Engineering Co., Ltd.



Mr. Phaiboon Ungkanakornkul

Position (s) - Director
- Chairman of the Executive Board
- Managing Director

Age 48
Education

M.B.A., Kasetsart University
Bachelor of Industrial Technology Program in Industrial Electricity,
King Mongkut's University of Technology North Bangkok
Directors Accreditation Program (DAP)
67/2007

Percentage of shareholding in the Company 31.56
The number of listed companies in which the director has a position 1
The number of non-listed companies in which the director has a position 3
Work experience in the last 5 years

1997-Present	Chairman / Chairman of the Executive Board / Managing Director	Asefa PLC.
1999-Present	Director	Varitek Co., Ltd.
2006-2015	Director	Lighting Mart Co., Ltd.
2005-2015	Director	Fireman Corporation Co., Ltd.



Mr. Chairat Tangtivateja

Position (s) - Director

Age 51
Education

Bachelor of Engineering (Electrical Engineering),
King Mongkut's Institute of Technology Ladkrabang
Directors Accreditation Program (DAP)
67/2007

Percentage of shareholding in the Company 10.78
The number of listed companies in which the director has a position 1
The number of non-listed companies in which the director has a position 4
Work experience in the last 5 years

1997-Present	Director	Asefa PLC.
1999-Present	Director	Varitek Co., Ltd.
2005-Present	Director	Fireman Corporation Co., Ltd.
1995-Present	Director	Enginar Co., Ltd.
2006-2015	Director	Lighting Mart Co., Ltd.



Mr. Sa-Ngeam Klomchitcharoen

Age

Education

Position (s) - Director

49

Bachelor of Engineering (Electrical Engineering),
King Mongkut's University of Technology Thonburi
Directors Accreditation Program (DAP)
67/2007

Percentage of shareholding in the Company

10.78

The number of listed companies in which the director has a position

1

The number of non-listed companies in which the director has a position

4

Work experience in the last 5 years

1997-Present	Director	Asefa PLC.
2005-Present	Director	Fireman Corporation Co., Ltd.
1999-Present	Director	Varitek Co., Ltd.
1995-Present	Director	Enginar Co., Ltd.
2006-2015	Director	Lighting Mart Co., Ltd.



Mr. Pornchai Uraisin

Age

Education

Position (s) - Director

52

Bachelor of Engineering (Electrical Engineering),
King Mongkut's University of Technology Thonburi
Directors Accreditation Program (DAP)
68/2008

Percentage of shareholding in the Company

10.79

The number of listed companies in which the director has a position

1

The number of non-listed companies in which the director has a position

None

Work experience in the last 5 years

1997-Present	Director	Asefa PLC.
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Asst. Prof. Prasit Pittayapat

Age

Education

Position (s) - Audit Committee
- Independent Director

74

Master Degree of Engineering,
Chulalongkorn University
Bachelor of Engineering,
University of New South Wales, Australia
Directors Accreditation Program (DAP)
68/2008

Percentage of shareholding in the Company

0.08

The number of listed companies in which the director has a position

1

The number of non-listed companies in which the director has a position

2

Work experience in the last 5 years

2007-Present	Audit Committee	Asefa PLC.
2011-Present	Chairman	PP&P Design Co., Ltd.
1968-Present	Chairman	Multi System Engineering Co., Ltd.



Mr. Suphan Settapanich

Age
Education

Position (s) - Audit Committee
- Independent Director

44
Master Degree of International Finance,
Westminster University, United Kingdom
Bachelor of Finance,
Assumption University
Directors Accreditation Program (DAP)
68/2008

None

1

2

2007-Present	Audit Committee	Asefa PLC.
2014-Present	Director	WCI Holding Co., Ltd.
2014-Present	Director	Wuttisak Clinic Intergroup Co., Ltd.
2012-Present	Managing Director	Solaris Asset Management Co., Ltd.
2011-2012	Senior Director	OSK Asset Management Co., Ltd.
2008-2011	Managing Director	United Asset Management Co., Ltd.

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years



Mr. Utorn Srathong

Age
Education

Position (s) - Assistant Managing Director

50
M.B.A., Kasembundit University
Bachelor of Engineering (Industrial Engineering),
King Mongkut's University of Technology North Bangkok

0.04

None

None

2015-Present	Assistant Managing Director	Asefa PLC.
2013-2015	Department Manager, Building Management Department	Asefa Co., Ltd.
2011-2013	Human Resource Manager	Asefa Co., Ltd.

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years



Mr. Boontherd Thongsamrit

Age
Education

Position (s) - Assistant Managing Director

46
Bachelor of Industrial Technology,
Program in Mechanical Technology, Siam University

0.04

None

None

2015-Present	Assistant Managing Director	Asefa PLC.
2013-2015	Department Manager, Electrical Production Department	Asefa Co., Ltd.
2010-2013	Department Manager, Electrical Production Department	Asefa Co., Ltd.

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years



Mr. Burin Phraemongkol

Age

Education

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years

Position (s) - Senior Department Manager, Planning Department

Bachelor of Business Administration (Industrial Management),
University of the Thai Chamber of Commerce

0.04

None

None

2015-Present	Senior Department Manager, Planning Department	Asefa PLC.
2013-2015	Department Manager, Planning Department	Asefa Co., Ltd.
2010-2013	Planning Department Manager	Asefa Co., Ltd.



Mr. Choosak Sukhathammoo

Age

Education

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years

Position (s) - Senior Department Manager,
Sales and Marketing Department

49

Bachelor of Marketing, Bangkok University

0.04

None

None

2015-Present	Senior Department Manager, Sales Department	Asefa PLC.
2013-2015	Department Manager, Sales Department	Asefa Co., Ltd.
2010-2013	Advisor, Sales and Marketing Department	Asefa Co., Ltd.



Mr. Phut Rueangthieng

Age

Education

Percentage of shareholding in the Company

The number of listed companies in which the director has a position

The number of non-listed companies in which the director has a position

Work experience in the last 5 years

Position (s) - Senior Department Manager,
Metal Production Department

47

Senior High School, Sukhothai Wittayakom School

0.04

None

None

2015-Present	Senior Department Manager, Metal Production Department	Asefa PLC.
2013-2015	Department manager, Metal Production Department	Asefa Co., Ltd.
2011-2013	Metal Production Department Manager	Asefa Co., Ltd.
2001-2010	Division Manager, Metal Production Department	Asefa Co., Ltd.



Mr. Nopporn Sornsom

Age
Education

Position (s) – Senior Department Manager,
Human Resources Management Department

47

Master Degree of Human Resource and Organization Development,
National Institute of Development Administration
Bachelor of Health and Physical Education,
Chulalongkorn University

Percentage of shareholding in the Company

0.04

The number of listed companies in which the director has a position

None

The number of non-listed companies in which the director has a position

None

Work experience in the last 5 years

2015-Present	Senior Department Manager, Human Resources Management Department	Asefa PLC.
2014-2015	Department Manager, Human Resources Management Department	Asefa Co., Ltd.
2007-2014	Division Manager, Human Resources Development Property Care Services (Thailand) Co., Ltd.	



Mr. Sanya Chindaphan

Age
Education

Department Manager, Accounting Department

36

Master Degree of Accounting,
Mahanakorn University of Technology
Bachelor of Accountancy,
Southeast Asia University

Percentage of shareholding in the Company

0.03

The number of listed companies in which the director has a position

None

The number of non-listed companies in which the director has a position

None

Work experience in the last 5 years

2015-Present	Accounting Department Manager	Asefa PLC.
2014-2015	Division Manager, Accounting Department	Asefa Co., Ltd.
2012-2014	Accounting Division Manager	Asefa Co., Ltd.
2007-2012	Accounting Division Manager	Varitek Co., Ltd.

Shareholding of the Board of Directors and Management

Name	Position	Ordinary shares as of December 30 th , 2015
1. Mr. Soracit Phungsuk	Chairman/ Independent Director / Chairman of the Audit Committee	600,000
2. Mr. Phaiboon Ungkanakornkul	Director	173,560,000
3. Mr. Chairat Tangtivaja	Director	59,280,000
4. Mr. Sa-Ngeam Klomchitcharoen	Director	59,280,000
5. Mr. Pornchai Uraisin	Director	59,300,000
6. Asst. Prof. Prasit Pittayapat	Independent Director / Audit Committee	400,000
7. Mr. Suphan Settapanich	Independent Director / Audit Committee	-
8. Mr. Uton Srathong	Executive Director	220,000
9. Mr. Boontherd Thongsamrit	Executive Director	220,000
10. Mr. Burin Phraemongkol	Executive Director	190,000
11. Mr. Choosak Sukhathammoo	Executive Director	190,000
12. Mr. Phut Rueangthieng	Executive Director	219,100
13. Mr. Nopporn Sornsom	Executive Director	190,000
14. Mr. Sanya Chindaphan	Executive Director	145,000

// Shareholding Changes of the Directors and Management

Name	Ordinary shares December 30 th , 2015	Ordinary shares August 5 th , 2015
1. Mr. Soracit Phungsuk	600,000	600,000
2. Mr. Phaiboon Ungkanakornkul	173,560,000	173,560,000
3. Mr. Chairat Tangtivaja	59,280,000	59,280,000
4. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	59,280,000
5. Mr. Pornchai Uraisin	59,300,000	59,280,000
6. Asst. Prof. Prasit Pittayapat	400,000	400,000
7. Mr. Suphan Settapanich	-	-
8. Mr. Uton Srathong	220,000	220,000
9. Mr. Boontherd Thongsamrit	220,000	220,000
10. Mr. Burin Phraemongkol	190,000	190,000
11. Mr. Choosak Sukhathammoo	190,000	190,000
12. Mr. Phut Rueangthieng	219,100	190,000
13. Mr. Nopporn Sornsom	190,000	190,000
14. Mr. Sanya Chindaphan	145,000	145,000

Dividend Policy



Dividend Policy

We have dividend policy not less than 50% of net profit according to the separate financial statement after deduction of corporate income tax and all reserves as required by law.

/// Dividend Policy

We have dividend policy not less than 50% of net profit according to the separate financial statement after deduction of corporate income tax and all reserves as required by law. However, the dividend payment is subjected to change depending on operating performance, liquidity, economic conditions and necessity to use current capital in order to manage operations and expand the Company's business.



Remunerations

/// Remunerations for the Board of Directors and Management

Monetary Remuneration

Remunerations paid to the Board of Directors

In the past, the Company paid the remuneration to the directors by their attendance fees, but later in the general meeting of shareholders on April 29, 2013, it was resolved to monthly compensation.

At the general meeting of shareholders on March 17th 2015, the remuneration for 2015 was voted for the Board of Directors as below:

Position	Directors' Remuneration Year 2014 (Baht/month)	Directors' Remuneration Year 2015 (Baht/month)
Chairman	15,000.00	15,000.00
Director	10,000.00	10,000.00
Audit Committee	10,000.00	10,000.00

The Remunerations for the Board of Directors Year 2014 — 2015 are as below:

Name	Number of meetings attended/ Total number of meetings in 2014	Directors' Remuneration Year 2014 (Baht)	Number of meetings attended/ Total number of meetings in 2014	Directors' Remuneration Year 2014 (Baht)
1. Mr. Soracit Phungsuk	4/4	180,000.00	6/6	180,000.00
2. Mr. Phaiboon Ungkanakornkul	4/4	120,000.00	6/6	120,000.00
3. Mr. Chairat Tangtivaja	4/4	120,000.00	6/6	120,000.00
4. Mr. Sa-Ngeam Klomchitcharoen	4/4	120,000.00	6/6	120,000.00
5. Mr. Pornchai Uraisin	4/4	120,000.00	6/6	120,000.00
6. Asst. Prof. Prasit Pittayapat	4/4	120,000.00	6/6	120,000.00
7. Mr. Suphan Settapanich	4/4	120,000.00	6/6	120,000.00
Total		900,000.00		900,000.00

Management's Remunerations

In 2014 and 2015, the remunerations paid to the management by the Company were 15.72 million Baht and 16.84 million Baht, respectively, including salaries, bonuses, payments to provident funds, and other benefits.

Year	Number of Management (people)	Remuneration (Baht)
2014	8	15,721,061.33
2015	8	16,841,061.00

/// Remunerations paid to the Board of Directors

At the general meeting of shareholders on March 17th 2015, the Company was voted to issue the new ordinary shares in then number of 10,000,000 shares and offer to the directors and employees of the Company, estimated into 1.82 percent of distributable shares offered to the public. The ordinary shares price was equal to the public tender price, both of which will be sold at the same time.

The details of directors and executives who were allocated the shares are as below:

Name	Position	Number of shares allocated (shares)	Percentage of shares number offered to the directors and employees
1. Mr. Soracit Phungsuk	Chairman/ Independent Director/ Chairman of the Audit Committee	600,000	6.00
2. Mr. Phaiboon Ungkanakornkul	Director	400,000	4.00
3. Mr. Chairat Tangtivaja	Director	400,000	4.00
4. Mr. Sa-Ngeam Klomchitcharoen	Director	400,000	4.00
5. Mr. Pornchai Uraisin	Director	400,000	4.00
6. Asst. Prof. Prasit Pittayapat	Independent Director / Audit Committee	400,000	4.00
7. Mr. Suphan Settapanich	Independent Director / Audit Committee	400,000	4.00
8. Mr. Uton Srathong	Executive Director	220,000	2.20
9. Mr. Boontherd Thongsamrit	Executive Director	220,000	2.20
10. Mr. Burin Phraemongkol	Executive Director	190,000	1.90
11. Mr. Choosak Sukhathammoo	Executive Director	190,000	1.90
12. Mr. Phut Rueangthieng	Executive Director	190,000	1.90
13. Mr. Nopporn Sornsom	Executive Director	190,000	1.90
14. Mr. Sanya Chindaphan	Executive Director	145,000	1.45

/// Personnel

Number of employees

As of December 31st, 2014 and December 31st, 2015, the Company had 960 employees and 1,093 employees, respectively. The list is detailed as below (excluding 8 directors in Management):

Department	Number of employees (people)	
	Year 2014	Year 2015
1. Management Office	10	11
2. Products and Production Management	581	662
3. Business Development	269	306
4. General Management	31	39
5. Accounting and Finance	28	30
6. Human Resources	41	45
Total	960	1,093

/// Employees' Remunerations

Monetary Remuneration

In 2014 and 2015, the Company paid remuneration to employees (excluding executive directors) 260.03 million Baht and 329.57 million Baht, respectively, in the forms of salaries, bonuses, incentives, overtimes, payments to provident funds, and other benefits.

Personnel Development Policy

The Company is committed to being a leader in Power Distribution, Switchboard Automation and Energy Efficiency Solutions in Thailand and ASEAN. With that goal in mind, the Company has planned to enforce the policy that will also develop staffs at all levels, focusing to improve their professionalities. Since the Company recognizes that each employee is a key in bringing the Company to success, the Company intends to empower work performance by maximizing potential, enhancing work efficiency, and improving employees' work-life quality, according to the vision, goals, and strategies of the Company. The Personnel Development Policy of the Company is as follows:

1. The Company encourages employees to "never stop learning" in order to become qualified professional staffs, by providing them with knowledge and sufficient trainings in accordance with the quality management system ISO 9001: 2008. Enhancing skills and expertise in works for which they are responsible, the Company hopes that staffs in various departments such as Production, Administration, Management, as well as Engineering will have a chance to hone particular skills through specialized training programs. Likewise, the Company established a Learning and Development Center Department to gather knowledge relating to the business of the Company, spreading education to students, academic institutions, customers, and employees in order to apply and further the knowledge within the Company, community, and country.
2. The Company sponsors educational resources and promotes activities that contribute to the learning and development of employees, improving both work efficiency and quality of life. Therefore, the Company established the Learning Center, Recreational Center, and Library.
3. The Company creates a positive environment in the workplace and encourages employees to have a common value of Unity, respecting, caring and sharing towards one another, networking and cooperating to solve problems as if the colleagues were their own family. The staffs can participate in managing activities and other projects in the Company in form of committees and clubs such as CSR committee, KAIZEN committee, 5S committee, ISO committee, food and beverage committee, safety committee, drug prevention committee, sport club, library club, English club, Music club, Buddhist club, Bike club, for example.
4. The Company supports and encourages employees to grow along with the Company, both position-wise and income-wise, by raising their wage-level in comparison with other leading companies, not to mention paying for other compensations and incentives such as bonus, saving funds, and other welfares.
5. The Company provides the employees with a safe working place, which can subsequently induce work efficiency, by supplying the knowledge of safety in workplace and personal protective equipment (PPE), as well as monitoring and managing environmental quality in both offices and the Company's surroundings.



Internal Control and Risk Management



Internal Control and Risk Management

- The Board of Directors' Opinion about Internal Control
 - Internal Control-Related Performance
- The Audit Committee's Opinion about Internal Control
- Notice of Auditor about the Company's Internal Control
 - The Audit Committee Report
- Internal Audit Supervisor and Work Control Supervisor

/// The Board of Directors' Opinion about Internal Control

In Board of Directors' Meeting No. 1/2558 on February 24th, 2015 where all three audit directors were in attendance, the board of directors assessed the adequacy of the company's internal control system risks by submitting inquiries to the Management Department and being able to draw conclusions based on the assessment of the company's internal control system in terms of the following aspects:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors has rendered the opinion that the Company already has adequate internal control activities. The Company has provided personnel sufficiently to operate the company's business according to Good Corporate Governance and transparency. Furthermore, the Company has provided the Company and Subsidiary Company's Operation Tracking Systems to prevent Committees and Executives to use the Company and Subsidiary Company's property improperly or without authority. The Company also has sufficient control systems in transaction with the person with a potential conflict of interest and associated individuals.

/// Internal Control-Related Performance

The Company has the Audit Committee perform the duty of checking to ensure that the Company has proper and effective internal control systems and internal audits, including the Company's performance to ensure compliance with the laws governing securities and stock exchanges, the specifications set forth by the Stock Exchange of Thailand and laws related to the Company's businesses. The Audit Committee will hold meetings at least once every quarter in order to consider and take steps toward ensuring the compilation of accurate financial reports with complete and sufficient disclosure, including the consideration of related transactions or transactions with potential conflicts of interest to ensure compliance with the law and the specifications set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand. Auditors are present at the meetings in order to observe based on the Company's audits.

To ensure that the Company has effective internal control systems, the Company has hired AMC Audit Co., Ltd. to perform the duty of auditing the Company's internal control systems since 2012. The aforementioned internal auditors have compiled reports on the results of assessment and internal auditing and these reports have been submitted for the acknowledgement of the Audit Committee on a regular quarterly basis. The Company has revised and adjusted the practice of various departments according to the recommendations of the internal auditors.

/// The Audit Committee's Opinion about Internal Control

In 2015, AMC Audit Co., Ltd. (AMC), which is an Independent Internal Audit Firm, examined and tracked several management systems which are Purchasing and Sourcing System, Payment Systems, Inventory Management System, and Fixed Asset System, including giving some advices to the Company for improving check and balance in every Performance Systems which it would help develop the quality of Internal Control Systems continually and cause the company to have good governance system. The Company has operated in solving issues as AMC had advised already.

/// Notice of Auditor about the Company's Internal Control

ANS Audit Co., Ltd., as the Company's accounting auditors, had proposed notice report and advices after examining financial statements 2014-2015 as follows:

In 2014, the Company's Auditor informed in the Board of Directors meeting session1/2015 on February 24th, 2015 that after examining financial statements for the year ended December 31st, 2014, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

In 2015, the Company's Auditor informed in the Board of Directors meeting session2/2016 on February 25th, 2016 that after examined financial statements for the year ended December 31st, 2015, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

/// The Audit Committee Report

The Audit Committee of Asefa Public Company Limited consists of 1) Mr. Soracit Phungsuk, Chairman of the Board of Audit 2) Asst. Prof. Prasit Pittayapat, Audit Directors 3) Mr. Suphan Settapanich, Audit Directors.

The scope for the key duties and responsibilities according to the Audit Committee Charter is to care for the Company's financial reports in compliance with generally accepted accounting standards and principles for checking the Company's operations to ensure compliance with good governance principles with an efficient internal control system in compliance with related specifications and laws, and supervision of cases involving potential conflicts of interest between the company and associated individuals. In 2015, the Audit Committee held a total of four meetings with the following key topics:



1. The Audit Committee has examined the quarterly financial statements and the financial statement for 2015 with the management and accounting auditors in order to assure that the company's financial reports have been prepared accurately according the generally accepted accounting standards and with sufficiently complete disclosure of information and credible notes accompanying the financial statement, as well as the observations and acknowledgement of the problem-solving guidelines in the interests of the company.

2. Consideration of the disclosure of information on connected and related transactions and the person with a potential conflict of interest accurately, absolutely, and sufficiently. Moreover, the company has performed according to the business terms and criteria set forth by the Stock Exchange of Thailand.

3. Supervise internal audit work to perform independently by arranging to hire AMC Audit Co., Ltd., which is the firm that provides internal audit services with an outside assessment, to perform the company's internal audits with the Audit Committee as the party considering the annual audit plans, reporting on internal audits, continually following up on internal audit findings with the management in order to instill confidence that operations associated with the annual internal audit plans are carried out efficiently and effectively whereby the findings of the annual internal audit in 2015 discover no errors in terms of key internal controls.

4. Evaluate the internal control system according to the guidelines set forth by the Capital Market Supervisory Board and the Stock Exchange of Thailand which cover controlling the organization, risk management, controlling work performance, information and communication systems, and tracking system. The Audit Committee has rendered the opinion that the company as having sufficient and effective internal control.

5. Consider about appointment and compensation proposal in 2016, and nominate Mr. Yuttapong Chuamuangpan CPA License No.9445 and/ or Mr. Atipong Atipongsakul CPA License No.3500 and/ or Mr. Vichai Ruchitanont CPA License No.4054 and/ or Mr. Sathien Vongsnan CPA License No.3495 and/ or Ms. Kultida Pasurakul CPA License No.5946 from ANS Audit Co.,Ltd as the company's accounting auditors, which compensation are stipulated 1,560,000 baht in total, to be proposed to for the approval of the shareholders' general meeting.

The Audit Committee has meticulously performed duties with prudence and independence including expressed opinions straightforwardly with no limitations in receiving information with good cooperation from the company, and also committed to good governance concurrent according to the principles of the Stock Exchange of Thailand in order to assure transparency and ethics to build confidence among shareholders, investors, customers, and all related parties.

Internal Audit Supervisor and Work Control Supervisor

The company has outsourced external firm which is AMC Audit Co., Ltd. to perform the duty of auditing the company's internal control systems. AMC Audit Co., Ltd. was appointed by the Company Board of Audit on April 25th, 2012 and AMC Audit Co., Ltd. has assigned Ms. Warawan Watthanathesanun to perform duty as Internal Audit Supervisor which has qualifications as follows:

Internal Audit	:	AMC Audit Co., Ltd.
Education	:	Ms. Warawan Watthanathesanun, Responsibility to Internal Audit Master of Business Administration, Chulalongkorn University Bachelor of Accountancy Auditing, University of the Thai Chamber of Commerce
Certificate	:	Certified Public Accountant Higher Certificate in Auditing
Relevant Experience	:	1991 — Present AMC Audit Co., Ltd.

However, consideration, approval, appointment, deprivation, and transfer the one who holds a position of Internal Audit Supervisor in the Company must be permitted (or must be approved) by the Audit Committee first.

Related Transaction

// Relationship

Asefa Public Company Limited ("the Company") has related transactions with individuals posing potential conflicts of interest comprising shareholders and/or company executives. Related companies mean companies with individuals who might have conflicts of interest with the Company, who have relationships with the aforementioned company executives or shareholders. The types of relationships can be summarized as follows:

Person With Potential Conflict of Interest	Type of Relationship																													
<p>Enginar Co., Ltd. ("ENG") distributor</p> <ul style="list-style-type: none">• ATS (Automatic Transfer Switch) brand ASCO in Emerson Industrial Automation Group, which is a high-quality Double Throw that can have uninterrupted power supply during power failure. Lasting longer than the typical ATS, ATS has higher cost more than other brands, so it is for a quite specific customer who only uses ATS's ASCO.• Clipsal — Bus lighting System, Driver computerized lighting system.• Cirpark System, navigation system for parking.• Room Control Unit System (RCU) Control temperature and lighting system in the room.	<ul style="list-style-type: none">• Has Director together: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klomchitcharoen• Shareholders together <table><tr><th rowspan="2">Shareholders</th><th colspan="2">ASEFA</th><th colspan="2">ENG</th></tr><tr><th>shares</th><th>%</th><th>shares</th><th>%</th></tr><tr><td>1. Mr. Phaiboon Ungkanakornkul*</td><td>200,000,000</td><td>36.36</td><td>2,500</td><td>5.00</td></tr><tr><td>2. Mr. Chairat Tangtivaja</td><td>59,280,000</td><td>10.78</td><td>21,250</td><td>42.50</td></tr><tr><td>3. Mr. Sa-Ngeam Klomchitcharoen</td><td>59,280,000</td><td>10.78</td><td>21,250</td><td>42.50</td></tr><tr><td>4. Mr. Pornchai Uraisin</td><td>59,300,000</td><td>10.78</td><td>2,500</td><td>5.00</td></tr></table> <p>* Total holding of the person concerned</p> <p>Note Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen and Mr. Pornchai Uraisin confirmed to the Company that he will not engage in any business that has the same nature and not engage in competition company, also not be a partner, a shareholder or a director in other companies that has the same nature with the Company.</p>	Shareholders	ASEFA		ENG		shares	%	shares	%	1. Mr. Phaiboon Ungkanakornkul*	200,000,000	36.36	2,500	5.00	2. Mr. Chairat Tangtivaja	59,280,000	10.78	21,250	42.50	3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	21,250	42.50	4. Mr. Pornchai Uraisin	59,300,000	10.78	2,500	5.00
Shareholders	ASEFA		ENG																											
	shares	%	shares	%																										
1. Mr. Phaiboon Ungkanakornkul*	200,000,000	36.36	2,500	5.00																										
2. Mr. Chairat Tangtivaja	59,280,000	10.78	21,250	42.50																										
3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	21,250	42.50																										
4. Mr. Pornchai Uraisin	59,300,000	10.78	2,500	5.00																										
Asefa Suntech Joint Venture	<ul style="list-style-type: none">• A joint venture company with Suntech Engineering Co., Ltd. The Company holds 50.00 percent (the percentage of share of profits from the project) to purchase demolition projects of Bang Pakong Combined Cycle Power Plant Unit 1 and Unit 2 of the Electricity Generating Authority of Thailand, including project management until completed.																													
Mr. Phaiboon Ungkanakornkul	<ul style="list-style-type: none">• Being in charge of Director, Board of Management and Managing director positions.• Shareholder of 200,000,000 shares (Total holding of the person concerned.) percentage 36.36 of the number of shares sold of the Company at December 30th, 2015.																													
Mr. Chairat Tangtivaja	<ul style="list-style-type: none">• Being in charge of Director.• Shareholder 59,280,000 shares, percentage 10.78 of the number of shares sold of the Company at December 30th, 2015.																													
Mr. Sa-Ngeam Klomchitcharoen	<ul style="list-style-type: none">• Being in charge of Director.• Shareholder 59,280,000 shares, percentage 10.78 of the number of shares sold of the Company at December 30th, 2015.																													

/// Related Transaction Details

In 2014 - 2015, the Company carried out transactions with individuals who might have potential conflicts of interest with the following transaction details:

(1) Goods Transactions

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2014	2015	
Enginar Co., Ltd. ("ENG")	Goods sale	0.99	0.64	The Company sold switchboard (structure) and electrical equipment to ENG that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.
	Trade Accounts Receivable	0.03	0.15	
Asefa Suntech Joint Venture	Goods sale	-	0.31	The Company sold switchboard to Asefa Suntech Joint Venture to apply for the transmission of electricity in the demolition project that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.
	Trade Accounts Receivable	-	0.43	

(2) Revenue from Services

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2014	2015	
Enginar Co., Ltd. ("ENG")	Freight	0.03	-	The Company charges ENG the freight for delivery to the provinces that is based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types

(3) Other Revenue

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2014	2015	
Asefa Suntech Joint Venture	Management fee Income	-	6.90	The Company charges a management fee from joint ventures due to the company's employees had to work on projects Bang Pakong Combined Cycle Power Plant, the compensation of the Company's employees is calculating from salaries, allowances, overtime and travel expenses. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Management fee Receivable	-	-	

(4) Goods and Service Purchase Transactions

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2014	2015	
Enginar Co., Ltd. ("ENG")	Buy Goods	7.58	19.94	Bought automatic transfer switch brand ASCO from ENG, who is the major distributors, according to customer's needs. Due to ATS brand ASCO has higher price, the company will buy it according to customer's spec only that is based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Trade Accounts Payable	5.61	1.62	
	The turnkey project	0.57	0.27	Bought automatic lighting control system brand CLIPSAL ready to install from ENG, who is the major distributors, according to customer's needs. The price is based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Accrued expenses	0.57	0.02	

(5) Loans

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2014	2015	
Asefa Suntech Joint Venture	Balance, beginning of period	-	82.25	In 2014, The company has provided a loan to the Asefa Suntech joint to a turnover in the operation. The interest rate is 6 percent per year. A rate that is close to market rates.
	Increase during the period	82.25	249.00	
	Repayment period	-	102.25	The Audit Committee has considered the issue and holds the view that the transaction is appropriate and beneficial to the Company. The joint venture will result in increased revenues, earnings and business prospects of the company.
	Balance at the end of period	82.25	229.00	
	Interest received	0.42	14.57	
	Accrued interest received	0.42	1.17	

(6) Guarantee

Persons/Corporation With Potential Conflicts of Interest	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
	2014	2015	
Mr. Phaiboon Ungkanakornkul	Limit 1,066.82 Outstanding balance 650.87	Limit 1,001.81 Outstanding balance 515.22	Mr. Phaiboon Ungkanakornkul had personally guaranteed for the loan with commercial banks without any compensation from the Company. At present, some commercial banks have lifted some of the guarantees and some banks are still in the process of negotiating for the release of guarantee. The Audit Committee has considered the issue and holds the view that the guarantees of Mr. Phaiboon are appropriate and due to the need to bring benefits to the Company to request a loan from a commercial bank, in order to conduct business.
Mr. Chairat Tangtivaja	Limit 1,066.82 Outstanding balance 650.87	Limit 1,001.81 Outstanding balance 515.22	Mr. Chairat Tangtivaja had personally guaranteed for the loan with commercial banks without any compensation from the Company. At present, some commercial banks have lifted some of the guarantees and some banks are still in the process of negotiating for the release of guarantee. The Audit Committee has considered the issue and holds the view that the guarantees of Mr. Chairat are appropriate and due to the need to bring benefits to the company to request a loan from a commercial bank, in order to conduct business.
Mr. Sa-Ngeam Klomchitcharoen	Limit 1,066.82 Outstanding balance 650.87	Limit 1,001.81 Outstanding balance 515.22	Mr. Sa-Ngeam Klomchitcharoen had personally guaranteed for the loan with commercial banks without any compensation from the Company. At present, some commercial banks have lifted some of the guarantees and some banks are still in the process of negotiating for the release of guarantee. The Audit Committee has considered the issue and holds the view that the guarantees of Mr. Sa-Ngeam are appropriate and due to the need to bring benefits to the company to request a loan from a commercial bank, in order to conduct business.

(7) The list of secured leasing

Persons/Corporation With Potential Conflicts of Interest	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
	2014	2015	
Mr. Phaiboon Ungkanakornkul	Limit 37.76 Outstanding balance 17.66	Limit 36.04 Outstanding balance 10.96	Mr. Phaiboon Ungkanakornkul had made a personal guarantee for the lease of machinery and motor vehicles without consideration of the guarantees. The Audit Committee has considered the issue and holds the view that Guarantees of Mr. Phaiboon is appropriate and due to the need to bring benefits to the company.
Mr. Chairat Tangtivaja	Limit 40.22 Outstanding balance 19.57	Limit 38.50 Outstanding balance 12.56	Mr. Chairat Tangtivaja had made a personal guarantee for the lease of machinery and motor vehicles without consideration of the guarantees. The Audit Committee has considered the issue and holds the view that Guarantees of Mr. Chairat is appropriate and due to the need to bring benefits to the company.

/// Measures or Procedures for Approving Related Transactions

The Company has set forth measures for entering into related transactions between the Company and persons with potential conflicts of interest by arranging for the Audit Committee to offer opinions regarding the necessity of entry into related transactions, the reasons for the related transactions and the suitability of fees for related transactions by considering various conditions for concurrence with characteristics of normal market trading, i.e. prices/fees comparable to third parties. In cases where the Audit Committee lacks expertise in considering potential related transactions, the Company will provide persons with particular knowledge and expertise, such as auditors, property appraisers, law offices, etc., who are independent from the Company and persons with potential conflicts of interest, to provide opinions regarding the aforementioned related transactions to accompany the decisions of the Audit Committee for presentation to the meeting of the board of directors or the meeting of shareholders, depending upon the case.

Furthermore, the Company has set forth measures to prevent executives or stakeholders from participating in the approval of transactions in which executives or stakeholders may obtain director indirect gains or losses. Furthermore, the company's board of directors must ensure the company's compliance with laws on assets and stock exchanges, regulations, announcements, orders, or specifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with specifications regarding the disclosure of information on related transactions and acquisitions or sales of significant assets belonging to the Company or its subsidiaries, accounting standards set forth by the Federation of Accounting Professions and the Accountants and Licensed Auditors Association of Thailand. The company's board of directors must disclose related transactions in remarks accompanying budgets which have been audited or reviewed by the company's auditors.

/// Future Trends for Related Transactions

The Company may have continual related transactions in the future, which will be according to characteristics of normal business transactions with clear designation of policies for entering into related transactions at normal prices and under trade conditions of businesses similarly set forth for persons and/or unrelated companies, e.g. purchases or providing service also the guarantee of the Company. The related transactions that will occur will be concurrent with the company's business needs and in the company's interests. The Audit Committee will consider auditing practices according to set criteria and provide opinions regarding the validity of transactions occurring every quarter. The Company is currently in talks with banks to release of the remaining guarantee of the directors.

For potential related transactions not concurring with the company's normal business operations in the future, the Company will arrange for the Audit Committee to check whether or not the practice is compliant with criteria and assure that the reasons for the aforementioned transactions are disclosed before the Company proceeds with the transactions to offer opinions regarding the necessity of entry into related transactions, the reasons for the related transactions and the suitability of fees for related transactions by considering various conditions for concurrence with characteristics of normal market trading, i.e. prices/fees comparable to third parties. In cases where the Audit Committee lacks expertise in considering potential related transactions, the Company will provide persons with particular knowledge and expertise, such as auditors, property appraisers, law offices, etc., who are independent from the Company and persons with potential conflicts of interest, to provide opinions regarding the aforementioned related transactions to accompany the decisions of the Audit Committee for presentation to the meeting of the board of directors or the meeting of shareholders, depending upon the case by acting in compliance with the measures and procedures for approval as set forth above.

Nevertheless, with regard to related transactions with potential conflicts of interest regarding potential future benefits, the Audit Committee will have to practice according to the laws governing securities and securities exchange, as well as the rule, announcements, orders or specifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand, and further including practice according to specifications regarding disclosure of related transactions and the acquirement or sales of assets belonging to the company or its subsidiaries as well as practice in compliance with the accounting principles set forth by the Federation of Accounting Professions and the Accountants and Licensed Auditors Association of Thailand.

Report of the Board of Directors' Responsibilities for Financial Statements

The Management has prepared the financial statement ending on December 31st, 2015, according to the generally accepted accounting standard. It has used the appropriate and regularly applied strategy, while delivering judgment carefully and reasonably. The financial statement was completed with a reasonable method, and other important information was adequately disclosed in the footnotes of financial statement.

Since the Board of Directors is aware of the obligations and responsibilities of overseeing the financial report, the Audit Committee was appointed to audit the internal accounting controls and the quality of a financial report. The scope of the Committee's responsibilities includes carrying out an internal audit, reviewing risk management framework, and verifying the Company's internal control, deliberating if it is both effective and efficient. That is the system should assure accounting data accuracy, save the Company's assets, and prevent fraud or other unusual operations. The Committee also determines the information disclosure regarding transactions or finance appearing on the annual statement with transparency between departments.

Following the Committee's mentioned operation, the Board of Directors agreed that the Company's annual financial statements ending on December 31st, 2015, both separate and consolidated, display the essentially accurate information regarding the financial status, overall operations, and fluctuations in shareholders and cash flow. Also, the statements are in accordance to the generally accepted accounting standard, laws, and other related regulations.



(Mr. Soracit Phungsuk)
Chairman

Report of the Audit Committee

To: Shareholder of Asefa Public Company Limited

The Audit Committee of Asefa Public Company Limited consists of 3 independent qualified directors, one of which is knowledgeable and experienced in accountancy, namely Mr. Soracit Phungsuk, as the Chairman of the Audit Committee, Asst. Prof. Prasit Pittayapat and Mr. Suphan Settapanich as members of the Audit Committee. During 2015 the Audit Committee of Asefa Public Company Limited had served its term for a year, with Mr. Pichai Panchan performing duties as the Audit Committee Secretary.

In 2015, the Audit Committee held a total of 4 meetings and regularly reported the summaries to the Company's Board of Directors in every quarter. The attendance of Audit Committee members is as follows:

Mr. Soracit Phungsuk	The Chairman of the Audit Committee	attending 4/4 meetings
Asst. Prof. Prasit Pittayapat	The Audit Committee Member	attending 4/4 meetings
Mr. Suphan Settapanich	The Audit Committee Member	attending 4/4 meetings

In some of the meetings the Audit Committee consulted with the external and internal auditors in conformance with the meeting's agenda, and in every meeting the Audit Committee is able to express their opinions and suggestions freely.

The Audit Committee carried out all its duties within the limitations delegated by the Company's Board of Directors and in accordance with the guidelines of Asefa Public Company Limited, which are in conformance with the regulations set forth by the Stock Exchange of Thailand. According to the standard policy, the Company must follow the principles of good governance and be aware of how to promptly manage risks that might affect the organization. The details are summarized as follows:

- Improve the internal audit quality to build the Company's reliability, efficiency, and effectiveness. For example, the internal auditors should receive an adequate internationally-recognized trainings in order to update and increase their knowledge.
- Keep updated on urgent issues to assure the quality of management.
- Encourage the good governance quality in the executives and other employees involving in management, according to the laws, rules, and other related regulations. And promote the use of information technology as tools to monitor and prevent corruption.

In 2015, the Audit Committee held a total of 4 meetings and consulted related issues with executives and external and internal auditors. The work duties can be summarized as follows:

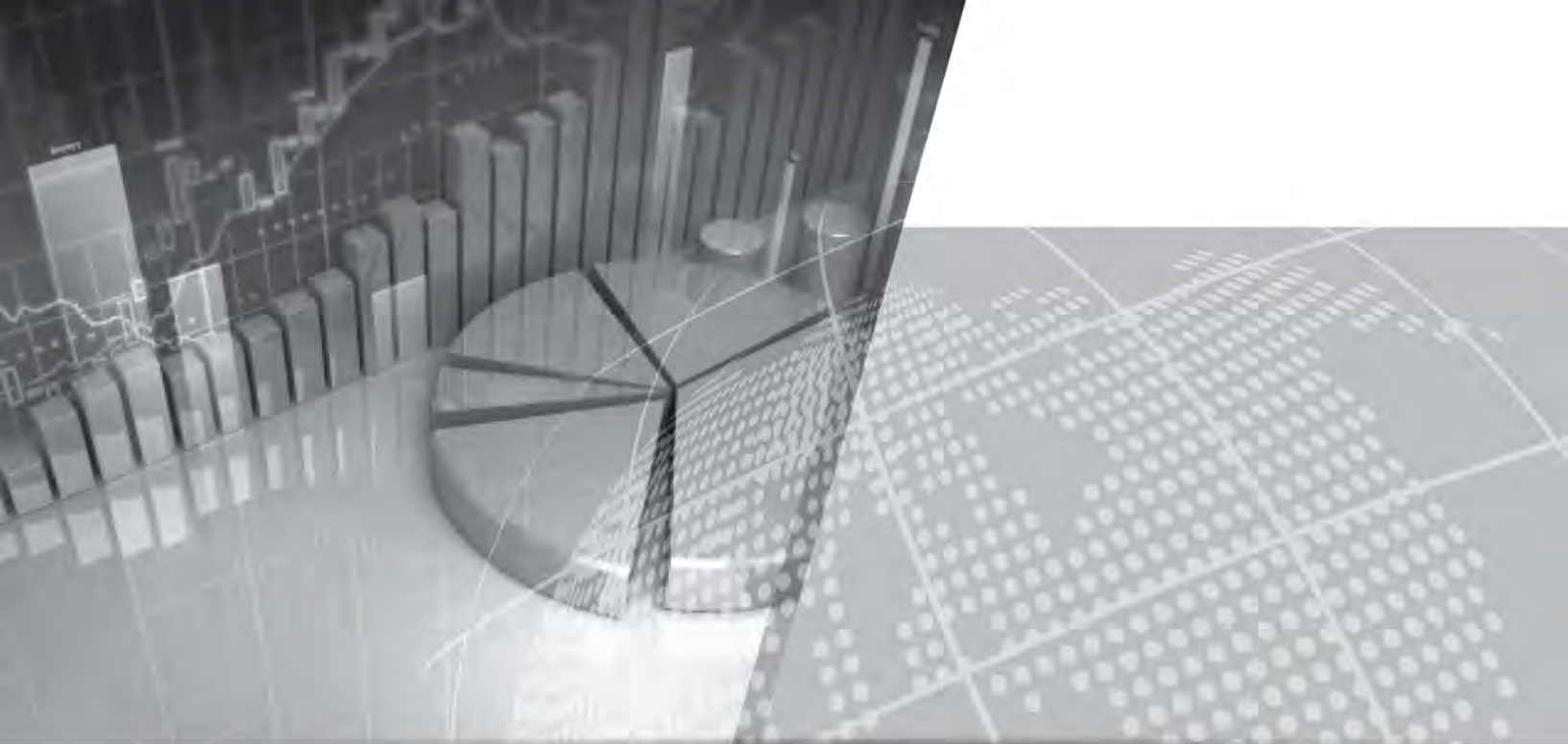
1. **Review the financial statements.** The Audit Committee thoroughly reviewed the quarterly, annual, and consolidated financial statements of 2015 with the executives and auditors to affirm that the reports were prepared accurately and according to the generally accepted accounting standards, including adequate disclosure of financial information, related transactions, and other transactions involving a potential conflict of interests. The Audit Committee also reviewed and offered its opinions regarding the auditors' strategy and reports before proposing to the Company's Board of Directors. Furthermore, the Audit Committee had held one meeting with the auditors without the Company's executives to determine the course plan of the yearly audit.
2. **Review and evaluate the internal control.** The Audit Committee reviewed the internal control system of the Company and gave notes and important issues to the Company's Board of Directors, urging the executives to follow up and improve the problems pointed out by the internal auditors.
3. **Evaluate the Company's practices according to the laws.** The Audit Committee consistently reviewed the Company's practices whether they conform with the Securities and Exchange Laws, Stock Exchange Regulations, and the Company's Business Laws, and had concluded that the Company's transactions did conform with all regulations. The Committee also delegated the executives to follow up on the updates of the Securities and Exchange Act and other related laws for further reports and considerations.

4. **Nominate an independent entity as the Company's auditor.** The Audit Committee had agreed to select ANS Audit Co.,Ltd as the auditor for the Company and its subsidiaries in 2016, by comparing the ANS auditors' qualifications, work performance, fees and services with other companies. The Company's Board of Directors is advised to propose in the shareholders' meeting the following names—Mr. Yuttapong Chuamuangpan, Mr. Atipong Atipongsakul, Mr. Vichai Ruchitanont, Mr. Sathien Vongsnan, and Ms. Kultida Pasurakul of ANS Audit Co.,Ltd—as the auditors of the Company and its subsidiaries in 2016, with the fees of 1,560,000 baht that will also cover the Company's subsidiaries.
5. **Review the related transactions and the potential conflict of interests.** The Audit Committee made an assessment of transactions between the Company and its subsidiaries to assure that the Company carried out the transactions according to the law and regulations of SET, with a disclosure of related transactions in the footnotes of quarterly and annual financial statements. The Committee also expressed the impartial opinions regarding the acquisition and disposition of assets involving the project investments of the Company and its subsidiaries.
6. **Disclose the Audit Committee Report.** The Audit Committee had supplemented the Audit Committee Report to the annual report.
7. **Other necessary tasks assigned by the Board of Directors with the Audit Committee's approval.**

The Audit Committee has evaluated and agreed that the Company prepared and disclosed the information in the financial statement with reliability and congruity. The efficient internal control system is likely to improve the Company towards the more sustainable management.



(Mr. Soracit Phungsuk)
Chairman of the Audit Committee



Business Performance and Financial Position

1. Audit Report Summary

(A) 2013 Financial Statement as audited by Mr. Vichai Ruchitanont, Certified Auditor, License No. 4054, from ANS Audit Co., Ltd.

The company's consolidated and separated financial statements of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31st, 2013, the statements had shown the company's financial status, the company's consolidated and separated positions, and the consolidated cash flow as well as the cash flow of each subsidiary. All statements were in accordance with Thai Financial Reporting Standards.

(B) 2014 Financial Statement as audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from SNS Audit Co., Ltd.

The company's consolidated and separated financial statements of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31st, 2014, the statements had shown the company's financial status, the company's consolidated and separated positions, and the consolidated cash flow as well as the cash flow of each subsidiary. All statements were in accordance with Thai Financial Reporting Standards.

(C) 2015 Financial Statement as audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from SNS Audit Co., Ltd.

The company's consolidated financial and separated financial statement of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31st, 2015, the statements had shown the company's financial status, the company's consolidated and separated positions, and the consolidated cash flow as well as the cash flow of each subsidiary. All statements were in accordance with Thai Financial Reporting Standards.



2. Table Showing a Summary of Financial Position and Business Performance

2.1 Summary of Separate Financial Statements

Statement of Financial Position	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	24.01	1.51	35.90	2.09	37.62	1.67
Trade and other receivables - net	532.40	33.57	438.24	25.50	564.67	25.02
Short-term loan to related party	-	-	82.25	4.79	229.00	10.14
Inventories - net	436.68	27.53	479.36	27.89	642.96	28.48
Total current assets	993.09	62.61	1,035.75	60.27	1,474.25	65.31
Non-current Assets						
Restricted deposits at financial institutions	79.00	4.98	96.70	5.63	127.02	5.63
Land deposits	-	-	10.00	0.58	-	-
Investments in subsidiaries - net	30.85	1.95	31.85	1.85	31.85	1.41
Investment property - net	2.72	0.17	2.51	0.15	2.30	0.10
Property, plant and equipment - net	461.54	29.10	522.24	30.39	602.07	26.67
Intangible assets - net	1.91	0.12	3.43	0.20	4.31	0.19
Deferred tax assets	15.21	0.96	14.21	0.83	14.68	0.65
Other non-current assets	1.78	0.11	1.97	0.10	0.88	0.04
Total non-current assets	593.01	37.39	682.91	39.73	783.11	34.69
Total assets	1,586.11	100.00	1,718.66	100.00	2,257.36	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	210.59	13.28	377.61	21.97	251.42	11.14
Trade and other payables	591.50	37.29	480.30	27.95	586.93	26.00
Current portion of liabilities under financial lease agreements	12.00	0.76	9.03	0.53	6.24	0.28
Current portion of long-term loans from financial institutions	40.62	2.56	51.20	2.98	26.20	1.16
Accrued income tax	23.55	1.48	10.16	0.59	23.54	1.04
Total current liabilities	878.26	55.37	928.30	54.02	894.33	39.62
Non-Current Liabilities						
Liabilities under financial lease agreements - net	18.22	1.15	10.41	0.61	6.01	0.27
Long-term loans from financial institutions - net	134.05	8.45	164.34	9.56	91.24	4.04
Employee benefit obligations	4.29	0.27	5.36	0.31	6.02	0.27
Deferred tax liabilities	1.63	0.10	2.61	0.15	3.01	0.13
Non-current liabilities	0.35	0.02	0.25	0.01	0.27	0.01
Total non-current liabilities	158.54	10.00	182.97	10.64	106.56	4.72
Total liabilities	1,036.79	65.37	1,111.27	64.66	1,000.89	44.34
Shareholders' Equity						
Share capital						
Authorized share capital	330.00		400.00		550.00	24.36
Issued and fully paid-up	330.00	20.81	400.00	23.27	550.00	24.37
Premiums on ordinary shares					386.70	17.13
Retained earnings						
Appropriated						
Legal reserve	16.00	1.01	33.00	1.92	50.61	2.24
Unappropriated	203.31	12.82	174.39	10.15	269.16	11.92
Total shareholders' equity	549.31	34.63	607.39	35.34	1,256.47	55.66
Total liabilities and shareholders' equity	1,586.11	100.00	1,718.66	100.00	2,257.36	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	1,857.09	99.64	1,639.21	99.31	2,373.09	98.66
Other income	6.76	0.36	11.42	0.69	32.24	1.34
Total revenues	1,863.85	100.00	1,650.63	100.00	2,405.33	100.00
Expenses						
Costs of sales and service	1,372.23	73.62	1,266.73	76.74	1,826.58	75.94
Selling expenses	145.89	7.83	123.48	7.48	178.53	7.42
Administrative expenses	90.84	4.87	91.80	5.56	113.78	4.73
Total expenses	1,608.96	86.32	1,482.01	89.78	2,118.89	88.09
Profit before finance costs and income tax	254.89	13.68	168.62	10.22	286.44	11.91
Finance costs	13.59	0.73	19.93	1.21	28.83	1.20
Profit before income tax	241.30	12.95	148.69	9.01	257.61	10.71
Income tax expenses	51.85	2.78	30.61	1.85	45.50	1.89
Profit for the years	189.45	10.16	118.08	7.15	212.11	8.82
Net Profit (Loss) per share (Fully Diluted) (Baht)	57.41		29.52		0.39	
Net Profit (Loss) per share (Weighted Average) (Baht)	113.77		35.45		0.46	
Par Value (Baht)	100.00		100.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2013	2014	2015
Cash Flows from Operating Activities:			
Profit before income tax	241.30	148.69	257.62
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities			
Depreciation and amortization	32.12	39.48	43.91
Reversal of allowance for doubtful accounts	17.88	(4.69)	(4.40)
(Reversal) allowance for inventories devaluation	0.54	(1.37)	5.04
Allowance for impairment of investments in subsidiary	-	5.70	-
Gain from disposal of investment property	(0.16)	-	-
(Gain) loss from disposal of properties	(0.65)	(0.97)	0.28
(Gain) loss from disposal of investment in subsidiary			(0.39)
Estimation of employee benefit obligations	0.61	1.07	1.00
Actuarial loss	0.70	-	-
Dividend income	-	(3.00)	-
Interest expenses	13.59	19.93	28.83
Profit from operating activities before changes in operating assets and liabilities	305.91	204.83	331.89
Operating assets (increased) decreased			
Trade and other receivables	(137.39)	98.85	(121.64)
Inventories	(171.93)	(41.30)	(168.65)
Other non-current assets	(0.09)	(0.20)	1.08
Operating liabilities increased (decreased)			
Trade and other payables	145.51	(111.16)	103.20
Employee benefit obligations	-	-	-
Other non-current liabilities	(0.05)	(0.11)	0.02
Cash provided (paid) by operating activities	141.96	150.92	145.90
Employee benefit obligations paid	-	-	-
Interest paid	(13.44)	(19.96)	(29.13)
Income tax paid	(55.48)	(42.02)	(32.24)
Net cash from (used in) operating activities	73.05	88.94	84.53
Cash Flows from Investing Activities			
Restricted deposits at financial institutions (increased) decreased	-	(17.70)	(30.32)
Cash received from short-term loans to related party	-	-	102.25
Cash payment for short-term loans to related party	-	(82.25)	(249.00)
Cash payment for investment in subsidiary	-	(6.70)	-
Cash payment for land deposit	-	(10.00)	-
Dividend income	-	3.00	-
Cash payment for acquisition of fixed asset	(126.25)	(97.57)	(105.83)
Cash received from disposal of investment property	0.19	-	-
Cash received from disposal of fixed assets	0.79	1.54	0.43
Cash payment for acquisition of intangible asset	(1.01)	(2.86)	(3.54)
Net cash used in investing activities	(126.27)	(212.54)	286.00

Statements of Cash Flows

(Unit: Million Baht)	2013	2014	2015
Cash Flows from Financing Activities:			
Increase (decrease) in bank overdraft and short-term loans from financial institutions – net	60.88	167.02	(126.18)
Cash received for loans from related parties	-	-	-
Cash repayment for loans from related parties	-	-	-
Cash received from long-term loans from financial institutions	44.28	83.53	-
Cash repayment for long-term loans from financial institutions	(27.37)	(42.65)	(98.10)
Cash payments for liabilities under finance lease agreements	(9.17)	(12.41)	(9.22)
Cash received from increase ordinary shares	170.00	70.00	555.00
Directly attributable expenses of the initial public offering	-	-	(18.30)
Dividend paid	(200.00)	(130.00)	(100.00)
Net cash from financing activities	38.63	135.49	203.20
Net cash and cash equivalents (increased) decreased	(14.60)	11.89	1.72
Cash and cash equivalents at the beginning of the years	38.61	24.01	35.90
Cash and cash equivalents at the end of the years	24.01	35.90	37.62

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios	2013	2014	2015
Liquidity Ratio			
Liquidity (Times)	1.13	1.12	1.65
Quick Ratio (Times)	0.63	0.51	0.67
Cash Flow Liquidity (Times)	0.10	0.10	0.09
Trade Debtors' Circulation (Times)	4.38	3.82	5.36
Mean Debt Collection Time (Days)	82.17	94.13	67.20
Circulating Inventory (Times)	3.91	2.77	3.26
Average Product Selling Time (Days)	92.08	130.17	110.60
Creditors' Circulation (Times)	3.46	3.12	4.42
Credit Term Debt Payment Time (Days)	103.94	115.21	81.45
Cash Cycle (Days)	70.31	109.09	96.35
Profit Making Ability Ratios			
Gross Profit (%)	26.11	22.72	23.03
Profit from Operating Activities (%)	13.36	9.59	10.71
Cash per Profit (%)	57.21	96.00	57.40
Net Profit (%)	10.16	7.15	8.82
Return on Equity Shareholders' Returns (ROE) (%)	40.34	20.42	22.76
Performance Effectiveness Ratios			
Returns from Assets (ROA) (%)	18.80	10.20	14.41
Returns from Fixed Assets (%)	57.26	32.62	45.07
Asset Circulation (Times)	1.37	1.00	1.21
Financial Policy Analysis Ratios			
Debt per Shareholders' Equity (Times)	1.89	1.83	0.80
Interest Payment Ability (Times)	15.69	10.67	7.12
Obligation Payment Ability (cash basis) (Times)	0.20	0.30	0.27
Dividend Payment (%)	121.40	84.69	47.15

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current assets						
Cash and cash equivalents	25.90	1.49	53.81	3.12	53.34	2.36
Temporary investment	-	-	9.00	0.93	18.00	0.80
Trade and other receivables - net	607.12	34.93	518.45	30.02	566.13	25.07
Materials from decommissioning a power plant - net	-	-	-	-	220.93	9.79
Inventories - net	480.01	27.62	481.37	27.88	642.96	28.48
Total current assets	1,113.03	64.04	1,062.63	61.53	1,501.36	66.50
Non-current Assets						
Restricted deposits at financial institutions	132.01	7.60	105.70	6.12	127.02	5.63
Land deposits	-	-	10.00	0.58	-	-
Investment property - net	4.26	0.25	3.97	0.23	2.30	0.10
Property, plant, and equipment - net	462.98	26.64	522.19	30.24	604.03	26.75
Intangible assets - net	2.03	0.12	3.48	0.20	4.34	0.19
Deferred tax assets	20.45	1.18	15.96	0.92	16.83	0.75
Other non-current assets	3.23	0.19	2.97	0.17	1.88	0.08
Total non-current assets	624.97	35.96	664.28	38.47	756.40	33.50
Total assets	1,737.99	100.00	1,726.91	100.00	2,257.76	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	286.87	16.51	377.61	21.87	251.42	11.14
Trade and other payables	657.99	37.86	483.70	28.01	587.72	26.03
Current portion of liabilities under financial lease agreements	12.15	0.70	9.03	0.52	6.24	0.28
Current portion of long-term loans from financial institutions	40.62	2.34	51.20	2.96	26.20	1.16
Accrued income tax	23.54	1.35	10.15	0.59	23.54	1.04
Total current liabilities	1,021.17	58.76	931.70	53.95	895.12	39.65
Non-Current Liabilities						
Liabilities under financial lease agreements - net	18.50	1.06	10.41	0.60	6.01	0.27
Long-term loans from financial institutions - net	134.05	7.71	164.35	9.52	91.24	4.04
Employee benefit obligations	4.47	0.26	5.36	0.31	6.02	0.27
Deferred tax liabilities	1.63	0.09	2.61	0.15	3.01	0.13
Non-current liabilities	0.36	0.02	0.25	0.01	0.27	0.01
Total non-current liabilities	159.00	9.15	182.97	10.60	106.55	4.72
Total liabilities	1,180.17	67.90	1,114.67	64.55	1,001.67	44.37
Shareholders' Equity						
Share capital						
Authorized share capital	330.00		400.00		550.00	24.36
Issued and fully paid-up	330.00	18.99	400.00	23.16	550.00	24.36
Premiums on ordinary shares					386.70	17.13
Discount on purchase of investments in subsidiaries - net	0.83	0.05	0.83	0.05	1.98	0.09
Retained earnings						
Appropriated						
Legal reserve	16.00	0.92	33.00	1.91	50.61	2.24
Unappropriated	210.99	12.14	177.82	10.30	267.23	11.84
Non-controlling interests	-	-	0.59	0.03	(0.43)	(0.02)
Total shareholders' equity	557.82	32.10	612.24	35.45	1,256.09	55.63
Total liabilities and shareholders' equity	1,737.99	100.00	1,726.91	100.00	2,257.76	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,117.21	99.58	1,692.93	99.34	2,549.60	99.47
Other income	9.02	0.42	11.26	0.66	13.57	0.53
Total revenues	2,126.23	100.00	1,704.19	100.00	2,563.17	100.00
Expenses						
Costs of sales and service	1,602.12	75.35	1,309.92	76.86	1,979.80	77.24
Selling expenses	155.22	7.30	126.26	7.41	178.54	6.97
Administrative expenses	118.77	5.59	99.30	5.83	124.63	4.86
Total expenses	1,876.12	88.24	1,535.47	90.10	2,282.97	89.07
Profit before finance costs and income tax	250.11	11.76	168.71	9.90	280.20	10.93
Finance costs	17.60	0.83	21.49	1.26	28.83	1.12
Profit before income tax	232.51	10.94	147.22	8.64	251.37	9.81
Income tax expenses	50.31	2.37	34.10	2.00	45.63	1.78
Profit for the years	182.20	8.57	113.12	6.64	205.74	8.03
Total comprehensive income for the years - Equity holders of the Company	182.20	8.57	113.65	6.67	206.75	8.07
Net Profit (Loss) per share (Fully Diluted) (Baht)	55.21		28.28		0.37	
Net Profit (Loss) per share (Weighted Average) (Baht)	109.41		33.96		0.45	
Par Value (Baht)	100.00		100.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2013	2014	2015
Cash Flows from Operating Activities:			
Profit before income tax	232.51	147.22	251.37
Adjustments to reconcile profit before income tax to cash operating activities			
Depreciation and amortization	33.13	40.02	44.50
Reversal of allowance for doubtful accounts	21.11	(4.45)	(6.56)
(Reversal) allowance for inventories devaluation	2.58	(6.24)	9.19
Gain from disposal of investment property	(0.16)	-	(0.40)
(Gain) loss from disposal of properties	(0.62)	(1.78)	0.22
(Gain) loss from disposal of investment in subsidiary			1.19
Estimation of employee benefit obligations	0.78	1.09	1.00
Actuarial loss	0.17	-	-
Interest expenses	17.60	21.49	28.83
Profit from operating activities before changes in operating assets and liabilities	307.10	197.35	329.34
Operating assets (increased) decreased			
Trade and other receivables	(91.96)	93.08	(40.93)
Materials from decommissioning a power plant	-	-	(225.08)
Inventories	(164.17)	4.87	(166.63)
Other non-current assets	(0.32)	0.26	1.08
Operating liabilities increased (decreased)			
Trade and other payables	133.22	(174.14)	100.64
Employee benefit obligations	-	-	-
Other non-current liabilities	(0.05)	(0.11)	0.02
Cash provided (paid) by operating activities	183.84	121.32	(1.56)
Employee benefit obligations paid	-	(0.20)	-
Interest paid	(17.64)	(21.64)	(29.12)
Income tax paid	(55.93)	(41.98)	(32.60)
Net cash from (used in) operating activities	110.27	57.49	(63.28)
Cash Flows from Investing Activities			
Temporary investments increase	-	(9.00)	-
Restricted deposits at financial institutions (increased) decreased	18.44	26.31	(30.32)
Cash payment for land deposit	-	(10.00)	
Decrease in cash and cash equivalents of liquidated subsidiary			(0.46)
Cash payment for acquisition of fixed asset	(126.52)	(97.24)	(108.39)
Cash received from disposal of investment property	0.19	-	1.82
Cash received from disposal of fixed assets	0.88	3.14	0.50
Cash payment for acquisition of intangible asset	(1.04)	(2.87)	(3.53)
Net cash used in investing activities	(108.04)	(89.67)	(140.38)
Cash Flows from Financing Activities:			
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	5.87	90.74	(126.18)
Cash received from short-term loans to related party	-	-	-
Cash payment for short-term loans to related party	-	-	-
Cash received from long-term loans from financial institutions	44.28	83.53	-
Cash repayment for long-term loans from financial institutions	(27.37)	(42.65)	(98.11)
Cash payments for liabilities under finance lease agreements	(9.45)	(12.83)	(9.22)

Statements of Cash Flows

(Unit: Million Baht)	2013	2014	2015
Cash received from increase ordinary shares	170.00	70	555.00
Directly attributable expenses of the initial public offering			(18.30)
Dividend paid	(200.00)	(130.00)	(100.00)
Non-controlling interest increase	-	1.30	-
Net cash from financing activities	(16.67)	60.08	203.19
Net cash and cash equivalents (increased) decreased	(14.45)	27.91	(0.47)
Cash and cash equivalents at the beginning of the years	40.35	25.90	53.81
Cash and cash equivalents at the end of the years	25.90	53.81	53.34

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios	2013	2014	2015
Liquidity Ratio			
Liquidity (Times)	1.09	1.14	1.68
Quick Ratio (Times)	0.62	0.62	0.71
Cash Flow Liquidity (Times)	0.12	0.06	(0.07)
Trade Debtors' Circulation (Times)	4.06	3.64	5.76
Mean Debt Collection Time (Days)	88.77	98.87	62.50
Circulating Inventory (Times)	4.01	2.73	3.52
Average Product Selling Time (Days)	89.70	132.11	102.22
Creditors' Circulation (Times)	3.45	2.99	4.77
Credit Term Debt Payment Time (Days)	104.36	120.31	75.43
Cash Cycle (Days)	74.12	110.66	89.29
Profit Making Ability Ratios			
Gross Profit (%)	24.33	22.62	22.35
Profit from Operating Activities (%)	11.39	9.30	10.46
Cash per Profit (%)	76.25	77.05	(0.58)
Net Profit (%)	8.57	6.67	8.07
Returns on Equity Shareholders' Returns (ROE) (%)	37.82	19.43	22.13
Performance Effectiveness Ratios			
Returns from Assets (ROA) (%)	16.18	9.74	14.06
Returns from Fixed Assets (%)	52.34	32.38	45.71
Asset Circulation (Times)	1.38	0.98	1.29
Financial Policy Analysis Ratios			
Debt per Shareholders' Equity (Times)	2.12	1.82	0.80
Interest Payment Ability (Times)	14.59	8.55	2.07
Obligation Payment Ability (cash basis) (Times)	0.30	0.19	(0.20)
Dividend Payment (%)	126.24	88.40	48.61

Discussion and analysis of financial position and results of operations.

1. Overall Past Performance

The major business of the company is switchboard manufacturing and installation. A switchboard is a control device that distributes electrical power to end equipment that set up in a building or a factory that requires large amount of power. The company's switchboards are manufactured and assembled as required by each customer's needs and nature of usage. There are two categories of the company's switchboard: (1) Switchboards that designed and developed by the company under the trademark 'Asefa', certified by IEC International Standards; (2) Type-Tested Licensed switchboards that granted by the world-leading companies such as Schneider Electric Industries S.A and Socomec S.A. from France which mainly installed for large-scaled projects. Besides the switchboards, the company produces and distributes metal trunking for indoor wiring and electrical lamps under the trademark 'Alumar'.

Furthermore, the Company has invested in supplied-and-distributed business of switchboard related products including medium voltage switchgears, transformers, busducts, UPS, meter, automation systems, etc. With high experience and expertise along with flourished human resources and tools, the company has flagged the expansion in consulting services including design, installation, test, optimization and maintenance, additionally Integrated Engineering Services and After Sales Services, in order to support the customer's confidence and complete service.

It is reported by power generation development plan of Thailand that overall power consumption has been affected by national business expansion which raises infrastructure construction and ASEAN community participation. During 2015-2036, the power generation trends are expected to be increased from 37,612 megawatts to 70,335 megawatts, and in 2015, the Company's turnover was dramatically increased as per the growth of industry that requires much electrical power, for instance, data center, power plant, and mass transportation.

During 2013-2014, investments in civil works and constructions from both government and individuals had decreased as per political unrest at the end of 2013, and it shrunk the confidence from investors as well as suspension of projects. In 2013, the combined revenue of the Company and the subsidiaries was at 2,126.23 and 1,704.19 million baht in 2014 with net profit at 182.20 million baht and 113.65 million baht respectively. From the economic downtime caused by world economic deflation and political unrest at the end of 2013 which brought forth to 2014, the revenue growth of the company was decelerated in 2013 and decreased in 2014.

In 2015, the Company and subsidiaries gained revenue for 2,563.17 million baht with 206.75 million baht net profit, 93.11 million baht increased from 2014, 81.92% when comparing with 2014 at the same period.

2. Analysis of Operating Results

2.1 Revenue

In 2013- 2014 the Company group earned 2,126.23 revenue for million baht and 1,704.19 million baht with growth rate at 19.85%. The deflation was caused by world economic deflation and political unrest at the end of 2013 through 2014.

In 2015, the total revenue from the Company and subsidiaries was 2,563.17 million baht, a 858.98 million baht increase from 2014 with 50.40 % growth rate. The fundamental causes for the increase were revenue from manufactured products with 491.43 million baht, a 42.88% increase, revenue from services with 116.09 million baht, a 46.67% increase, and revenue from buy-and-sell products with 72.33 million baht, a 24.26% increase. Besides, the company still earned revenue from Bangpakong Power Plant demolition for 176.82 million baht.

Product Group	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from sales						
- Products manufactured and distributed by the Company	1,459.22	68.63	1,145.97	67.24	1,637.40	63.88
- Products distributed by the Company	492.83	23.18	298.19	17.50	370.52	14.46
Total revenues from sales	1,952.06	91.81	1,444.16	84.74	2,007.92	78.34
2. Revenues from services	165.15	7.77	248.77	14.60	364.86	14.23
3. Revenue from power plant demolition	-	-	-	-	176.82	6.90
4. Other incomes	9.02	0.42	11.26	0.66	13.57	0.53
Total Revenues	2,126.23	100.00	1,704.19	100.00	2,563.17	100.00

Total revenue of the company and subsidiaries in 2013 was from sales, services, and others, rated 91.81%, 7.77%, and 0.42% respectively. In 2014, the revenue rate from sales, services, and others were 84.74%, 14.60%, and 0.66%.

For 2015, the company and subsidiaries earned revenue from sales, services, the demolition of the power plant, and others, rated 78.34%, 14.23%, 6.90%, and 0.53% respectively.

Revenues from Sales

Sales revenue during 2013-2015 composed with revenue from manufactured and distributed by the company products, and buy-and-sell company products. In 2013, 1,459.22 million baht and 492.83 million baht respectively were revenues that the company and subsidiaries received as shown in percentage as 74.75% and 25.25% respectively. In 2014, the revenues in million baht were at 1,145.97 million baht and 298.19 million baht as 79.35% and 20.65% respectively.

In 2015, the company and subsidiaries earned revenue from manufactured and distributed by the company products, and buy-and-sell company products at 1,637.40 million baht and 370.52 million baht as 81.55% and 18.45% respectively.

Product Group	Operated by	2013		2014		2015	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	Asefa	927.55	47.52	707.83	49.01	1,085.37	54.05
Licensed Products	Asefa	433.89	22.23	353.15	24.45	428.70	21.35
Other products	Asefa	97.78	5.01	84.99	5.88	123.32	6.14
Total revenue from products manufactured and distributed by the Company		1,459.22	74.75	1,145.97	79.35	1,637.40	81.55
Products distributed by the Company							
Electrical and control products	Asefa, VRT	112.85	5.78	61.95	4.29	80.90	4.03
Electrical power distribution products	Asefa	112.91	5.78	147.47	10.21	254.68	12.68
Lighting and equipment	Asefa, LTM	24.70	1.27	20.23	1.40	12.98	0.65
Cable	Asefa, VRT	166.54	8.53	28.83	2.00	5.02	0.25
Other products	Asefa, LTM, VRT	75.83	3.88	39.71	2.75	16.95	0.84
Total revenue from products distributed by the Company		492.83	25.25	298.19	20.65	370.52	18.45
Total revenue from sales		1,952.06	100.00	1,444.16	100.00	2,007.92	100.00

Products Manufactured and Distributed by the Company

Manufactured switchboards by the company, licensed switchboards, and other products such as metal trunking, lighting solution, etc, brought the revenue to the company orderly at 74.75%, 79.35%, and 81.55% of each sales in 2013-2015. The revenue mainly was earned from manufactured switchboard under the trademark 'Asefa' as shown in percentage at 47.52%, 49.01%, and 54.05% respectively.

National economic deflation in 2014 caused (21.47%) growth rate of the company's manufactured and distributed products as per less investment from the government as well as the individuals.

In 2015, the manufactured product sales growth rate was at 42.88% as per the company's switch board sales increased. Orders were from the increasing demand of projects as per more investments from the government and individuals both for manufactured products and licensed products.

Products Distributed by the Company

In 2013-2015, the Company group earned income from the buy-and-sell products for 492.83 million baht and 298.19 million baht, 25.25% and 20.65% orderly. The products included control devices, distribution devices, lighting sets, wires, etc.

In 2014, the growth rate of distributed product revenue was at 39.49%, since the company issued a policy to reduce wire sales as per high competition as well as a plan to merge Varitek business with the company. The sales of wires trended down since then.

In 2015, the revenue from the distributed products was 72.33 million baht, increased from last year in total of 370.52 million baht with 24.26% growth rate. The revenue from power distribution units increased from 147.47 million baht to 254.68 million baht with growth rate at 72.70%, while revenue from wire sales decreased from 28.83 million baht to 5.02 million baht at 82.59% growth rate as per the company reduced the sales activities of wires. The wires did not bring much profit, so that the company moved the account to distribution equipment market.

Revenue from Services

The company and subsidiaries' services brought revenue for 165.16 million baht in 2013 and 248.77 million baht in 2014 with 50.63% growth rate and in 2015, the revenue were 364.86 million baht, a 116.09 million baht increase from last year with a 46.67% growth rate. Integrated engineering services and after sales services were major sources of revenue as per the company enforced a policy to increase performance in services in 2014-2015, especially integrated engineering services.

Product Group	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	84.05	50.89	176.77	71.06	302.56	82.92
After sales services	81.10	49.11	72.00	28.94	62.30	17.08
Total revenue from services	165.15	100.00	248.77	100.00	364.86	100.00

The company and subsidiaries earned revenue from integrated engineering services for 84.05 million baht, 176.77 million baht, and 302.56 million baht with growth rate at 50.89%, 71.06%, and 82.92% for 2013, 2014 and 2015 respectively. The major reason that the company paid attention in the integrated engineering services was the deflation of economy and high competition in the switchboard marketing. Since the company had complete productivity and professional services, the revenue of 2014 increased from 2013 at 110.32% and 71.16% from 2015 to 2014.

The company's after sales services growth decreased from 81.10 million baht to 72.00 million baht, from 2013 to 2014 at 11.23%. In 2015 the revenue was at 62.30 million baht, with the growth rate at 13.47% from 2014 as per the company weighed more in integrated engineering services.

Other Incomes

From 2013-2015, The company and subsidiaries received revenue from other sources at 9.02 million baht, 11.26 million baht, and 13.57 million baht, rated at 0.42%, 0.66%, and 0.53% respectively from total income. Other incomes of 2015 included reversal of doubtful accounts for 6.57 million baht, interest income for 1.91 million baht, building rent for 1.54 million baht, etc.

2.2 Cost of Sales and Expenses

Major expenses of the company includes cost of sales and service, selling expenses, administrative expenses, and finance cost. During 2013-2015, it was shown that the expenses were at 1,893.72 million baht, 1,557.14 million baht, and 2,311.80 million baht, rated at 89.06%, 91.37%, and 90.15% orderly of total income.

Cost and Expenses	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	1,602.12	75.35	1,309.92	76.86	1,979.80	77.24
Selling expenses	155.22	7.30	126.26	7.41	178.54	6.97
Administrative expenses	118.77	5.59	99.47	5.84	124.63	4.86
Finance cost	17.60	0.83	21.49	1.26	28.83	1.12
Total Expenses	1,893.72	89.06	1,557.14	91.37	2,311.80	90.19
Total revenue	2,126.23	100.00	1,704.19	100.00	2,563.17	100.00

Cost of Sales and Service

Product Group	2013		2014		2015	
	Million Baht	GP (%)	Million Baht	GP (%)	Million Baht	GP (%)
Cost of sales - Products manufactured and distributed by the Company	1,103.68	24.37	913.56	20.28	1,240.70	24.23
Cost of sales - Products distributed by the Company	409.33	16.94	227.14	23.83	278.62	24.80
Cost of sales - Service	89.11	46.04	169.21	31.98	306.95	15.87
Cost of sales - power plant demolition	-	-	-	-	153.54	13.17
Cost of sales and service	1,602.12	24.33	1,309.92	22.62	1,979.80	22.35

In 2013-2014, the cost of sales and services was 1,602.12 million baht and 1,309.92 million baht and rated 75.35% and 76.38% of total income. Sales cost of 2014 had a 292.20 million baht decrease at 18.24%. Comparing with 2013, the decrease on cost of sales fluctuated in the same direction of the decreased sales.

In 2015, cost of sales and service was at 1,979.80 million baht, a 669.88 million baht increase at 51.14%. The increase on cost of sales fluctuated in the same direction of the increased sales.

Gross Margin

In 2013-2014, gross margin of the company was 515.09 million baht and 383.01 million baht orderly and rated at 24.33% and 22.62%.

In 2015, the margin was increased to 569.80 million baht, a 187.79 million baht increase from last year with gross rate at 22.35%, decreased 0.27% when compared with the similar period of 2014. High marketing competition caused the decreased gross margin rate as well as the gross profit from power plant demolition was not as planned as per the selling price of scraps, metal, iron, and copper was not as expected.

Selling Expenses

In 2013-2014, selling expenses of the company were at 155.22 million baht and 126.26 million baht, rated 7.30% and 7.41% of total income respectively. The expense in 2014 decreased for 28.96 as 18.75% comparing to 2013 as per the decreased sales.

In 2015, the sales expense was at 178.54 million baht, 52.28 million baht, increased from the same period of the late year and rated 41.41%. The causes of the increase were from the company expanding the marketing and the increasing sales volume, so the company recruited more of marketing and sales personnel to support the expansion. As a result, staff expenses both in wage and in marketing promotion also increased.

Administrative Expenses

In 2013-2014, administrative expenses of the company were at 118.77 million baht and 99.47 million baht, rated 5.59% and 5.84% of total income. When comparing to 2013, the expense of 2014 decreased for 19.30 million baht with 16.25% of ratio as expected by the expense control policy when sales decreased.

In 2015, the expense was at 124.63 million baht, a 25.16 million baht increase from last year with ratio at 25.29% of last year in the same period. A major cause of the increase was from the company recruiting more of marketing and sales personnel to support the business expansion, so that it raised personnel expense.

Finance Cost

The finance costs of the company in 2013-2015 were at 17.60 million baht and 21.49 million baht rated 0.83 and 1.26 of total income. In 2014, 3.89 million baht increased from 2013 with ratio at 22.10% as the interest that increased by fixed asset investment such as land, buildings, and equipments.

In 2015, 28.83 million baht was finance expense which was a 7.34 million baht increase, 34.16% when comparing to the similar period of the passed year. Short term loan from financial institution for Bangpakong power plant demolition was the major cause that increased the expense.

2.3 Net Profit

From operations shown previously, the company earned net profit for 2013-2014 at 182.20 million baht and 113.64 million baht respectively with ratio at 8.57% and 6.67%. The profit was decreased in 2014 as per subsidised income caused by deflation of international and local economy, and political unrest.

In 2015, the net profit was at 206.75 million baht, 93.11 million baht increased and rated 81.92% compared to the same period of the passed year. Net profit rate was at 8.07% increased from 2014 as per more investment in projects both government and individuals.

3. Financial Position

3.1 Asset

In 2013-2015, total assets of the company valued at 1,737.99 million baht, 1,726.91 million baht, and 2,257.77 million baht respectively with the growth ratio at 0.64% and 30.74% including trade receivable, inventory in stock, lands, buildings, and equipment.

In 2014, the ratio of the previous assets to total assets was 30.02%, 27.88% and 30.24% orderly.

In 2015, the ratio of the previous assets to total assets was 25.07%, 38.26%, and 26.75% orderly. Information of assets is as follows:

Trade Receivables

In 2013-2015, there were trade receivables before allowance of doubtful accounts for 609.15 million baht, 444.48 million baht, and 557.48 million baht as rated 35.05%, 25.74% and 24.69% respectively of total assets.

The company gives the customer lead time of credit for 30-90 days. From the past period, the company had average billing time at 98.43 day time in 2013, at 112.03 day at 2014 and 70.74 in 2015.

Period	As of Dec 31 st , 2013		As of Dec 31 st , 2014		As of Dec 31 st , 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade receivables						
Current	342.11	56.16	216.78	48.77	319.95	57.39
Over due						
Not over 3 month	165.79	27.22	116.66	26.25	149.98	26.90
Over 3 month-Not over 6 month	28.07	4.61	12.80	2.88	1.02	0.18
Over 6 month-Not over 12 month	5.84	0.96	2.54	0.57	3.72	0.67
Over 12 Month	63.91	10.49	61.23	13.77	53.77	9.65
Unbilled receivables	3.43	0.56	34.47	7.76	29.04	5.21
Total Trade receivables	609.15	100.00	444.48	100.00	557.48	100.00
Less Allowance for doubtful accounts	62.12		61.64		55.08	
Total trade receivables - net	547.03		382.84		502.40	

From the table above, it can be discerned that the Company and its subsidiaries had a portion of receivables who were not due for payment in 2013-2015 with the estimation deducted by the allowance for doubtful accounts of 56.16%, 48.27%, and 57.39% in each year. Most receivables of the Company and its subsidiaries had payments that did not exceed three months and were estimated into 27.22%, 26.25%, and 26.0% respectively. In 2014, accounts that exceeded 12 months of payment decreased from 63.91 million baht in 2013 to 61.23 in 2014 as per Sahafarm Co., Ltd. One of accounts who held outstanding debt for 29.54 million baht increased repayment time 6-12 month time. However, the company had back up the payment, and Sahafarm is in reconstruction and installment.

At 2015 year end, the ratio of suspense accounts increased from 48.77% to 57.39% and over three month passed due accounts decreased from 17.22% to 10.50 %. The quality of trade receivables is improved.

For policy to prepare allowance of doubtful accounts, the company shall set the allowance of over 180 days account at 100.00%. For an account that is not able to repay or bounced cheque, the allowance is also set at 100.00% likewise.

Inventory

Inventory	As of Dec 31 st , 2013		As of Dec 31 st , 2014		As of Dec 31 st , 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	77.57	15.23	29.97	5.94	30.85	4.60
Work in process	65.72	12.90	52.71	10.45	95.45	14.22
Raw material	333.43	65.45	398.23	78.92	504.00	75.09
Supplies	12.45	2.44	12.34	2.45	26.13	3.89
Goods under installation	19.46	3.82	9.04	1.79	14.47	2.15
Goods in transit	0.83	0.16	2.30	0.46	0.31	0.05
Total inventories	509.46	100.00	504.59	100.00	671.21	100.00
Less allowance for devaluations	29.45		23.21		28.25	
Total inventories - net	480.01		481.37		642.96	

In 2013-2014, the company held net inventory in stock valued 480.01 million baht, 481.37 million baht, and 642.96 million baht respectively including raw materials, work in process and finished goods.

In 2014, inventories in stock amount at 504.59 million baht mostly were raw materials with ratio at 78.92% of total instock inventories including electrical equipment and wires.

At the end of 2015, the overall in-stock inventories were valued at 671.21 million baht, and the most stock keeping unit was raw material rated at 75.09% of total inventories including electrical equipment and wires.

The net inventories in stock of 2015 were 642.96 million baht, increased from 2014 for 161.59 million baht or at 33.56%. The major cause was the company's purchasing of raw material at the passed year-end in order to support the increasing demand from the customers and the increasing quantity of in-progress production. Moreover, in 2015 the Company and its subsidiaries have the materials from decommissioning a power plant in a total of 220.93 million baht, which added the amount from 2014 by the 100% increase rate.

The company revised the policy on criteria of provision of obsolete products, and the new issued policy was announced in the second quarter of 2015 as detailed as follows.

Raw material Type	Aging of inventory	Criteria of provision (%)
Raw material	Between 366-730 Days	25.00
Raw material	Between 731-1,095 Days	50.00
Raw material	Between 1,096-1,825 Days	75.00
Raw material	Over 1,825 Days	100.00
Work in Process and Finished goods	Between 181-365 Days	50.00
Work in Process and Finished goods	Over 365 Days	100.00

Property, Plant, and Equipment

In 2013, the net property, plant, and equipment of the company was at 462.98 million baht, and in 2014 and in 2015 at 522.19 million baht and 604.04 million baht orderly. The ratio per total asset was shown as 26.64%, 30.24%, and 26.75% respectively.

In 2013, the company had invested consecutively in property, plant, and equipment, and the neighbour land by Rama II factory, 25,801.2 sq.m., was bought in order to expand the factory as well as the purchasing of additional machineries which mostly were for metal production and electrical works. The company bought two land plots, 18,080 sq.m. and 16,000 sq.m., in 2014 opposite the present factory, and in the same 2014, the construction of additional factory, warehouse, and recreation center had been launched within Rama II factory with utility space at 6,552 sq.m. Moreover, in order to support more productivity, the company also bought more machineries.

The net property, land and equipment of the company were raised to 604.04 million baht in 2015, increased from 2014 as 81.84 million baht rated at 15.67% as per more investment of land, construction, machinery and equipment in order to increase the company's productivity.

3.2 Liquidity

Cash Flow

Cash flow in the company's operating activities were 110.27 million baht and 57.49 million baht, in 2013 and 2014 orderly. The deduction was caused by the decreased income which subsided the account receivables and account payables.

Net cash flow assigned for the company investment was stated at 108.04 million baht in 2013 and 89.67 in 2014. Annual expenses occurred to the investment of machinery and land to support business expansion as well as the construction of additional factory. In 2013, the company bought land and machinery for 39.28 million baht and invested in construction for 65.40 million baht, and 63.47 million baht and 21.19 million baht were invested in 2014 respectively.

Net cash from financing activities in 2013-2014 brought net cash flow for 16.67 million baht and 60.08 million baht orderly. In 2013, the capital was raised by the company for 170.00 million baht, and the company paid repayment to the financial institutes for 27.37 million baht as well as 200.00 million baht for dividend. The campaign expense consumed net cash flow for 16.67 million baht. In 2014, the company paid in the loan for 42.65 million baht, paid dividend for 130.00 million baht, and repaid the loan for 174.27 million baht as well as increasing the capital for 70 million baht. The net cash flow of the company from financing activities was at 60.08 million baht.

Business operations in 2015 consumed cash flow for 63.29 million baht that mostly were from the demolition of the power plant for 225.08 million baht and outstanding products for 166.63 million baht. Besides, the company purchased additional fixed assets for 108.39 million baht. As a result, the cash flow was taken to investment for 140.38 million baht. Additionally, the company paid in loan and overdrafts for 224.29 million baht as well as 100.00 million baht for dividend that displayed as 203.19 million baht cash flow for financing activities.

(Unit: Million Baht)	2013	2014	2015
Net cash from (used in) operating activities	110.27	57.49	(63.29)
Net cash used in investing activities	(108.04)	(89.67)	(140.38)
Net cash from financing activities	(16.67)	60.08	203.19
Net cash and cash equivalents (increased) decreased	(14.45)	27.91	(0.47)

Liquidity Ratio

The company carried the liquidity ratio at the year ends of 2013-2015 at 1.09 and 1.68 respectively with quick ratio at 0.62 and 0.71. The gap between both ratio was widened by the ratio of the outstanding products and the current assets were high, 43.13%, 45.30%, and 42.83% respectively.

Cash cycle of the company was at 74.12 days in 2013, 110.66 days in 2014, and 89.29 days in 2015. The increased cash cycle of 2014 was caused by the extended term of debt collection from 88.77 days in 2013 to 98.87 days in 2014 and the period of sales increased from 89.70 days in 2013 to 132.11 days, while the term of collection increased from 104.36 days to 120.31 days of the similar period respectively as per the better efficiency in credit management by requesting the extension of credit term from major account payables.

In 2015, the collection term had been shortened, 98.87 days in 2014 to 62.50 days, as per close attention paid by the company to operations and improvement in order to strengthen the debt collection process. The term of sales was shortened to 102.22 days from 132.11 days in 2014, since the company sales management was better and faster.

		2013	2014	2015
Liquidity	(Times)	1.09	1.14	1.68
Quick Ratio	(Times)	0.62	0.62	0.71
Mean Debt Collection Time	(Days)	88.77	98.87	62.50
Average Product Selling Time	(Days)	89.70	132.11	102.22
Credit Term Debt Payment Time	(Days)	104.36	120.31	75.43
Cash Cycle	(Days)	74.12	110.66	89.29

3.3 Sources of Capital

Liabilities

Total liabilities were 1,180.17 million baht in 2013, 1,114.67 million baht in 2014, and 1,001.67 million baht in 2015 were mostly overdrafts and short term loan in order to be the company working capital supporting operations of the Company and subsidiaries.

Most of liabilities of the company were current liabilities, and the ratio of the current liabilities per combined liabilities was shown as 86.53% in 2013, 83.59% in 2014, and 89.36% in 2015. The Company's most liabilities were from trade payables and short term loans from financial institutes. The ratio per combined liabilities were shown as 43.45% and 24.31% in 2013, 32.55% and 33.88% in 2014, and 46.60% and 25.10% in 2015.

The ratio of non-current liabilities of the company trended to increase for 182.97 million baht in 2014, for the company held long term loan for property, plant, and equipment investment during 2013-2014. The ratio of long term loans from institutes per overall liabilities increased from 11.36% to 14.74%, from 2013 to 2014.

At the end of 2015, non-current liabilities of the company decreased for 76.42 million baht, rated 41.77% when compared to the same period in 2014 as per the deduction of the amount of long term loan and finance lease liabilities. The ratio of long-term loan from finance institutes per combined liabilities was at 9.11% which decreased from 2014.

Shareholders' Equity

Value of shareholders in the company was at 557.82 million baht in 2013, 612.24 million baht in 2014, and 1,256.09 million baht in 2015.

In 2014, the shareholder's equity increased from 2013 with growth rate at 9.76% as per 70.00 million baht investment was added to the capital with dividend paid at 130.00 million baht.

At the end of 2015, the shareholders' equity was increased, due to the dividend in 2015, and was given away for 100.00 million baht with 150.00 million baht added to the capital, while premium on common shares at 386.70 million baht, and legal reserved fund increased for 17.60 million baht.

Capital Structure Viability

At the end of 2013, the company had debt to equity ratio at 2.12 times, 2014 at 1.82 times, and 2015 at 0.80 times. The ratio mended down in 2015 as per the company paid-in IPO, earned more profit from operations, and repayment of debt to financial institutes.

3.4 Primary Factors and Influences with potential Impact on Performance in the Future

Bidding project of Bang Pakong Combined Cycle Power Plant unit 1 and unit 2 with demolition

The Company set up Asefa Suntech Joint Venture by establishing with Suntech Engineering Co., Ltd. to bid in Bang Pakong Combined Cycle Power Plant unit 1 and unit 2 with demolition from Electricity Generating Authority of Thailand (EGAT) and won the bid in December 2014, while the company was not much familiar to manage. If the joint venture could not sell disposed materials and equipment at the expected price, the company's operation would be affected.

However, before founding the venture, the company had studied the possibility thoroughly, and also Suntech Engineering Co., Ltd. highly experienced in power plant construction for years. The company also had surveyed the possibility and demand of scrap sales and the expected price. Such risk from the price was limited.

The company expects the power plant project investment to be a business expansion and will raise experiences in electrical system project to the company, so that in the future, the company shall have more business channels as well as more opportunity in the future.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31st, 2015



AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Asefa Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Asefa Public Company Limited and its subsidiaries, and of Asefa Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31st, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory note.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Asefa Public Company Limited and its subsidiaries, and of Asefa Public Company Limited, respectively as at December 31st, 2015, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



(Mr. Yuttapong Chuamuangpan)

Certified Public Accountant Registration Number 9445

ANS Audit Co., Ltd.

Bangkok, February 25th, 2016

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31st, 2015

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	6	53,340,357	53,809,496	37,623,143	35,900,470
Temporary investment		18,000,000	9,000,000	-	-
Trade and other receivables-net	5, 7	566,131,394	518,451,132	564,665,564	438,241,242
Short-term loan to related party	5	-	-	229,000,000	82,250,000
Materials from the decommissioning a power plant-net	8	220,930,975	-	-	-
Inventories-net	9	642,962,261	481,373,457	642,962,261	479,356,200
Total current assets		1,501,364,987	1,062,634,085	1,474,250,968	1,035,747,912
Non-current Assets					
Restricted deposits at financial institutions	10	127,018,187	105,701,000	127,018,187	96,701,000
Land deposits		-	10,000,000	-	10,000,000
Investments in subsidiaries - net	11	-	-	31,849,339	31,849,339
Investment property - net	12	2,294,600	3,973,008	2,294,600	2,505,803
Property, plant and equipment - net	13, 16, 19	604,036,727	522,193,199	602,068,078	522,242,399
Intangible assets - net	14	4,336,349	3,475,691	4,312,170	3,431,837
Deferred tax assets	15	16,830,037	15,963,314	14,680,004	14,213,481
Other non-current assets		1,886,286	2,969,496	886,929	1,970,139
Total non-current assets		756,402,186	664,275,708	783,109,307	682,913,998
Total assets		2,257,767,173	1,726,909,793	2,257,360,275	1,718,661,910

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31st, 2015

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2015	2014	2015	2014
Liabilities and Shareholders' Equity					
Current Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	16	251,424,422	377,610,263	251,424,422	377,610,263
Trade and other payables	5, 17	587,721,658	483,703,300	586,932,230	480,300,828
Current portion of liabilities					
under financial lease agreements	18	6,237,270	9,031,940	6,237,270	9,031,940
Current portion of long-term					
loans from financial institutions	19	26,196,000	51,199,521	26,196,000	51,199,521
Accrued income tax		23,537,392	10,154,767	23,537,392	10,154,767
Total current liabilities		895,116,742	931,699,791	894,327,314	928,297,319
Non-Current Liabilities					
Liabilities under financial lease agreements - net	18	6,012,780	10,412,431	6,012,780	10,412,431
Long-term loans from financial institutions - net	19	91,243,061	164,346,026	91,243,061	164,346,026
Employee benefit obligations	20	6,019,490	5,359,608	6,019,490	5,359,608
Deferred tax liabilities	15	3,013,735	2,606,459	3,013,735	2,606,459
Non-current liabilities		270,320	248,820	270,320	248,820
Total non-current liabilities		106,559,386	182,973,344	106,559,386	182,973,344
Total liabilities		1,001,676,128	1,114,673,135	1,000,886,700	1,111,270,663

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31st, 2015

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2015	2014	2015	2014
Shareholders' Equity					
Share capital	21				
Authorized share capital					
4,000,000 ordinary shares, at Baht 100 each			400,000,000		400,000,000
550,000,000 ordinary shares, at Baht 1 each		550,000,000		550,000,000	
Issued and fully paid-up					
4,000,000 ordinary shares, at Baht 100 each		-	400,000,000	-	400,000,000
550,000,000 ordinary shares, at Baht 1 each		550,000,000	-	550,000,000	-
Premiums on ordinary shares		386,702,910	-	386,702,910	-
Discount on purchase of investments					
in subsidiaries-net	11	1,981,036	832,273	-	-
Retained earnings					
Appropriated					
Legal reserve	22	50,605,545	33,000,000	50,605,545	33,000,000
Unappropriated		267,234,496	177,817,258	269,165,120	174,391,247
Total shareholders' equity attributable to owners of parent		1,256,523,987	611,649,531	1,256,473,575	607,391,247
Non-controlling interests		(432,942)	587,127	-	-
Total shareholders' equity		1,256,091,045	612,236,658	1,256,473,575	607,391,247
Total liabilities and shareholders' equity		2,257,767,173	1,726,909,793	2,257,360,275	1,718,661,910

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31st, 2015

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2015	2014	2015	2014
	3, 5, 25		(RESTATED)		
Revenues from sales and service		2,549,598,244	1,692,925,323	2,373,092,223	1,639,214,248
Costs of sales and service		(1,979,799,609)	(1,309,918,453)	(1,826,575,932)	(1,266,731,643)
Gross profit		569,798,635	383,006,870	546,516,291	372,482,605
Other income		13,567,991	11,261,481	32,239,370	11,416,677
Profit before expenses		583,366,626	394,268,351	578,755,661	383,899,282
Expenses					
Selling expenses		(178,535,852)	(126,270,021)	(178,535,852)	(123,478,929)
Administrative expenses		(124,634,338)	(99,468,974)	(113,777,245)	(91,799,973)
Total expenses		(303,170,190)	(225,738,995)	(292,313,097)	(215,278,902)
Profit before finance costs and income tax		280,196,436	168,529,356	286,442,564	168,620,380
Finance costs		(28,830,061)	(21,491,287)	(28,830,061)	(19,928,855)
Profit before income tax		251,366,375	147,038,069	257,612,503	148,691,525
Income tax expenses	15	(45,632,175)	(34,104,140)	(45,501,599)	(30,612,574)
Profit for the years		205,734,200	112,933,929	212,110,904	118,078,951
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Premiums on purchase of investment		1,148,763	-	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net from tax		268,514	184,697	268,514	-
Total comprehensive income for the years		207,151,477	113,118,626	212,379,418	118,078,951
Profit attributable to					
Equity holders of the Company		206,754,269	113,647,202	212,110,904	118,078,951
Non-controlling interests		(1,020,069)	(713,273)	-	-
		205,734,200	112,933,929	212,110,904	118,078,951
Total comprehensive income attributable to					
Equity holders of the Company		208,171,546	113,831,899	212,379,418	118,078,951
Non-controlling interests		(1,020,069)	(713,273)	-	-
		207,151,477	113,118,626	212,379,418	118,078,951
Basic earnings per share					
Equity holders of the Company	3	0.45	0.34	0.46	0.35
Weighted average number of issued and fully paid-up ordinary shares (shares)		462,054,795	333,068,493	462,054,795	333,068,493

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31st, 2015

Unit: Baht

		Consolidated financial statements					
		Retained earnings				Total shareholders' equity attributable to owners of parent	Non-controlling interest
Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Discount on investments	Appropriated Legal Reserve	Unappropriated		
Balance as at January 1st, 2014	330,000,000	-	832,273	16,000,000	210,985,419	557,817,692	-
Share capital increased	70,000,000	-	-	-	-	70,000,000	-
Legal reserve	-	-	-	17,000,000	(17,000,000)	-	-
Dividend paid	-	-	-	-	(130,000,060)	(130,000,060)	-
Non-controlling interests increased	-	-	-	-	-	-	1,300,400
Total comprehensive income (loss) for the year	-	-	-	-	113,831,899	113,831,899	(713,273)
Balance as at December 31st, 2014	400,000,000	-	832,273	33,000,000	177,817,258	611,649,531	587,127
Share capital increased	150,000,000	405,000,000	-	-	-	555,000,000	-
Directly attributable expenses of the initial public offering	-	(18,297,090)	-	-	-	(18,297,090)	-
Legal reserve	-	-	-	17,605,545	(17,605,545)	-	-
Dividend paid	-	-	-	-	(100,000,000)	(100,000,000)	-
Total comprehensive income (loss) for the year	-	-	1,148,763	-	207,022,783	208,171,546	(1,020,069)
Balance as at December 31st, 2015	550,000,000	386,702,910	1,981,036	50,605,545	267,234,496	1,256,523,987	(432,942)
							1,256,091,045

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31st, 2015

Unit: Baht

Separate financial statements					
Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Retained earnings		Total
			Appropriated Legal Reserve	Unappropriated	
Balance as of January 1st, 2014	330,000,000	-	16,000,000	203,312,296	549,312,296
Share capital increased	21	70,000,000	-	-	70,000,000
Legal reserve	23	-	17,000,000	(17,000,000)	-
Dividend paid	23	-	-	(130,000,000)	(130,000,000)
Total comprehensive income for the year	-	-	-	118,078,951	118,078,951
Balance as of December 31st, 2014	400,000,000	-	33,000,000	174,391,247	607,391,247
Share capital increased	21	150,000,000	405,000,000	-	555,000,000
Directly attributable expenses of the initial public offering	21	-	(18,297,090)	-	(18,297,090)
Legal reserve	22,23	-	17,605,545	(17,605,545)	-
Dividend paid	23	-	-	(100,000,000)	(100,000,000)
Total comprehensive income for the year	-	-	-	212,379,418	212,379,418
Balance as of December 31st, 2015	<u>550,000,000</u>	<u>386,702,910</u>	<u>50,605,545</u>	<u>269,165,120</u>	<u>1,256,473,575</u>

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31st, 2015

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash Flows from Operating Activities:		(RESTATED)		
Profit before income tax	251,366,375	147,038,069	257,612,503	148,691,525
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	44,497,947	40,017,656	43,911,252	39,475,130
Reversal of allowance for doubtful accounts	(6,562,027)	(4,452,556)	(4,395,244)	(4,693,782)
(Reversal) allowance for inventories devaluation	9,188,016	(6,235,160)	5,040,236	(1,373,743)
Allowance for impairment of investments in subsidiary	-	-	-	5,702,100
Gain from disposal of investment property	(398,826)	-	-	-
(Gain) loss from disposal of properties	227,621	(1,779,978)	278,953	(967,816)
(Gain) loss from disposal of investment in subsidiary	1,194,274	-	(387,158)	-
Estimation of employee benefit obligations	995,525	1,274,814	995,525	1,072,504
Dividend income	-	-	-	(2,999,940)
Interest expenses	28,830,061	21,491,287	28,830,061	19,928,855
Profit from operating activities before changes in operating assets and liabilities	329,338,966	197,354,132	331,886,128	204,834,833
Operating assets (increased) decreased				
Trade and other receivables	(40,930,936)	93,078,492	(121,641,920)	98,849,362
Materials from the decommissioning a power plant	(225,078,756)	-	-	-
Inventories	(166,629,040)	4,869,727	(168,646,297)	(41,298,402)
Other non-current assets	1,083,210	255,652	1,083,210	(195,847)
Operating liabilities increased (decreased)				
Trade and other payables	100,637,553	(174,135,647)	103,200,597	(111,164,398)
Other non-current liabilities	21,500	(106,470)	21,500	(106,470)
Cash provided (paid) by operating activities	(1,557,503)	121,315,886	145,903,218	150,919,078
Employee benefit obligations paid	-	(202,308)	-	-
Interest paid	(29,126,844)	(21,642,349)	(29,126,844)	(19,960,397)
Income tax paid	(32,601,359)	(41,978,561)	(32,245,350)	(42,022,838)
Net cash from (used in) operating activities	(63,285,706)	57,492,668	84,531,024	88,935,843

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31st, 2015

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash Flows from Investing Activities		(RESTATED)		
Temporary investments increase	-	(9,000,000)	-	-
Restricted deposits at financial institutions (increased) decreased	(30,317,187)	26,312,462	(30,317,187)	(17,701,000)
Cash received from short-term loans to related party	-	-	102,250,000	-
Cash payment for short-term loans to related party	-	-	(249,000,000)	(82,250,000)
Cash payment for land deposit	-	(10,000,000)	-	(10,000,000)
Cash payment for investment in subsidiary	-	-	-	(6,699,600)
Decrease in cash and cash equivalents of liquidated subsidiary	(457,577)	-	-	-
Dividend income	-	-	-	2,999,940
Cash received from disposal of investment property	1,822,430	-	-	-
Cash payment for acquisition of fixed asset	(108,392,129)	(97,243,279)	(105,826,271)	(97,567,201)
Cash received from disposal of fixed assets	502,024	3,135,114	433,533	1,537,793
Cash payment for acquisition of intangible asset	(3,532,921)	(2,871,946)	(3,540,352)	(2,858,260)
Net cash used in investing activities	(140,375,360)	(89,667,649)	(286,000,277)	(212,538,328)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	(126,185,841)	90,740,221	(126,185,841)	167,016,295
Cash received from long-term loans from financial institutions	-	83,532,644	-	83,532,644
Cash repayment for long-term loans from financial institutions	(98,106,486)	(42,653,470)	(98,106,486)	(42,653,470)
Cash payments for liabilities under finance lease agreements	(9,218,657)	(12,834,448)	(9,218,657)	(12,405,201)
Cash received from increase ordinary shares	555,000,000	70,000,000	555,000,000	70,000,000
Directly attributable expenses of the initial public offering	(18,297,090)	-	(18,297,090)	-
Dividend paid	(100,000,000)	(130,000,060)	(100,000,000)	(130,000,000)
Non-controlling interest increase	-	1,300,400	-	-
Net cash from financing activities	203,191,926	60,085,287	203,191,926	135,490,268
Net cash and cash equivalents (increased) decreased	(469,140)	27,910,306	1,722,673	11,887,783
Cash and cash equivalents at the beginning of the years	53,809,497	25,899,190	35,900,470	24,012,687
Cash and cash equivalents at the end of the years	53,340,357	53,809,496	37,623,143	35,900,470
Supplemental Disclosures of Cash Flows Information				
Increase in assets from financial lease agreements during the year	2,024,366	1,625,664	2,024,336	1,625,664
Increase in accounts payables for purchase of fixed assets	3,727,588	-	3,727,588	-
Assets increased from a land deposit	10,000,000	-	10,000,000	-

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st, 2015

1. GENERAL INFORMATION

Asefa Public Company Limited (the "Company") registered as a juristic person under the Civil and Commercial Code of Thailand on March 24th, 1997 and became a public company limited on March 18th, 2015.

Registered address is located at No.5, Moo 1, Rama 2 Road, Khokkrabue, Muang Samutsakhon, Samutsakhon.

The Company's main business is the manufacture and distribution of electrical power distribution, switchboard and trunking systems.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28th, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis of consolidated financial statement preparation

- A) The consolidated financial statements included the financial statements of Asefa Public Company Limited and its subsidiaries (that together referred to as the "Group").
The details of the subsidiaries are as follows:

Subsidiaries	Nature of business	Percentage of holding	
		2015	2014
Varitak Co., Ltd.	Dealer on equipment for electrical system, water supply system and air-conditioned system	99.99	99.99
Lighting Mart Co., Ltd.	Distributor for lighting equipment		99.94
Asefa Suntech Joint Venture	Purchase of Bang Pakong Combined Cycle Power Project Series 1 and Series 2 and the demolition from the Electricity Generating Authority of Thailand including entire project management	50	50

- B) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
C) The financial statements of subsidiaries are prepared using the same significant accounting policies as the Company.
D) The balances between the Company and its subsidiaries, and significant intercompany transactions have been eliminated in the consolidated financial statements.

The financial statements of Asefa Suntech Joint Venture are included in the consolidated financial statement since the Company has control over their financial and operating policies, and it is therefore regarded as subsidiary.

The separate financial statements prepared for the benefit of the public by presenting the investments in subsidiaries at cost method.

New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1st, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At pass, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements

The impacts on the statements of profit or loss and other comprehensive income for the year ended December 31, are as follows

	Unit : Baht			
	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
Decrease in profit for the years	268,514	184,697	268,514	–
Increase in other comprehensive income	268,514	184,697	268,514	–
Decrease in basic earnings				
per share (Baht per share)	0.001	0.001	0.001	–

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after January 1st, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis.

Sales are recognized upon the delivery of products and the transfer of significant risk and ownership to the customers.

Services from installation of electrical system and air condition system are recognized on the percentage of completion method. The percentage of completion is assessed as the ratio of contract costs incurred to total expected contract costs.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in the statement of income.

Contingent liability from penalty is recognized as an expense in the accounting period in which they are incurred.

The completed part of construction, which has not yet been delivered for acceptance or for billing, is recorded as unbilled contract revenue.

Sales of materials from the decommissioning a power plant are recognized upon delivery and transfer of ownership to the buyer. Costs of sales are estimated from the estimated total cost of demolition of the entire project divided by the estimated quantities of all materials from the decommissioning multiplied by the quantities sold.

Cash and cash equivalents

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

Trade receivables and allowance for doubtful accounts

Trade receivables are stated at net realizable value. Allowance for doubtful accounts is an estimate of those amounts which may prove to be uncollectible based on a review of the current status of existing accounts receivables and the local economy environment.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of material comprises the purchase price and cost directly attributable to the acquisition of the material. The cost of finish good, work in progress and work under installation comprises raw materials, direct labor, other direct cost and related production overhead allocated on the basis of normal operating activities.

Costs are calculated on the basis as follows:

Types of inventories	Method of cost calculation
Raw materials and spare parts, supplies, and finished goods of a subsidiary	First-in, First-out
Finished goods, work in process, work under installation	Specific cost
Materials from the decommissioning a power plant	Average

Investments

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment (if any).

Investments property

Investment property is property held to earn rental income or for capital appreciation (or both). It is not intended to be sold in the normal course of business or for the production or supply of goods or services or for administrative tasks.

Investments property includes condominium stated at cost less accumulated depreciation. Depreciation of condominium is calculated by the straight-line method based on the estimated useful life of 20 years.

Property, plant and equipment - net

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciations of plant and equipment are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

Types of assets	Years
Buildings and improvements	5, 10, 20, 30
Leasehold improvements	Over the period of lease agreement
Machinery	5, 10
Tools and office equipment	5
Furniture and fixtures	5
Vehicles	5

Land, construction in progress and assets under installation are stated at cost and no depreciation is provided.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and is adjusted if appropriate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset to get ready for its intended use are capitalized as part of the cost of the respective assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Intangible asset

Deferred license fees are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line method based on the term of agreements. Program computer are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line basis over their estimated useful lives of 3-5 years.

Finance lease

Finance lease which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating lease

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the profit or loss over the period of the lease.

Employee benefits*Short-term benefits*

The Group salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits — defined contribution plan

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the profit or loss in the period to which they relate.

Post-employment benefits — defined benefit plan

The employee benefits obligations for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognized actuarial gains or losses in the other comprehensive income for the period in which they arise.

Trade and other payables

Trade and other payables are stated at cost.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Foreign currency translation

Foreign currency transactions are translated into Thai baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency outstanding at the reporting date are translated to Thai baht at the exchange rate prevailing at the statements of financial position date.

Gains and losses on exchange rates are credited or charged to the profit or loss.

Related parties

Related parties are defined as persons or companies that control other persons or companies or have significant influence over other persons or companies in making financial and/or operational decisions. This includes the companies that have common shareholders or executive management.

Income tax

Income tax expenses comprise current tax and deferred tax.

Current tax

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

Deferred tax

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

The Group recognized deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

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

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year as if the par value reduction has been made since January 1, 2014.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Impairment of investment in subsidiary

The Company treats investment in its subsidiary as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Property, plant and equipment and depreciation

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

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

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Estimated project costs

The Group estimates costs of projects based on details of the work, taking into account the volume and value of materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on projects

Management applied judgement in estimating the loss they expect to be realised on each project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Post-employment benefits under defined benefit plans

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

5. TRANSACTIONS WITH RELATED PARTIES

The followings present relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Subsidiaries	Nature of relationships	% Equity interest owned by the Company	
		2015	2014
Varitak Co., Ltd.	Subsidiary by common shareholders and directors	99.99	99.99
Lighting Mart Co., Ltd.	Subsidiary by common shareholders and directors	-	94.99
Enginar Co., Ltd.	Related companies by certain common shareholders and directors	-	-
Asefa Suntech Joint Venture	Joint venture which is a subsidiary by common directors	50.00	50.00

The Company had significant business transactions with related parties for the year ended December 31st as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Varitek Co., Ltd.				
Sales of inventories	-	-	-	3,303,087
Purchase of inventories	-	-	-	32,056,887
Purchase of fixed assets	-	-	-	1,417,105
Dividend income	-	-	-	2,999,940
Lighting Mart Co., Ltd.				
Sales of inventories	-	-	-	2,839,460
Purchase of inventories	-	-	-	2,581,940
Purchase of fixed assets	-	-	-	62,000
Enginar Co., Ltd.				
Sales of inventories	637,940	990,690	637,940	990,690
Purchase of inventories	19,943,020	7,584,500	19,943,020	7,584,500
Transportation revenue	-	25,804	-	25,804
Sub-contract expense	271,870	573,913	271,870	573,913
Asefa Suntech Joint Venture				
Interest income	-	-	14,569,932	417,452
Sales of inventories	-	-	313,300	-
Management revenue	-	-	6,900,000	-

The Company has transactions with related parties by using cost plus profit as mutually agreed which are closed to market price.

Significant balances with related parties as of December 31st can be summarized as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivable-related parties				
Lighting Mart Co., Ltd.	-	-	-	432,162
Enginar Co., Ltd.	145,948	25,680	145,948	25,680
Asefa Suntech Joint Venture	-	-	428,000	-
Total trade receivable-related parties-net	145,948	25,680	573,948	457,842
Trade payable-related parties				
Enginar Co., Ltd.	1,623,340	5,607,870	1,623,340	5,607,870
Total trade payable-related parties	1,623,340	5,607,870	1,623,340	5,607,870
Accrued sub-contractor expense				
Enginar Co., Ltd.	20,000	573,913	20,000	573,913
Accrued interest income				
Asefa Suntech Joint Venture	-	-	1,166,959	417,452

Movement of short-term loans to related party during the year and the significant balance as of December 31st are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Asefa Suntech Joint Venture				
Beginning balance at the years	-	-	82,250,000	-
Increase during the years	-	-	249,000,000	82,250,000
Decrease during the years	-	-	(102,250,000)	-
Ending balance at the years	-	-	229,000,000	82,250,000

Short-term loans to related party bear interest rate of 6% per annum.

Management compensation

Management compensation for the year ended December 31st consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Short-term benefits	17,741,680	14,299,081
Post-employment benefits	172,625	157,787
Total management compensation	17,914,305	14,456,868

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31st consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	764,909	286,943	255,785	248,757
Cash at banks – saving accounts	19,479,676	17,993,901	4,320,523	442,229
Cash at banks – current accounts	30,345,422	35,360,144	30,296,486	35,040,975
Cheque due	2,750,350	168,508	2,750,349	168,509
Total cash and cash equivalents	53,340,357	53,809,496	37,623,143	35,900,470

7. TRADE AND OTHER RECEIVABLES-NET

Trade and other receivables as of December 31st consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Trade receivables - related parties	145,948	25,680	573,948	457,842
Trade receivables - other companies				
Returned cheque	14,252,767	14,401,767	7,872,550	7,872,550
Post-dated cheque	61,798,649	63,494,809	61,798,649	63,387,783
Promissory note	4,649,955	224,700	4,649,955	224,700
Other trade receivables-other	447,588,988	331,857,840	442,720,650	325,010,570
Total trade receivables-other	528,290,359	409,979,116	517,041,804	396,495,603
Unbilled receivables	29,047,896	34,473,057	29,047,896	34,473,057
Total trade receivables	557,484,203	444,477,853	546,663,648	431,426,502
Less Allowance for doubtful accounts				
Beginning balance	(61,641,963)	(62,122,109)	(48,265,475)	(52,959,258)
Increase during the years	(1,344,359)	(6,524,327)	(1,344,359)	(3,989,210)
Decrease during the years	7,906,386	7,004,473	5,739,604	8,682,993
Ending balance	(55,079,936)	(61,641,963)	(43,870,230)	(48,265,475)
Total trade receivables-net	502,404,267	382,835,890	502,793,418	383,161,027
Other receivables				
Retention	37,592,464	23,736,403	37,592,464	23,631,311
Advance payment	7,646,509	5,945,106	7,646,509	5,945,106
Accrued discount from material purchased	-	13,165,167	-	13,165,167
Deposit receivable	5,246,114	3,115,775	5,246,114	3,115,775
Advance payment for goods	312,426	-	312,426	-
Accrued interest income	1,142,574	-	2,202,667	1,223,331
Deposit under the contract	-	59,000,000	-	-
Revenue department receivable	2,355,644	20,663,990	-	-
Other	9,431,396	9,988,801	8,871,966	7,999,525
Total other receivables	63,727,127	135,615,242	61,872,146	55,080,215
Total trade and other receivables	566,131,394	518,451,132	564,665,564	438,241,242

The Company has trade receivables classified by age analysis as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables-related companies				
Current	145,948	25,680	145,948	25,680
Over due				
Not over 3 months	-	-	428,000	-
Over 6-12 months	-	-	-	432,162
Total trade receivables				
— related companies	145,948	25,680	573,948	457,842
Trade receivables-other companies				
Current	319,800,014	216,758,563	319,800,014	216,758,563
Over due				
Not over 3 months	149,986,306	116,661,414	149,947,456	116,661,414
Over 3-6 months	1,024,354	12,796,639	1,024,354	12,796,639
Over 6-12 months	3,720,006	2,535,721	3,720,006	2,535,721
Over 12 months	53,759,679	61,226,779	42,549,974	47,743,266
Total trade receivables				
— other companies	528,290,359	409,979,116	517,041,804	396,495,603

8. MATERIALS FROM THE DECOMMISSIONING POWER PLANT - NET

Materials from the decommissioning power plant as at December 31st consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of materials from				
the decommissioning power plant	378,302,434	-	-	-
<u>Less</u> Cost of materials from decommissioning				
transferred to cost of sales	(153,223,678)	-	-	-
<u>Less</u> allowance for devaluations	(4,147,781)	-	-	-
Materials from the decommissioning				
power plant - net	220,930,975	-	-	-

9. INVENTORIES-NET

Inventories as of December 31st consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	30,858,430	29,967,676	30,858,430	29,967,676
Work in process	95,457,500	52,707,258	95,457,500	50,690,001
Raw material	503,999,125	398,230,702	503,999,125	398,230,702
Supplies	26,125,599	12,340,020	26,125,599	12,340,020
Goods under installation	14,468,185	9,039,223	14,468,185	9,039,223
Goods in transit	308,309	2,303,230	308,309	2,303,230
Total inventories	671,217,148	504,588,109	671,217,148	502,570,852
Less allowance for devaluations	(28,254,887)	(23,214,652)	(28,254,887)	(23,214,652)
Total inventories-net	642,962,261	481,373,457	642,962,261	479,356,200

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

Restricted deposits at financial institutions as of December 31st consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed Deposits				
UOB Bank PCL.	25,000,000	25,000,000	25,000,000	25,000,000
Standard Chartered Bank PCL.	15,000,000	15,000,000	15,000,000	15,000,000
Kasikorn Bank PCL.	54,207,900	48,000,000	54,207,900	39,000,000
Bangkok Bank PCL.	17,700,000	17,700,000	17,700,000	17,700,000
Bank of Ayudhya PCL.	15,110,287	1,000	15,110,287	1,000
Total restricted deposits at financial institutions	127,018,187	105,701,000	127,018,187	96,701,000

As of December 31st 2015 and 2014, the above fixed deposits of the Group have interest rate of 0.8%-2.25% per annum and 1.40%-2.25% per annum, respectively, and are pledged as collaterals for bank overdrafts, short-term loans from financial institutions, and letters of guarantee issued by financial institutions.

11. INVESTMENTS IN SUBSIDIARIES-NET

Investments in subsidiaries as of December 31st consisted of:

		Unit : Thousand Baht					
		Separate financial statements					
Company	Relationship	Paid – up share		% of holding		Cost method	
		2015	2014	2015	2014	2015	2014
<u>Subsidiaries</u>							
Varitek Co., Ltd. *	Executives and shareholders together.	30,000	30,000	99.99	99.99	30,849	30,849
Lighting Mart Co., Ltd.	Executives and shareholders together.	-	11,000	-	94.99	-	8,052
Asefa Suntech Joint Venture	Joint Venture	2,000	2,000	50.00	50.00	1,000	1,000
Total investments						31,849	39,901
Less Allowance for impairment on investments						-	(8,052)
Total investments-net						31,849	31,849

Lighting Mart Co, Ltd. registered for liquidation with the Department of Business Development on October 8, 2015. As of the liquidation date, the net book value assets of Lighting Mart Co.,Ltd. As Follows:

	Unit : Thousand Baht
Cash and cash equivalents	458
Trade and other receivables	25
Trade and other payables	(50)
Net assets	433
Other receivables-Cash receive from cash payback	(387)
Purchase price of investment over than net book value-Lighting Mart Co., Ltd.	1,148
Loss from liquidation of investment in subsidiary	1,194

Loss from liquidation of investment in a subsidiary is included in the consolidated statement of profit or loss. On October 6th, 2014, the Company entered into an agreement with Sun Tech Engineering Co., Ltd. to establish the Asefa Suntech Joint Venture, a joint investment for the acquisition of the power project and its demolition at a sharing ratio of 50:50 with an initial investment of 2 million baht.

On June 24th, 2014, the Company acquired additional shares of Lighting Mart Co., Ltd. according to the proportion of shareholding of 94.99% of the share capital, totaling 56,996 shares at 100 baht per share representing a total of Baht 5,699,600.

* On June 28th, 2012, the Company purchased an additional investment from the subsidiary's shareholders who are the same as the Company's shareholders at the price equal to the net book value of the investment at the purchase date.

During the year 2007, the Company purchased investments in two subsidiaries from the subsidiaries' shareholders who are also the Company's shareholders. The difference between the purchase price of investments and the net book value of investments at the purchase date are as follows:

	Million Baht
Purchase price of investment lower than net book value-Varitek Co., Ltd.	1.981
Purchase price of investment over than net book value-Lighting Mart Co., Ltd.	(1.148)
Purchase price of investment lower than net book value-net	0.833

The Company recorded the purchase price lower than the net book value as discount from purchasing investment presented under the shareholders' equity.

The following is summarized financial information of subsidiaries before inter-company elimination

	Unit : Thousand Baht		
	Varitek Co., Ltd.	Asefa Suntech Joint Venture	Total
As of December 31st, 2015			
Current assets	33,143	228,096	261,239
Non-current assets	35,598	2,342	37,940
Current liabilities	(81)	(231,304)	(231,385)
Non-controlling interests	-	(433)	(433)
For the year ended December 31st, 2015			
Revenues	3,112	176,866	179,978
Net profit for the year Attributable to			
Non-controlling interests	-	(1,020.00)	(1,020.00)
Total other comprehensive income (loss)			
attributable to non-controlling interests	-	-	-
Net cash provided by (used in)			
Operating activities	(305)	(147,135)	(147,440)
Investing activities	1,891	(2,566)	(675)
Financing activities	-	146,750	146,750
Cash and cash equivalents			
increase (decrease) - net	1,586	(2,951)	(1,365)

12. INVESTMENT PROPERTIES-NET

Investment properties as of December 31st, 2015, consisted of:

Unit : Baht				
Consolidated financial statements				
	As of January 1 st , 2015	Movements during the year		As of December 31 st , 2015
		Additions / Transfer	Decrease	
Condominium				
Cost	6,127,285	-	1,567,940	4,559,345
Accumulated depreciation	2,154,277	254,804	144,336	2,264,745
Book value-net	3,973,008			2,294,600
Appraisal from Treasury Department				5,368,020

Unit : Baht				
Separate financial statements				
	As of January 1 st , 2015	Movements during the year		As of December 31 st , 2015
		Additions / Transfer	Decrease	
Condominium				
Cost	4,559,345	-	-	4,559,345
Accumulated depreciation	2,053,542	211,203	-	2,264,745
Book value-net	2,505,803			2,294,600
Appraisal from Treasury Department				5,368,020

The investment property is a condominium unit which has been leased to a company with an annual rental of 0.36 million baht.

This agreement is automatically renewable unless either party notifies the other to terminate the contract.

The investment property has fair value in the consolidated and separate financial statements in the amount of 5.37 million, according to the management's assessment by reference to the current purchase price of land and the land office quoted price.

13. PROPERTY, PLANT AND EQUIPMENT-NET

Property, plant and equipment at December 31st, 2015, consisted of:

(Unit : Baht)										
Consolidated financial statement										
	Land	Building and improvement	leasehold improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Building under construction	Asset under installation	Total
Cost:										
Balance as of January 1 st , 2015	225,495,651	227,027,229	1,806,900	111,497,602	87,139,563	28,223,079	33,305,649	2,846,287	190,000	717,531,960
Add purchase during the year	41,500,000	-	-	10,754,400	12,353,040	4,017,455	4,176,841	50,737,648	-	123,539,384
Transferred in/out during the year	606,250	10,971,876	-	-	190,000	-	-	(11,578,126)	(190,000)	-
Less disposal during the year	-	-	-	(460,000)	(4,630,970)	(300,288)	(1,062,075)	-	-	(6,453,333)
Balance as of December 31 st , 2015	267,601,901	237,999,105	1,806,900	121,792,002	95,051,633	31,940,246	36,420,415	42,005,809	-	834,618,011
Accumulated depreciation:										
Balance as of January 1 st , 2015	-	35,820,981	1,806,892	65,282,079	57,876,140	13,927,963	20,624,706	-	-	195,338,761
Add depreciation during the year	-	13,566,973	-	7,329,381	11,405,689	5,021,334	4,247,503	-	-	41,570,880
Transferred during the year	-	(604,669)	-	-	-	-	-	-	-	(604,669)
Less disposal during the year	-	-	-	(459,997)	(4,396,065)	(277,533)	(590,093)	-	-	(5,723,688)
Balance as of December 31 st , 2015	-	48,783,285	1,806,892	72,151,463	64,885,764	18,671,764	24,282,116	-	-	230,581,284
Net book value:										
Net book value-net Beginning of year	225,495,651	191,206,248	8	46,215,523	29,263,423	14,295,116	12,680,943	2,846,287	190,000	522,193,199
Net book value-net Ending of year	267,601,901	189,215,820	8	49,640,539	30,165,869	13,268,482	12,138,299	42,005,809	-	604,036,727

Depreciation for the year ended December 31st, 2015 and 2014 amounted to 41.57 million baht and 38.30 million baht, respectively for the consolidated financial statements, and amounted to 41.04 million baht and 37.92 million baht for the separate financial statements, respectively.

As of December 31st, 2015 and 2014, the Group's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to 113.69 million baht and 82.79 million baht, and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to 110.34 million baht and 76.62 million baht, respectively.

As fo December 31st, 2015 and 2014, some of the Company's land and buildings have been mortgaged as collateral for loans obtained from a bank (Notes 16 and 19).

14. INTANGIBLE ASSETS-NET

Intangible assets as of December 31st, 2015, consisted of:

	Unit : Baht			
	Consolidated financial statement			
	As of January 1 st , 2015	Movement during the year		As of December 31 st , 2015
		Increase	Decrease	
Cost				
License fee	5,445,346	-	2,973,726	2,471,620
Computer software	6,258,342	3,540,352	244,875	9,553,819
Total	11,703,688	3,540,352	3,218,601	12,025,439
Accumulated amortization				
License fee	3,616,483	1,458,143	2,973,726	2,100,900
Computer software	4,611,514	1,218,120	241,444	5,588,190
Total	8,227,997	2,676,263	3,215,170	7,689,090
Intangible assets-net	3,475,691			4,336,349

Unit : Baht

Consolidated financial statement

	As of January 1 st , 2015	Movement during the year		As of December 31 st , 2015
		Increase	Decrease	
Cost				
License fee	5,445,346	-	2,973,726	2,471,620
Computer software	5,370,391	3,540,352	-	8,910,743
Total	10,815,737	3,540,352	2,973,726	11,382,363
Accumulated amortization				
License fee	3,616,483	1,458,143	2,973,726	2,100,900
Computer software	3,767,417	1,201,876	-	4,969,293
Total	7,383,900	2,660,019	2,973,726	7,070,193
Intangible assets-net	3,431,837			4,312,170

The Company entered into four license agreements with two companies in France. The Company has been allowed from owner of the rights to produce and sell certain products in Thailand and has been provided the technical assistance and training through the life of the contract period of 3 years.

15. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets and liabilities during the year were as follows:

Unit : Baht

Consolidated financial statement

	As of January 1 st , 2015	Movements increase (decrease)		As of December 31 st , 2015
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Trade and other receivables	10,296,777	(1,102,856)	-	9,193,921
Allowance for inventories devaluation	4,594,616	1,837,603	-	6,432,219
Provision for employee benefit	1,071,921	199,104	(67,128)	1,203,897
Total deferred tax assets	15,963,314	933,851	(67,128)	16,830,037
Deferred tax liabilities				
Property, plant and equipment (depreciation)	2,606,459	407,276	-	3,013,735
Total deferred tax liabilities	2,606,459	407,276	-	3,013,735

As at December 31st, 2015, a subsidiary has unutilized tax loss carried forward of 8.82 million baht, respectively. Due to the uncertainty of the utilization, the management, therefore, considers not to recognize this deferred tax.

	Unit : Baht			
	Separate financial statements			
	Movements increase (decrease)			
	As of January 1 st , 2015	Profit or loss	Other comprehensive income	As of December 31 st , 2015
Deferred tax assets				
Trade and other receivables	8,546,943	(673,500)	-	7,873,443
Allowance for inventories devaluation	4,594,616	1,008,047	-	5,602,663
Provision for employee benefit	1,071,922	199,104	(67,128)	1,203,898
Total deferred tax assets	14,213,481	533,651	(67,128)	14,680,004
Deferred tax liabilities	-			-
Property, plant and equipment (depreciation)	2,606,459	407,276	-	3,013,735
Total deferred tax liabilities	2,606,459	407,276	-	3,013,735

Income tax expenses for the year ended December 31st were as follows:

	Unit : Baht			
	Consolidated financial statement		Separate financial statements	
	2015	2014	2015	2014
Profit before income tax	251,366,375	147,038,069	257,612,503	148,691,524
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	50,273,275	29,407,614	51,522,501	29,738,305
Non-deductible expenses by the Revenue Code	222,547	3,727,268	206,443	1,088,544
Double expenses by the Revenue Code	(5,460,112)	(610,446)	(4,616,965)	(754,707)
Allowance for investments in subsidiaries	-	-	(1,610,380)	1,140,420
Loss from liquidation of investment in subsidiary	238,855	-	-	-
Dividend income is exempted from tax	-	-	-	(599,988)
Unutilized tax loss carry forward	357,610	1,579,704	-	-
Income tax expenses	45,632,175	34,104,140	45,501,599	30,612,574
The effective tax rate	18.15%	23.19%	17.66%	20.59%

The Group applied the 20% corporate income tax rate for the year ended December 31st, 2015 and 2014 pursuant to Royal Decree Issued Under the Revenue Code RE: Tax Rate Reduction (No. 530) B.E. 2554, dated December 14th, 2011, reducing the corporate income tax rate from 30% to 20% of net profits for accounting periods beginning on or after January 1st, 2013, but no later than December 31st, 2014; and pursuant to Royal Decree Issued Under the Revenue Code RE: Tax Rate Reduction (No. 577) B.E. 2557, dated November 10th, 2014, continuing the 20% corporate income tax rate for net profit for the accounting period beginning on or after January 1st, 2015, but no later than December 31st, 2015.

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as of December 31st, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Bank overdrafts	8,438,639	15,878,630
Promissory note	194,000,000	336,297,355
Trust receipts	48,985,783	25,434,278
Total bank overdraft and short-term loan from financial institutions	251,424,422	377,610,263

As of December 31st, 2015 and 2014, the Company and its subsidiaries have credit facilities from financial institutions in the form of bank overdrafts, short-term loans, promissory notes, long-term loans, and letters of guarantee as follows:

	Unit : Million Baht	
	2015	2014
Asefa PCL. and its subsidiaries	1,069	1,076
Asefa PCL.	1,010	1,029

The interest rate and repayment periods are defined in the contract. These credit facilities are secured by mortgage of the Company's land and building (Note 13), restricted deposits at financial institutions (Note 10) and are guaranteed by three directors of the Company. The Company and subsidiaries must comply with certain conditions and restrictions stipulated in the agreements.

17. TRADE AND OTHER PAYABLES

Trade and other payables as of December 31st, consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payable				
Trade payables-related companies	1,623,340	5,607,870	1,623,340	5,607,870
Trade payables-others	465,181,990	357,187,395	465,026,107	354,224,317
Total trade payable	466,805,330	362,795,265	466,649,447	359,832,187
Other payables				
Advances received for goods	44,557,410	46,552,066	44,325,093	46,332,066
Accrued royalty expenses	5,346,945	6,461,051	5,346,944	6,461,051
Accrued commission expenses	26,140,023	23,081,175	26,140,023	23,081,175
Accrued plate expenses	2,259,292	1,590,526	2,259,292	1,590,526
Accrued sub-contractors expenses	1,436,927	2,195,556	1,436,927	2,195,556
Accrued employee benefits expenses	4,183,044	2,399,618	4,183,044	2,399,618
Withholding tax payable	3,231,599	11,808,427	3,231,599	11,783,700
Revenue Department payable	1,602,259	-	1,602,259	-
Retention payable	9,629,379	5,045,455	9,629,379	5,045,455
Accrued other expenses	22,529,450	21,774,161	22,128,223	21,579,494
Total other payables	120,916,328	120,908,035	120,282,783	120,468,641
Total trade other payables	587,721,658	483,703,300	586,932,230	480,300,828

18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS-NET

Liabilities under financial lease agreements as of December 31st, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Due within 1 year		
Minimum payments	6,689,749	9,809,521
Deferred interest	(452,479)	(777,581)
Present value of minimum payment	6,237,270	9,031,940
Due over 1 year not exceeding 5 years		
Minimum payments	6,071,923	10,646,923
Deferred interest	(59,143)	(234,492)
Present value of minimum payment	6,012,780	10,412,431
Net book value of asset under financial lease	26,979,235	37,221,708

As of December 31st, 2015 and 2014, the Group has machinery and vehicles with certain companies under financial lease agreements for periods of 3-5 years.

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS-NET

Long-term loans from financial institutions as of December 31st, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Long-term loans	117,439,061	215,545,547
Less Current portion	(26,196,000)	(51,199,521)
Total long-term loans from financial institutions - net	91,243,061	164,346,026

During the year 2014, the Company has drawdown long-term loans from financial institutions from the approved line of 53.53 million baht.

In June 2014, the Company entered a long-term loan agreement with a financial institution of 30 million baht with repayment period of 7 years. The loan bears interest at the MLR-2.5% per annum for the First-year and Second-year, MLR-2.0% per annum for the Third-year and thereafter. The repayments of the principal and interest will be made monthly at 0.45 million baht starting in July 2014. The loan is secured by the mortgage of the Company's land and building and is guaranteed by authorized directors of the Company. On October 21st, 2015, the Company already made the repayment of the principal in full amount of this agreement.

In October 2013, the Company entered a long-term loan agreement with a financial institution for building factory of 43.28 million baht with repayment period of 7 years. The loan bears interest at the MLR-2.30% to MLR-2.0% per annum with monthly payment. The loan has grace period of 6 months for principal after the first loan had been drawn. The regular monthly payment for principal will be made at least 1.29 million baht a month for periods of 7-83 starting in May 2014, and the remaining loan must be paid in full at the period 84 (last payment). The loan is secured by the mortgage of the Company's land and building and is guaranteed by authorized directors of the Company.

In April 2013, the Company entered a long-term loan agreement with a financial institution for purchase land of 75 million baht with repayment period of 7 years. The loan bears interest at the MLR-1.5% per annum and monthly payment for principal will be made at 893,000 baht a month starting in May 2013. The loan is secured by the mortgage of the Company's land and building and is guaranteed by authorized directors of the Company.

In the year 2010, the Company entered a long-term loan agreement with a financial institution for building factory of 35 million baht with repayment period of 8 years. The loan bears interest at the MLR-2.5% per annum for the First-year and Second-year, MLR-2.0% per annum for the Third-year and Fourth-year, MLR-1.5% per annum for the Fifth-year and thereafter. The repayments of the principal and interest will be made at least 0.49 million baht starting on May 18th, 2011. The loan is secured by the mortgage of the Company's land and building and is guaranteed by authorized directors of the Company. On October 21st, 2015, the Company already made the repayment of the principal in full amount of this agreement

In the year 2008, the Company entered a long-term loan agreement with a financial institution for purchase land and building of 100 million baht with repayment period of 8 years. The loan bears interest at the MLR-2.5% per annum for the First-year and Second-year, MLR-2.0 % per annum for the Third-year and Fourth-year, MLR-1.5% per annum for the Fifth-year and thereafter. The repayments of the principal and interest will be made at least 1.40 million baht starting on June 30th, 2009. The loan is secured by the mortgage of the Company's land and building and is guaranteed by authorized directors of the Company. On October 15th, 2015, the Company already made the repayment of the principal in full amount of this agreement.

20. EMPLOYEE BENEFIT OBLIGATIONS

Under Labor Laws applicable in Thailand and the Company's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

Movement of the present value of employee benefit obligations for the years ended December 31st as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Post-employment benefit plan				
Defined benefit obligations beginning				
of the years	5,359,608	4,471,800	5,359,608	4,287,104
Current service costs	724,108	831,029	724,108	831,029
Cost of interest	271,416	241,475	271,416	241,475
Actuarial gain	(335,642)	(184,696)	(335,642)	-
Defined benefit obligations				
ending of the years	<u>6,019,490</u>	<u>5,359,608</u>	<u>6,019,490</u>	<u>5,359,608</u>

Employee benefit expenses in the profit or loss for the years ended December 31st consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Current service cost	724,108	831,029
Interest from obligation	271,416	241,475
Total employee benefits expenses	<u>995,524</u>	<u>1,072,504</u>

Employee benefit expenses for the years ended December 31st as shown in the profit or loss e as follow:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2015	2014
Costs of sales	628,220	733,404
Selling expenses	194,860	179,765
Administrative expenses	172,444	159,335
Total employee benefits expenses	995,524	1,072,504

The actuarial assumption of discount rate is estimated from weighted average of the yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

The actuarial assumptions as of December 31st 2015 and 2014 (shown as weighted average), consisted of:

	(Percentage per year)
	Consolidated/Separate financial statements
Discount rate as of December 31 st	
Monthly salary	4.70
Daily salary	5.01
Future monthly salary increase rate	8.41
Future daily salary increase rate	9.57
Mortality rate	
Monthly employee	100 percent as Mortality Table 2008
Daily employee	100 percent as Mortality Table 2008

21. SHARE CAPITAL

During July 28th-31st, 2015, the Company offered its new common shares to the benefactors and to the public by issuing 150 million shares at the price of 3.70 baht per share. The Company registered the increased share capital with the Ministry of Commerce on August 3rd, 2015. The shares of the Company were trading on the Stock Exchange of Thailand on August 5th, 2015. Directly attributable expenses of the initial public offering amounted to 18.30 million baht were deductible from the premium on share capital.

The General Shareholders' Meeting of 2015, held on March 17th, 2015, passed a resolution to increase the Company's registered share capital from 400 million baht to 550 million baht and change the par value from 100 baht to 1 baht (from 4,000,000 ordinary shares at 100 baht par value to 550,000,000 ordinary shares at 1 baht par value). The Company registered the increase in share capital and the reduction in par value with the Ministry of Commerce on March 18th, 2015. At the Extraordinary General Shareholders' Meeting No. 1/2014 held on December 3rd, 2014, the shareholders approved the increase of registered capital from the existing registered capital of 330 million baht to 400 million baht by issuing 700,000 new ordinary shares to the existing shareholders at a ratio of 7 new ordinary for every 33 existing shareholders, at par value of 100 baht per share. The Company had received the fully paid-up of increased shares in December 2014.

22. LEGAL RESERVE

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until the reserve equals no less than 10% of the registered capital. This legal reserve is not available for dividend distribution.

23. DIVIDEND

Board of Directors' Meeting No. 1/2015, held on February 24th, 2015, passed a resolution authorizing payment of an interim dividend from the retained earnings amounting to 100 million baht at the rate of 25 baht per share and authorized that 7 million baht be set aside as a legal reserve.

The resolution of Extraordinary Annual General Meeting of shareholders No. 1/2014 held on December 3rd, 2014 authorized the payment of an interim dividend from the retained earnings amounting to 100 million baht at the rate of 30.30 baht per share and authorized for set aside as a legal reserve at 7.53 million baht.

The resolution of Annual General Meeting of shareholders No. 1/2014 held on April 28th, 2014 authorized the payment of an interim dividend from the profit for the year 2013 amounting to 30 million baht at the rate of 9.09 baht per share and allocation profit for the year 2013 as a legal reserve at 9.47 million baht. The dividend was paid on June 30th, 2014.

24. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31st, consisted of:-

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Changes in finished goods				
and work in process (increase) decrease	(280.84)	68.19	(51.09)	24.87
Purchase of finished goods	-	40.64	-	-
Raw materials and consumable materials used	1,390.20	898.48	1,390.20	898.48
Director and employee's benefits and expenses	375.58	244.54	374.30	241.47
Sales promotion expenses	64.05	51.81	64.05	50.41
Service fees for installation subcontract	177.47	81.14	131.94	81.14
Rental and service expenses	59.13	27.21	31.45	23.46
Depreciation and amortization	44.50	40.02	43.92	39.48
Vehicles and travel expenses	36.85	22.64	30.97	22.45
Reversal of allowance for doubtful account	(6.56)	(4.45)	(4.40)	(4.69)
(Reverse) Allowance for inventory devaluation	9.19	(6.24)	5.04	(1.37)

25. OPERATING SEGMENTS

The Group's operations are divided into manufacturing, trading, services, and decommissioning of the power plant. The Company's and subsidiaries' operating segments for the years ended December 31st, are as follows:

Unit : Thousand Baht

	Consolidated financial statements									
	Manufacturing business		Trading business		Services business		Decommissioning the power plant		Elimination	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	1,637,712	1,138,376	370,523	346,565	364,857	248,765	176,819	-	(313)	(40,781)
Segment profit	396,621	232,403	91,987	71,048	57,908	79,556	20,862	-	2,421	-
Other income										
Selling expenses										
Administrative expenses										
Finance costs										
Income tax expenses										
Profit for the period										
Assets										
Property, plant and equipment-net										
Others										
Total assets										
	209,852	209,852	118,528	118,528	205,734	205,734	112,934	112,934	205,734	112,934
	604,521	604,521	522,840	522,840	604,037	604,037	522,193	522,193	604,037	522,193
	1,919,357	1,919,357	1,319,248	1,319,248	1,653,730	1,653,730	1,204,716	1,204,716	1,653,730	1,204,716
	2,523,878	2,523,878	1,842,088	1,842,088	2,257,767	2,257,767	1,726,909	1,726,909	2,257,767	1,726,909

25. FINANCIAL INSTRUMENTS

The financial risk

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments.

Credit risk

The Group provides credit terms to each customer after confirming her credit worthiness. The collection of accounts receivables is closely monitored and will focus on the overdue receivables and the Group will make a provision for accounts receivable that is overdue for more than 180 days. Presently, the Group's management believe that there is no significant loss arising from the uncollected receivables.

The trade accounts receivable classified by age analysis had been disclosed in Notes 7.

Foreign currency risk

Foreign exchange rate risk arises from purchasing goods in foreign currency. The management believes that the Group's foreign exchange rate risk is minimal, so there is no any contract to hedge such risk.

Interest rate risk

Interest rate risk occurs when the value of financial instruments change in accordance with the fluctuation of market interest rates, which may affect interest income and interest expense of the present and future years.

The management believes that the interest rate risk is minimal, so the Company has no hedging agreement to protect against such risk.

The risk of liquidity

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

Fair value

The fair value of the financial instruments is the amount at which the instruments may be exchanged in a current transaction between willing parties. The following methods and assumptions are used to estimate the fair value for each class of the Company's financial instruments:

- Financial assets are stated at estimated fair value.
- Financial liabilities are stated at book values which are almost the same as the fair value, because such liabilities will mature in the short term and long-term liabilities have floating interest rates.

Capital Management

The Group's management has capital management policy which aims to maintain a strong capital base through strategic plan for its operation and businesses with good performance and cash flows. Furthermore, the Group also takes into account the good financial position by considering investing in projects that can generate good yield and maintaining a reasonable working capital as well as strengthening its stability of cash and a capital structure. This is to retain the ability to conduct business in the future and maintain the confidence of shareholders, investors, creditors and other stakeholders.

27. EMPLOYEES PROVIDENT FUND

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 2-6% (depending on the age of the work) and the Company contributed to the fund monthly at the referred rate plus 2%. The Company will pay to employees upon termination in accordance with the fund rules. The contributions started from February 1st, 2013. For the year ended December 31st, 2015 and 2014, the Company contributed to the fund amounting to 9.87 million baht and 8.01 million baht, respectively.

28. COMMITMENTS AND CONTINGENCIES LIABILITIES

As of December 31st, 2015 and 2014, the Group had the following commitments and contingent liabilities:-

28.1 As of December 31st, 2015 and 2014, the Group has obligations under leased office space, factories, and service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows:

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Due within 1 year	3.15	3.16	1.64	0.89
Due over 1 year not exceeding 5 years	0.51	3.15	0.51	1.63
Due over 5 year	1.02	-	1.02	-
Total	4.68	6.31	3.17	2.52

28.2 As of December 31st, 2015 and 2014, the Group is contingently liable for bank guarantees issued by the banks amounting to 194.14 million baht and 116.72 million baht, respectively.

28.3 As of December 31st, 2015 and 2014, the Company has a contractual obligation to pay the remaining capital amount of 35.76 million baht and 5.43 million baht, respectively.

28.4 As of December 31st, 2015 and 2014, the Company has the commitment from account receivable, which have been sold with recourse to financial institution at a discount totaling of 10.89 million baht and 11.94 million baht, respectively.

29. EVENT AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 2/2016, held on February 25th, 2016, resolved pay a dividend from its operating result for the year ended December 31st, 2015. for 550 million shares at the rate of 0.20 baht per share, amounting 110 million baht. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued on February 25th, 2016.



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