



ANNUAL REPORT 2016

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 Highlight

For the fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2016	2015	2014	2016	2015	2014
Stock Data						
Par value (Baht)	1.00	1.00	100.00	1.00	1.00	100.00
Book value (Baht)	2.58	2.28	153.06	2.61	2.28	151.85
Earning per share (Baht) *	0.52	0.45	0.34	0.53	0.46	0.35
Operating Performance (Unit : million baht)						
Revenues from sales and service	2,799.63	2,549.60	1,692.93	2,717.43	2,373.09	1,639.21
Total income	2,814.21	2,563.17	1,704.19	2,741.83	2,405.33	1,650.63
Net profit	288.23	206.75	113.65	291.10	212.11	118.08
Balance Sheet (Unit : million baht)						
Current assets	1,455.47	1,501.36	1,062.63	1,451.45	1,474.25	1,035.75
Total assets	2,253.48	2,257.77	1,726.91	2,264.74	2,257.36	1,718.66
Current liabilities	756.66	895.12	931.70	754.25	894.33	928.30
Total liabilities	832.67	1,001.68	1,114.67	830.26	1,000.89	1,111.27
Paid-up capital	550.00	550.00	400.00	550.00	550.00	400.00
Shareholders' equity	1,431.67	1,256.52	612.24	1,434.48	1,256.47	607.39
Financial Ratio						
Returns on shareholders' equity (ROE) (%)	21.44	21.13	19.44	21.64	22.76	20.42
Returns on fixed assets (%)	51.73	45.71	32.38	51.93	45.07	32.62
Returns on assets (ROA) (%)	15.84	14.06	9.74	16.37	14.41	10.20
Gross profitmargin (%)	25.14	22.35	22.62	25.91	23.03	22.72
Net profit margin (%)	10.24	8.07	6.67	10.62	8.82	7.15
Current assets ratio to items of current liabilities (times)	1.92	1.68	1.14	1.92	1.65	1.12
Liquidity ratio to liabilities (times)	0.96	0.71	0.62	0.92	0.67	0.51
Debt ratio to shareholders' equity (times)	0.58	0.80	1.82	0.58	0.80	1.83

Note :

*In year 2016 the weighted average number of outstanding shares is 550,000,000 shares

In year 2015 the weighted average number of outstanding shares is 462,054,795 shares

In year 2014 the weighted average number of outstanding shares is 333,068,493 shares



Message from the Board of Directors

Despite the challenges of inconsistency in both domestic and global economy, Asefa Public Company Limited continues to perform outstandingly, as in 2016 when the Company was able to pay dividends to shareholders, business partners, and customers, with whom we have had strong business ties.

The Company's business direction in 2017 still leans towards the continual growth built since last year, mainly driven by the Thai government's spending as well as the improving performances in the tourism and export sectors. The government expenses soared because several infrastructure projects have constantly been granted and invested: i.e. construction of railway-lines and double-track railway line, renovation and expansion of Suvarnabhumi Airport phases, underground wiring, data center, alternative energy, and automation and energy conservation systems. The process of operating these projects requires a range of the Company's products and services; and since the global economy have recently recovered and the investments from both government and private sectors have risen, the growth in manufacturing and service industries is also likely to create more demands for electrical power consumption, another contributing and supporting factor for the Company's business.

At present, the Company has been expanding its marketability and distributing channels by investing with new business partners, introducing new products, and presenting our projects in integrated engineering services. Moreover, the Company's production capacity guarantees support for a growing market in the future.

Finally, on behalf of Asefa Public Company Limited, I would like to express gratitude to the shareholders, financial institutions, business partners, customers, and every party involved, who have been entrusting and supporting the Company. I would also like to thank the Management and every employee, who have been working relentlessly and honestly. Because of the teamwork and dedication of our staffs, every planned goal is able to be brought to fruition. The Company promises that its business will be conducted with good governance and consideration for every person involved, our society and environment. We are developing our organization towards greater stability and sustainability.

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
- 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 efficient 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 Moo1 Rama II Road, Khok-kraubue, Mueang Samutsakhon, Samutsakhon 74000 Telephone 0 2686 7777 Fax. 0 2686 7788
Website	www.asefa.co.th
IR contact	Telephone 0 2686 7777 ext. 1700 E-mail: asefa@asefa.co.th
Company secretary contact	E-mail: pichai-p@asefa.co.th

Subsidiaries

- 1. Varitek Company Limited** Electrical Distributor
(Ceased operations on September 30, 2014)
- 2. 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
- 3. Asefa and VARS Joint Venture** Joint venture between the Company and VARS Company Limited. The purpose of the joint investment was to be subcontracted by Provincial Electricity Authority (PEA) to upgrade the electrical distribution system installing the underground cables around the periphery of Sukhothai Historical Park in Sukhothai Province and Phimai Historical Park in Nakhon Ratchasima Province, enhancement by PEA project, as part of the Third-Phase Electrical Reliability

References

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External auditor 2016

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Nature of business Operation

Business Policy & Overview

Asefa Public Company ("The Company") was registered as a business on March 24, 1997, with the authorized capital of 1 million Baht, by a group of electrical engineers consisting of Mr. Phaiboon Ungkanakornkul, Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen, and Mr. Pornchai Uraisin. With the expertise and experience in circuit breakers, electrical control panels, and switchboards, as well as other electrical equipment and systems, the Company's founders have been operating a business under the brand "Asefa" that manufactures and supplies switchboards. The function of a switchboard is to direct and control electricity being distributed to the end users, or other electrical equipment in buildings and large industrial facility in which a large quantity of electricity is consumed. The Company manufactures and assembles switchboards according to the requirement and specification made by each customer, and every product must comply with the International Electrotechnical Commission (IEC), the major international standard used in Thailand. Moreover, the Company has been licensed to assemble a type-tested switchboard by world-leading companies such as Schneider Electric Industries S.A. and Socomec S.A. from France; there have already been five versions of these licensed products. Also, many of our partners, who supply a number of our products, have offered the technical support for other various items of electrical equipment and technology. Other than switchboards, the Company also manufactures metal trunking, a device of which supports electrical wiring in a building and large project, and luminaires, the lighting equipment, under the brand Alumar.

In addition, the Company is a supplier of electrical equipment related to switchboards and electrical distribution: e.g. medium-voltage switchgear, transformer, busduct, UPS, electrical meter, and automation system. And with the experience and expertise in electrical system and the efficiency of personnel and equipment, the Company has expanded its business segment by offering services in consultation, installation, design, testing, modification, and maintenance, as well as integrated engineering and after-sales services, ensuring a customer with confidence and one-stop service.

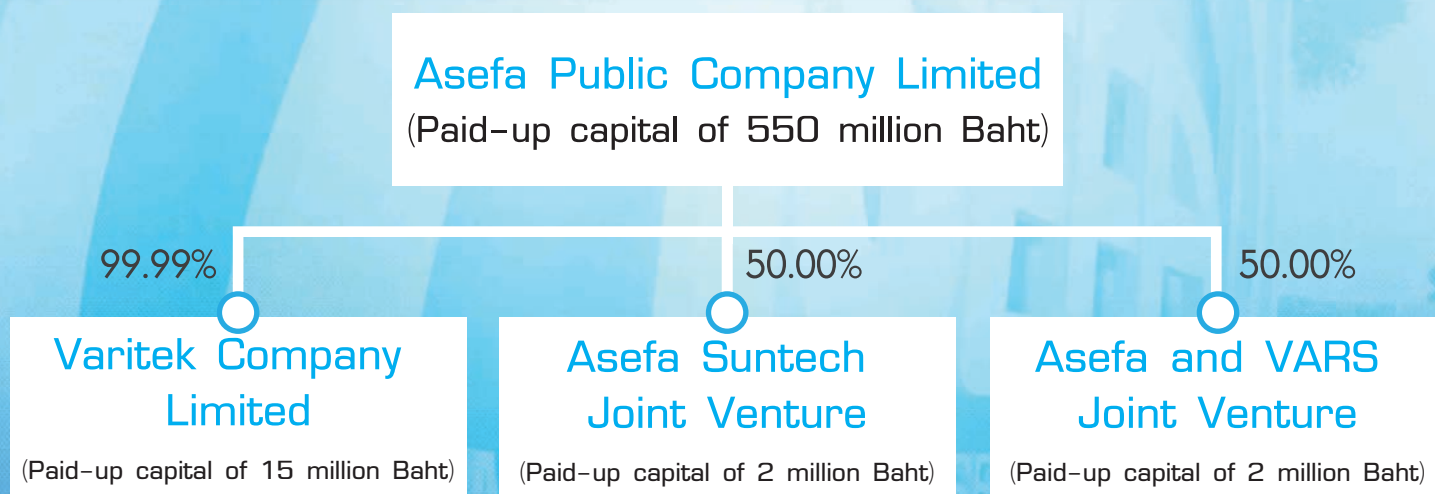


Because of our commitment to provide satisfying services to the customers, the Company has thus published the slogan—alongside the logo—"The Meaning of Service Minded," and our commitment policy is as follows

- | | |
|---------------|--|
| 1. Guarantee | We guarantee all our products and services |
| 2. Quality | We provide the best products and services |
| 3. Standards | We are committed to international standards |
| 4. Ethics | We deliver all goods to our customers' specifications and requirements |
| 5. Dedication | We transfer knowledge, technology, and information |

By following the mentioned commitment policy, the Company has been entrusted by a growing number of customers. To support that growth, the Company has been increasing its capital, which, on March 17, 2015, had resulted in the approval to transform the Company into a public company limited at the 2015 annual ordinary shareholders' meeting, changing its name to Asefa Public Company Limited. Registered to the Stock Exchange of Thailand in Industrial Group, Industrial Material and Machinery Sector, the Company started the stock exchange on August 5, 2015. Presently, the Company has the authorized and paid-up capital of 550 million Baht.

Shareholding Structure of the Company Group



Operation of the Company's Group

1. Asefa Public Company Limited ("The Company" or "Asefa")

Asefa Public Company Limited operates its business by manufacturing, distributing, and installing electrical distribution products such as switchboard and other related products like metal trunking and luminaries. Moreover, the Company distributes and supplies other electrical equipment and control, and provides integrated engineering and after-sales services. Currently, the Company's products and services can be categorized as follows.

1. Products manufactured by the Company
 - 1.1 Asefa Modular Switchboard designed and developed by the Company under the trading mark "Asefa"
 - 1.2 Licensed Switchboard
 - 1.3 Other products such as metal trunking and luminaries
2. Products supplied and distributed by the Company
 - 2.1 Electrical and Control Products
 - 2.2 Electrical Power distribution Products
 - 2.3 Lighting and Equipment
 - 2.4 Mineral Insulated Cable
 - 2.5 Other Product
3. Service
 - 3.1 Integrated Engineering Services
 - 3.2 After Sales Services

2. Varitek Company Limited ("VRT")

Registered as a business on November 17, 1999, the authorized share capital started at 1 million baht, and the paid-up capital was raised to 30 million baht by issuing 300,000 ordinary shares with the value per share at 100 baht, 299,994 (or 99.99 %) of which was held by the Company.

On May 12, 2016 the board of directors agreed at the fourth meeting of 2016 to decrease the registered capital of Varitek Company Limited from 30 million Baht to 15 million Baht, in the total number of 150,000 shares, with the value per share of 100 Baht. The decision followed the liquidity management policy and the registration of capital decrease with the Department of Business Development, Ministry of Commerce on July 29, 2016.

VRT operated its business by supplying electrical equipment such as electrical wires, breakers, switches, and sockets. As the business of VRT was similar to the Company, some decisions were made to facilitate efficiency in management within the Company Group by reducing the costs and expense: 1) transfer all VRT employees to the Company at the end of the 1st quarter in 2014; 2) sell all the inventories to the Company at the end of the 3rd quarter in 2014; and 3) cease VRT business operation as of September 30, 2014. However, because some VRT's account receivables were unpaid without the specified due date or amount, the cease of operation, therefore, needed to be extended until all the account receivables are liquidated.

3. Asefa Suntech Joint Venture (“The Joint Venture”)

Asefa Suntech Joint Venture was established by the Company and Suntech Engineering Company Limited (“Suntech”) on October 6, 2014. With the authorized capital of 2 million Baht, the agreement was drawn by both companies to share profits, losses, and debts occurring during the project with the ratio of 50:50 percent. The purpose was to successfully bid for the heat-generated Bangpakong power plants, unit 1 and 2, and their demolition and management from Electricity Generating Authority of Thailand. The Joint Venture had been effective since October 6, 2014 and would be until the project was completed, the area delivered back to EGAT, and the accounts liquidated. The Joint Venture won the bidding and then made a contract with EGAT on December 18, 2014. The demolition, transfer of purchased property, and modification of the purchased area should be completed within 365 days, starting from the date specified on the project commencement notification letter delivered by EGAT on December 23, 2014. The Joint Venture had received profits from the sales of discarded materials and electrical equipment from the demolition project.

On December 9, 2015, the Asefa Suntech Joint Venture delivered the area back to the Inspection Committee from EGAT, fulfilling the agreement without any difficulties.

4. Asefa and VARS Joint Venture (“The Joint Venture”)

On October 31, 2016, the Company signed the agreement with VARS Company Limited, establishing the Joint Venture called “Asefa and VARS.” The purpose of the joint investment was to bid for the subcontract to upgrade the electrical distribution system by installing the underground cables around the periphery of Sukhothai Historical Park in Sukhothai Province and Phimai Historical Park in Nakhon Ratchasima Province, as part of the Third-Phase Electrical Reliability Enhancement Project by Provincial Electricity Authority (PEA). With the initial capital of 2 million Baht, the net profit will be divided by the 50:50 percentage rate.

Revenue Structure

The Company's revenue can be segmented into 3 main groups: 1) Manufacturing Products; 2) Supplied and Distributed Products; and 3) Services. In addition, the Company formed a joint venture to demolish a power plant. For reference, the structure of revenue between 2014 and 2016 is shown as follows.

Products	Operator	2014		2015		2016	
		MB	%	MB	%	MB	%
Manufacturing Products							
• Switchboards designed and developed by the Company	Asefa	707.83	41.53	1,085.38	42.34	1,156.74	41.11
• Licensed Products	Asefa	353.15	20.72	428.70	16.73	686.93	24.41
• Other	Asefa	84.99	4.99	123.32	4.81	142.74	5.07
Total Manufacturing Product Revenue		1,145.97	67.24	1,637.40	63.88	1,986.41	70.59
Supplied and Distributed Products							
• Electrical and control products	Asefa, VRT	61.95	3.64	80.89	3.15	81.92	2.91
• Electrical power distribution products	Asefa	147.47	8.65	254.68	9.94	310.44	11.03
• Lighting Equipment	Asefa, LTM	20.23	1.19	12.98	0.51	5.46	0.19
• Mineral Insulated Cable	Asefa, VRT	-	-	-	-	30.66	1.09
• Other	Asefa, LTM, VRT	68.54	4.02	21.97	0.86	6.57	0.23
Total Supplied and Distributed Products Revenue		298.19	17.50	370.52	14.46	435.05	15.45
Services							
• Integrated engineering services	Asefa	176.77	10.37	302.56	11.80	215.73	7.67
• After sales services	Asefa	72.00	4.23	62.30	2.43	80.24	2.85
Total Service Revenue		248.77	14.60	364.86	14.23	295.98	10.52
Power plant demolition	Joint Venture	-	-	176.82	6.90	82.19	2.92
Other incomes*	Asefa, LTM, VRT	11.26	0.66	13.57	0.53	14.58	0.52
Grand Total		1,704.19	100.00	2,563.17	100.00	2,814.21	100.00

Note *Other sources of income are derived from rental, profit from selling assets, and doubtful accounts reversed etc.

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 Switchboard

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 3,000kVA 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/6,300A 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 with standing low voltage, designed with a Japanese style, guaranteeing maximum safety.
- Maximum range of voltage is 690V. Maximum usage of voltage is 6,300A. 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 NEX17.5 kV, NEX 24 kV, BIOSCO, BLOKSET, and Socomec S.A.'s ATS By-pass.



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 2,000 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.



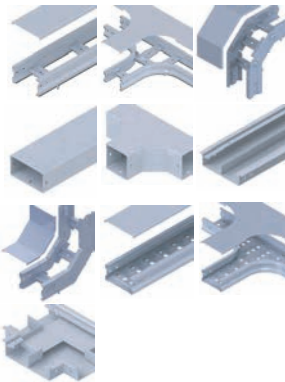
1.2.5 Automation Transfer Switch with Bypass: ATS-Bypass

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, floortrunking, 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

Besides 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

Descriptions

- 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

Descriptions

- 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

Descriptions

- 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

Descriptions

- 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 416/240 V or 400/230 V and supports maximum electric power up to 3,000 kVA.



2.2.3 Busduct

Descriptions

- Busduct or Busway
- Two types of internal conductor: copper and aluminum.
- 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 416/240 V.



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 250 A, 416 V 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 416/240 V 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 30, 2014. The lighting, lamp, products, and appliances sold by the Company are:



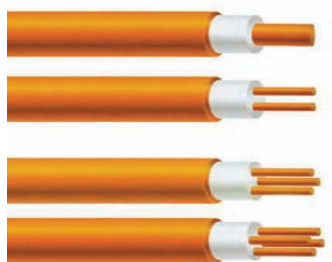
Lighting and Solutions

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 Mineral Insulated Cable

The Company is a supplier and distributor of specialized wires used in electrical and communication system, as well as life-saving and fire-prevention equipment. Our wires can withstand collision and corrosion from industrial chemicals; therefore, they are suitable for a power plant, hospital, tunnel, skyscraper, and oil and heat industry.



MI Cable

Descriptions

- Fireproof cable.
- Mineral-insulated and high-temperature resistant 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.



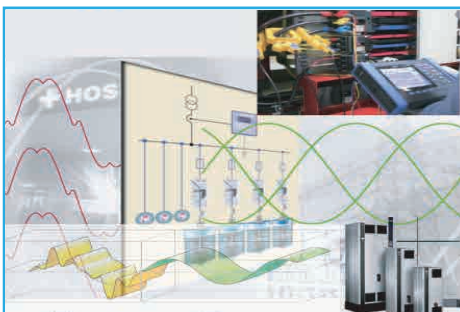
3.1.3 Energy Management and Monitoring System

- 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.



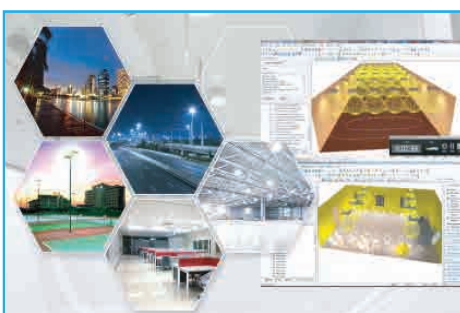
3.1.4 Automation and Communication System

- 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 2014 — 2016

Characters of Projects	2014		2015		2016	
	Number of Project	Million Baht	Number of Project	Million Baht	Number of Project	Million Baht
Less than 1 million Baht	3	1.90	-	-	2	0.40
Between 1 to 10 million Baht	10	44.66	4	15.65	2	9.61
More than 10 million Baht	4	230.67	3	128.42	7	290.37
Total	17	277.23	7	144.07	11	300.38

3.2 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.



3.2.1 Modification 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.



3.2.2 Preventive Maintenance and Spare Part 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, Busway, Power Monitoring & Control and also protection control devices such as Circuit Breaker, PT & CT, etc.



6 Corporate Social Responsibility

Asefa Public Company Limited commits itself to the principles of corporate social responsibility (CSR), a global issue especially focused upon by a business sector. Believing that impact on environment by a business entity is inevitable, the company sees “corporate social responsibility” as a policy which should be regarded with utmost importance. Not only can it affect the company’s image or marketability, but it may also enhance a business model towards greater efficiency, reduce risk, and stimulate competitiveness, promoting sustainability and business growth.

Asefa’s Corporate Social Responsibility Concept and Sustainable Development

The company has continually practiced the sustainable development policy, following the strategies and concepts illustrated by the diagram below.

The sustainable development model connects the three sections:

- 1) Business growth
- 2) Environmental management
- 3) Social responsibility

Above all, the diagram also covers the economic, social, and environmental issues.



Sustainable Development Diagram
Asefa Public Company Limited

Asefa's Corporate Social Responsibility Guideline

The main purpose of following the guideline of corporate social responsibility is to reduce the negative impact and, instead, create—whether directly or indirect—the more positive impact caused by the company. Knowing that any corporate-created social or environmental impact may have one day affected the company, we therefore recognize the importance of a business model in which all the possible social and environmental impacts are thoughtfully and thoroughly addressed.

Asefa's corporate social responsibility guideline covers all the important issues within and without the Company.



1. Good corporate governance

The company has organized the management system upholding the responsible practices of transparency, equity, and justice, capable of being subjected under reviews and increasing quality and values.

The principles of good corporate governance consist of 5 main aspects:

- 1.1 Shareholders' rights
- 1.2 Fair treatment towards shareholders
- 1.3 Roles of the involved parties
- 1.4 Disclosure and transparency
- 1.5 Responsibility of board of directors

2. Fair conduct

The Company conducts its business according to the ethics as well as fair and equal competition, setting a common practice that takes into account the responsibility towards all involved parties such as society, community, employees, shareholders, investors, customers, competitors, and government sectors.

3. Anti-corruption

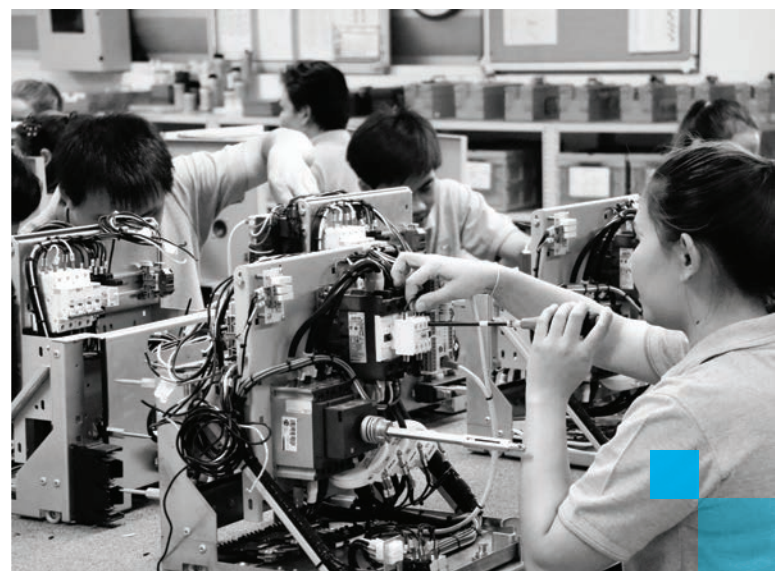
The Company has upheld the values of transparency, morality, and anti-corruption for all the years of its operation. Our policy respects equity and fairness, preventing corruption inside and outside the organization, encouraging employees to behave according to laws and morality. The main principles of anti-corruption consist of two main ideas: transparency and participation.

4. Respect of human rights

The Company promotes and protects individual rights and freedom, offering fair treatment to all with the belief on human dignity, respect, empathy, sympathy, and kindness. We assist those who are under perils, building credibility and reliability for all the business-involved parties.

5. Fair labor treatment

The Company respects human rights within the workplace establishment, follows the non-discriminatory practice, and does not hire forced labors. Certain labor conditions, such as, fair and just wage pay, reasonable welfare according to the employment status, and occupational health and safety are protected under the company's policy. We recognize the importance of proper labor environment in which employees' safety and physical and mental health are prioritized.



6. Responsibility to consumers

The Company enforces a policy in which the consumers, who are also the customers, are protected. The responsibilities are as follows :

- **Guarantee:** we guarantee the quality of products manufactured and delivered by us.
- **Quality:** We deliver products and service with the highest quality to customers.
- **International standard:** Our manufacturing methods follow the international standards.
- **Ethics:** Our products and service comply with the customers' requirements and agreement.

7. Social and Community Development

The Company has continually supported social and community development, responding to the people's needs, elevating the living conditions of every individual in the society. Each year the Company organizes the corporate social responsibility (CSR) activities organized by employees, who has applied and participated in the company's management policy.



In 2016, many projects the Company has supported have given the emphasis to local communities and isolated areas in the rural regions. Several forms of corporate-social-responsibility projects to improve public utilities were designed to assist the community. Moreover, educational and skills development in youth, environmental care, and community and social development are the main foci of our activities, the details of which are illustrated below.



• Development in Youth's Education and Skills

Project: Youth Education

Activity: Educational seminar and training in the field of electrical engineering for university students all over the country. Our purpose is to build up individuals to be equipped with skills, who can apply their knowledge to themselves and the country. The project has been ongoing since 2011.

The topics of the seminars and trainings are

1. Basic principles of low-voltage switchboard design
2. The standard in electrical installation and basics in electrical switchboard for the new-generation engineers
3. The standard of low-and-medium-voltage electrical equipment
4. Orientation on the basic knowledge of electrical switchboard for the new-generation engineers as AEC preparation
5. Electrical control and distribution system and equipment

Location: In 2016, 11 universities participated in the project.

1. Rajamangala University of Technology Srivijaya Nakorn Sri Thammarat Saiyai Campus
2. Rajamangala University of Technology Srivijaya Songkhla
3. Nakhon Phanom University
4. Sripatum University
5. Mahasarakham University
6. Mae Fah Luang University
7. Rajamangala University of Technology Lanna Chiangmai
8. Naresuan University
9. Chiangmai University
10. University of Phayao
11. Rajamangala University of Technology Lanna Chiangrai

In 2016, 37 colleges (offering vocational certificates or high vocational certificates) participated in the project.

1. Suphanburi Technical College
2. Ayutthaya Technical College
3. Saraburi Technical College
4. Luang Phor Koon Technical College
5. Nakornpathom Industrial and Community Education College
6. Minburi Technical College
7. Kanchanapisek Samutprakarn Technical College
8. Pattaya Technical College
9. Warinchamrap Industrial and Community Education College
10. Sisaket Industrial and Community Education College
11. Thatum Industrial and Community Education College
12. Satuk Industrial and Community Education College
13. Banphai Industrial and Community Education College
14. Suvarnabhumi Technical College
15. Wapi Pathum Technical College
16. Buayai Industrial and Community Education College
17. Kanchanapisek Udonthani Technical College



18. Phannanikom Industrial and Community Education College
19. Buengkan Technical College
20. Wangsaphung Industrial and Community Education College
21. Hatyai Technical College
22. Samutsakorn Technical College
23. Trang Technical College
24. Suratthani Technical College
25. Prachuap Khiri Khan Technical College
26. La-Ngu Technical College
27. Chana Technical College
28. Bangkaew Technical College

29. Thungsong Technical College
30. Maewong Technical College
31. Ko Kha Industrial and Community Education College
32. Pasang Industrial and Community Education College
33. Nawamintrachini Maehongson Industrial and Community Education College
34. Saraphi Technical College
35. Chaingrai Technical College
36. Wiangsa Technical College
37. Phitsanulok Technical College

Moreover, the Company had collaborated with public educational institutions, continuing the government's policy of bilateral cooperation in which the Company and other technical colleges signed the MOU agreement opening the internship program. To improve students' skills in electrical engineering is our main goal, as students are each year chosen to apprentice in the company. In 2016, the company signed an MOU with 9 educational institutions.

1. Sisaket Technical College
2. Banphai Industrial and Community Education College
3. Prachuap Khiri Khan Technical College
4. Chumphae Technical College
5. Srisamrong Industrial and Community Education College
6. Tharn Technological College
7. Suphanburi Technical College
8. King Mongkut's University of Technology Thonburi
9. Phayakkhaphum Phisai Industrial and Community Education College



Project: Academic Seminar for Ordinary People

Activity: The company organized academic seminars and trainings on the topic of electrical engineering for ordinary citizens all over the country. Collaborating with Electricity Generating Authority of Thailand and the private sector such as the industrial estates all over the country, the company's seminars and trainings are provided to the personnel of the agencies that are interested. In 2016, there were 27 academic seminars conducted by the company.

The table below illustrates the topics of academic seminars and their held locations in 2016

Session	Seminar Topic	Location
1.	Basic requirements for medium-voltage switchgear and low-voltage switchboards	Hard Rock Pattaya Hotel
2.	Basic requirements in switchboard design, application, and troubleshooting	Asefa Public Company Limited
3.	Energy conservation law for buildings and factories, and occupational safety and health in electrical system work Light of things: a new trend in 90% energy-saving lighting system, and upgrade in switchboard equipment	Asefa Public Company Limited
4.	Basic requirements for medium-voltage switchgear and low-voltage switchboards, electrical quality and its effects on appliances, and preventative methods against harmonics	Asefa Public Company Limited
5.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	Siam City Cement Public Company Limited
6.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	Krungsri River Hotel, Phra Nakhon Si Ayutthaya
7.	Methods to increase efficiency in electrical distribution system and equipment, and switchboard maintenance in industrial factories	Maharakarm University, Maharakarm
8.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	Kyo-Un Hotel, Saraburi
9.	Technology in switchboard installation, automation system, and energy management	Longkang Chomdao Resort, Pattalung
10.	Electrical installation standard in Thailand and the basic of switchboard operation	Asefa Public Company Limited
11.	Requirement and standard in switchboard designs and one-stop maintenance	Electrical Generating Authority of Thailand, Nonthaburi
12.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	PTT Natural Gas Mother Station, Banbung, Chonburi
13.	Standard in technical work at airports	Khon Kaen Airport, Khon Kaen

Session	Seminar Topic	Location
14.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	Mae Fah Luang University
15.	Mineral-insulated cable	Asefa Public Company Limited
16.	Standard and application of medium-and-low-voltage switchboard, and career tips for engineers	Asefa Public Company Limited
17.	Basic operation and preventative maintenance of switchboard	Asefa Public Company Limited
18.	Basic operation and preventative maintenance of switchboard	Asefa Public Company Limited
19.	Standard in engineering service at airports	Surat Thani Airport
20.	Electrical installation standard in Thailand and the basic of switchboard operation	Asefa Public Company Limited
21.	Methods to increase efficiency in electrical distribution system and equipment, and other related standards	Asefa Public Company Limited
22.	Safety in electrical work	Asefa Public Company Limited
23.	Lawful energy management and cost reduction in energy consumption for factories and buildings, electrical safety, and switchboard maintenance	Asefa Public Company Limited
24.	MI cable training	Asefa Public Company Limited
25.	Law on occupational health and safety in electrical work, and switchboard maintenance	Fair House Beach Resort and Hotel, Samui, Surat Thaini
26.	The corrective ground fault protection and grounding	Asefa Public Company Limited
27.	Technical update workshop 2016	Asefa Public Company Limited



Project: Field Trip for School Kids by Asefa (1)

Activity: The Company donated scholarship, school stationery, and organized a field trip for students.

Location: HHN Foundation Thailand, Ban Uea Aree Child Welfare Protection Home, Banglamung, Chonburi.

**Project: Field Trip for School Kids by Asefa (2)**

Activity: The Company donated scholarship, school stationery, and organized a field trip for students.

Location: Ban Noak School, Banglamung, Chonburi.

**Project: Asefa's Charity in Honor of H.M. King Bhumibol**

Activity: The Company donated scholarship, school stationery, and a lunch treat.

Location: JC Koratanusorn School 1, Seekew, Nakhon Ratchasima.

**Project: Asefa's Charity for School Kids**

Activity: The Company donated scholarship, school stationery, sport equipment, learning media and technology, toys for developing skills, winter clothes, and a lunch treat.

Location: Ban Khlong Makha Hin School, Pak Chong, Nakhon Ratchasima.



• Community and Social Development

Project: Asefa United to Renovate Society

Activity: Asefa improved the community environment and donated equipment used in the development and improvement of the environment in the community.

Location: Suanluang Rama IX and Songkanong Community Learning Center (non-formal education), Phra Padaeng, Samutprakarn.



Project: Asefa's Charity in Honor of H.M. King Bhumibol

Activity: Cleaning the temple area, offering candles and donation to monks.

Location: Watpa Phu Tab Berk, Hmong tribe community, Phu Tab Berk community, Ban Man Khao community, Ban Na Sa-ung community, Lom Kao, Phetchabun.



• Thai Cultural and Religion Preservation

Project: Asefa Family Makes Merits on Buddhist Lent

Activity: Asefa staff cleans the temple and donates ritual candles and money to monks.

Location: Watpa Mahachai, Mueang Samut Sakhon, Samut Sakhon.



Project: Loi Krathong Festival

Activity: Asefa donated funds for children and parents to buy tools and materials to make Krathong.

Location: Khok Krabue Child Development Center, Khok Krabue SAO, Mueang Samut Sakhon, Samut Sakhon.



8. Environmental Care

Asefa recognizes the negative effects a business operation may cause to the environment, and has applied the preventative measures to alleviate the damage and restore the environment. The environmental care management practices the company has overseen, adding values and sustainability to the organization, are

- Anti-pollution is the control of pollution, for example, air and water pollution, pollution from the waste management process, the use and disposal of toxic chemicals.
- Sustainable use of resources is to control the use of resources in the operations of business to be less than the rate of recovery of the resources used.
- Reduction and adaptation as response to global warming.
- Protecting and restoring environment, biological diversity, and natural habitat.

The company's environmental management policy, complying with the recurrent issues, consists of the followings.

Asefa Public Company Limited's Environmental Management Policy				
Asefa Public Company Limited's Environmental Management Policy	Environmental Management Agenda			
	Anti-pollution	Sustainable resource	Reduction and adaptation as response to global warming	Protecting and restoring environment, biological diversity, and natural habitat
Energy efficiency conservation system such as Harmonic Filter, an electricity quality management system that reduces or eradicates harmonics that occur in electrical system, without overload issues.			X	
Energy saving lightbulbs such as T5 and LED			X	
Power Monitoring System		X	X	X
Automatic lighting system in restrooms			X	
Control Room			X	
Building Automation System (BAS) Controller			X	
Water Auto Flush Valve maximizes water usage efficiency and reduces waste.			X	
Softener: a water purification process that 100% filters contamination.				
Reverse Osmosis removes particles from water.		X		
Ultraviolet System kills bacteria.				

Asefa Public Company Limited's Environmental Management Policy				
Asefa Public Company Limited's Environmental Management Policy	Environmental Management Agenda			
	Anti-pollution	Sustainable resource	Reduction and adaptation as response to global warming	Protecting and restoring environment, biological diversity, and natural habitat
Tree planting/ mangrove forest planting	X	X	X	X
Waste sorting	X			
Reduce, reuse, recycle	X	X		
Waste sorting campaign via Intranet	X			
Paperless office		X		
Wastewater treatment	X			
Communication device campaign to reduce traveling			X	
Wastewater analysis	X			X
24-hour noise meter	X			
Air pollutant monitoring	X			X
Hazardous waste monitoring	X			
Chemical spill drill	X			X
Report on hazardous chemicals in the workplace	X			
Annual report on unused materials transported outside the company	X			
Annual report on waste and unused materials for generators	X			
Control on chemical usage for pests				X
List of controlled chemicals	X			X
Chemical safety training	X			X
Waste sorting and chemical safety training for contractors working inside the company	X			X

Other Company's Activities in 2016

• Sales and Marketing



- 43 customer alliance companies paid a visit at Asefa Public Company Limited.



- Joining TEMCA Forum & Exhibition 2016 Pattaya, the Company's booth displayed various products and services at Peach Convention Hall, Royal Cliff Hotels Group Pattaya.



- Asefa Public Company Limited was appointed a distributor of the fire-resistant cables by the British company, MICC.



- Asefa Public Company Limited participated in Electrical Knowledge Development and Sharing Program and was given a worksite tour at Delmare Beachfront Bangsaray, Chonburi.



- The Company participation in the 6th Annual TEMCA Champions Cup 2016, a football competition for social relations, at Super Kick Stadium.



- Mr. Phaiboon Ungkanakornkul gave a lecture at EIT Talk on the topic "Safety Technology and Electrical Security in Thailand" at National Engineering 2016, QueenSirikit National Convention Center.



- The Company joined and exhibited a product booth at Engineering Expo 2016, BITEC Bangna.



- Asefa Public Company Limited joined Personnel Development and Training Program and was given a worksite tour at Terminal 21, Nakhon Ratchasima.

• Investor Relations



- The Company joined a seminar held by Capital Nomura Securities PCL as a part of CNS Corporate Access activity at Bangkok Insurance building.



- The Company participated in Opportunity Day to make public disclosures of financial statement of 2nd and 4th quarters in 2016.



- The Company joined a seminar held by Krungsri Asset Management Company Limited on the topic of "Mid-small cap day with Krungsri Securities" at Grand Hyatt Erawan Bangkok.



- The Company held Asefa Thanks Press, a party for journalists, and made a public statement regarding the corporate direction in 2016 at Hua Hin Marriott Resort & Spa.



- 2016 Annual Shareholders Meeting at Grand Mercure Bangkok Fortune.



- Mr. Phaiboon Ungkanakornkul, the managing director, made an appearance in Money Talk Weekly.



- Mr. Phaiboon Ungkanakornkul, the managing director, made an appearance in Business Model on Money Channel.



• Personnel Training

Session	Seminar Topics	Location
1	Fair and Effective Negotiation in Purchasing	Paradise Park
2	Internal Quality Assessment ISO 9001: 2015	Avani Atrium, Bangkok
3	Social Responsibility Management for Sustainable Development	Stock Exchange of Thailand
4	Human Resource Development and Management for Modern Organization	National Institute of Development Administration
5	Occupational Standard Training (Industrial Electrician Level 1)	Ratchaburi Institute for Skill Development
6	Technological Training for Preventative Maintenance Engineers	King Mongkut's Institute of Technology Ladkrabang
7	Strategic Shareholder / FSCOM Report	Stock Exchange of Thailand
8	Lightning Protection System Design with IEC 62305	EIT Building, 3 rd Floor (Soi Ramkhamhaeng 39)
9	Occupational Safety Staff, "Management Level"	Omnoi Vocational College
10	Grounding Analysis with EIT Electrical Installation Standard	Kumwell Factory, Nonthaburi
11	Lean Management for Environment and Innovative Technology	Thailand Environment Institute, Muang Thong Thani
12	Infrared Thermography Expert Level 1	Century Park Hotel
13	Workers in LPG-operated Establishments	Miracle Suvarnabhumi Airport, Samutprakarn
14	Alternative Energy Training (Solar Cells)	The Practical Energy Management
15	Electrical Maintenance and Installation Standards/ Life's Safety from Circuit Breakers / Grounding and Lightning Prevention Manual	Training Center, Pathum Thani Royal Cliff Hotels Group, Pattaya
16	Biofuel and Biomass Electricity: Requirements, Designs, Installation, Control and Maintenance	Queen Sirikit National Convention Center
17	Organization Makes Humans, Humans Make Culture, Innovation Makes Difference	Centara Central Station Hotel, Bangkok
18	Basic English Grammar	Asefa Public Company Limited
19	Business English Grammar	Asefa Public Company Limited
20	Business English Writing	Asefa Public Company Limited
21	Daily Life Conversation	Asefa Public Company Limited
22	Raychem (Heat-shrinkable) Installation	Asefa Public Company Limited
23	How to Maneuver a Fork-Lift Correctly and Safely	Asefa Public Company Limited
24	Walk Rally Activity "Teamwork Building and Organization Development Awareness"	Baanmaichailane, Samutsongkram
25	First-Aid and CPR	Asefa Public Company Limited
26	Productivity Increase by All (Kaizen)	Asefa Public Company Limited
27	Rigger, Mobile Crane Operator, and Lifting Operation Controller Course	Asefa Public Company Limited

Session	Seminar Topics	Location
28	Rigger, Overhead and Fixed Crane Operator, and Lifting Operation Controller Course	Asefa Public Company Limited
29	Annual Chief Executives Seminar	Hard Rock Hotel Pattaya
30	Knowledge Management System Training	Asefa Public Company Limited
31	Asefa's Engineer Training	Asefa Public Company Limited
32	Occupational Health and Safety for New Employees	Asefa Public Company Limited
33	Occupational Safety in Electrical Work	Asefa Public Company Limited
34	Annual Middle Managers Seminar	Asefa Public Company Limited
35	Leadership Workshop	Asefa Public Company Limited
36	Lightning Prevention Measures	Asefa Public Company Limited

• Health and Holiday Activities (intra-organization)

- Songkran Festival 2016
- The 3rd Annual Asefa Cup Sepak Takraw Championships
- The 1st Annual Asefa Cup Table Tennis Championships
- Annual Employee Health Screening
- Asefa Family Happy New Year 2017



Awards and Certificates

- Alliance Partner Excellence Awards (Technical Award) from Schneider Electric Connect 2016 held in New Orleans, Louisiana, United States of America, from May 23 to 25, 2016.
- Received IPOP Award 2016 at Sukri Kaocharern Hall, Stock Exchange of Thailand on June 1, 2016.
- The Best and Most Popular Exhibition Booth Awards from TEMCA Forum & Exhibition 2016 at Peach Convention Hall, Royal Cliff Hotels Group Pattaya from August 19 to 20, 2016.
- Occupational Health and Safety Award for Business Establishment in 2016 (the best in provincial level) by Department of Labor Protection and Welfare on September 15, 2016.



Industrial Trend and Competition

Industrial Trend

In electrical power industry, there is a type of electrical equipment that facilitates the distribution and control of electricity, from the generator to consumers, ensuring a proper function of other electrical equipment: they are switchboards or distribution boards, often applied in automation system, energy management system, integrated engineering system and services, and with other related electrical equipment. So crucial are the switchboard products for all electrical users in every establishment—whether it is residential building, commercial building, or office building, an industrial factory or power plant—that they contribute to the amount of electrical power consumption, governmental and private investments, industrial growth and, consequently, the development of national economy. The demand for such electrical equipment, therefore, is the major factor of the Company's business operation.

According to Thailand's Power Development Plan from 2015 to 2036, which corresponds to National Economic Development Plan, it is predicted that the long-term economic growth will be at 3.94% each year, resulting from the positive trend in Thailand's economic expansion. With the government's policies of entering into ASEAN Economic Community and investing more in infrastructure, Thailand's national electrical consumption has been greatly affected overall.

Summary of PDP 2015

Installed Capacity 2015-2036			PDP 2015
37,612	57,459	-24,736	70,335
Installed Capacity at the end 2014	New Installed Capacity	Retired	Installed Capacity at the end 2036

New Installed Capacity 2015-2036

	Adjoint/Stability	New Installed	Total
• Clean Coal Technology	4,390 (6 Plants)	3,000 (3 Plants)	7,365 (9 Plants)
• Natural Gas	14,878 (13 Plants)	2,600 (2 Plants)	17,478 (15 Plants)
• Nuclear	-	2,000 (2 Plants)	2,000 (2 Plants)
• Gas Turbine	-	1,250 (5 Plants)	1,250 (5 Plants)
• Cogeneration	3,695	424 (25 Plants)	4,449
• Renewable	-	12,105	12,105
• Pumped Storage Hydropower	500 (1 Plants)	1,601 (2 Plant)	2,101 (3 Plants)
• Imported	3,316	7,700	11,016
• Total	26,779	30,680	57,459

Ref: Thailand's Power Development Plan Starting from 2015 to 2036 (PDP 2015) by Energy Policy and Planning Office.

Thailand's Power Development Plan starting from 2015 to 2036 concludes that after the plan ends in 2036, the electricity generation capacity will reach 70,335 megawatts in total. The number derives from the current capacity of electricity generation (as of 2014) at 37,612 megawatts added by the electrical generation capacity from newer power plants at 57,459 megawatts in total, and then subtracted by the decreased capacity of some expired power plants being decommissioned between 2015 and 2036, at 24,736 megawatts.

Power Generation Plan Starting from 2015 to 2036

• Electricity generation capacity as of December, 2014	37,612 megawatts
• Added by new power plants established during the period	57,459 megawatts
• Reduced by old power plants being decommissioned	-24,736 megawatts
• Predicted total capacity of electricity generation by 2036	70,335 megawatts

The increase of electricity consumption in Thailand correlates with the nation's economy, since electricity is the major factor that drives all economic activities in all sectors and has a major role in everybody's everyday life. The potential growth in electrical power industry is due to investments from both government and private sectors in projects such as the construction of railway-lines and double-track railway line, renovation and expansion of Suvarnabhumi Airport phases, underground wiring, data center, alternative energy, and automation and energy conservation systems. The process of operating these projects requires a range of the company's products and services; and since the global economy have recently recovered and the investments from both government and private sectors have risen, the growth in manufacturing and service industries is also likely to create more demands for electrical power consumption, another contributing and supporting factor for the company's business.

Competition

Since electrical power industry is crucial to all electrical users in various fields, many companies—from small business owners to international corporations who manufacture from upstream and hold copyrights of several technological innovations—have comprised the company's general competitors. The list of competitors who manufacture switchboards and assembling parts ranges from small businesses to companies that have obtained copyrights to manufacture, and can be summarized as follows.

Company's Name	Total Income (million Baht)			Remarks
	2013	2014	2015	
Asefa Public Co.,Ltd.	1,459.22	1,145.97	1,637.40	The revenues listed here are specifically from switchboard and related equipment sales.
TIC Modular System Co.,Ltd.	708.70	849.66	698.27	
PMK Group Co.,Ltd.	491.99	584.20	666.77	
Mantra Switchgear Co.,Ltd.	247.94	420.33	374.62	
U-SMD Co.,Ltd.	201.18	240.95	304.77	
E.S. International (1991) Co.,Ltd.	287.55	275.90	270.89	

Source: BOL, Company Executives

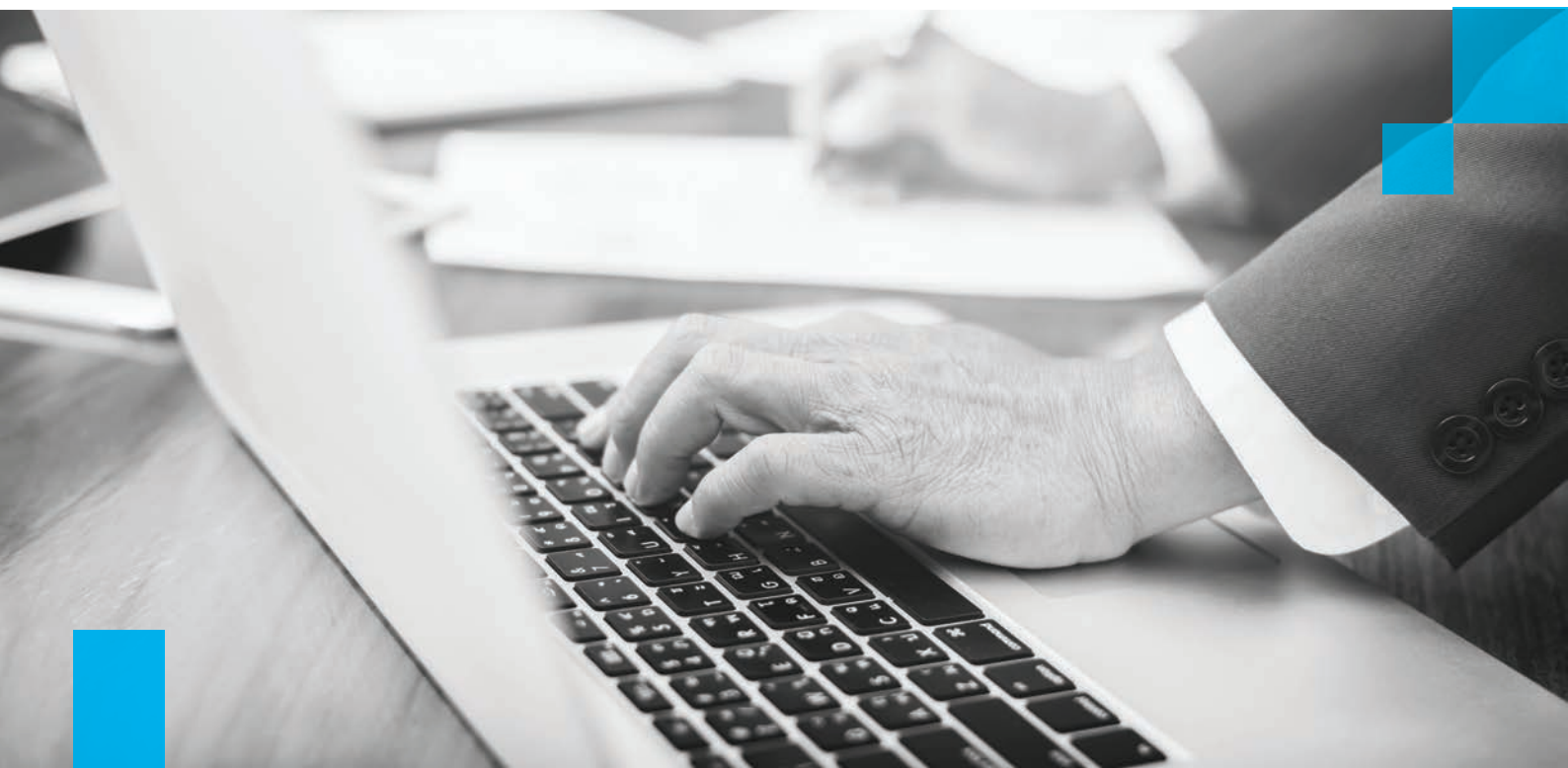
Remarks :

1. The sales figures above are partly made up by the products with which the company competes against other leading international companies such as ABB, Siemens, Schneider, and Eaton.
2. The sales figures above are from switchboards and other related equipment, not including the supplied products or services.

The Company's Business Opportunity

Overall, the Company has a market share of switchboard products and other related equipment in the amount of 10,000 million Baht. Apart from the switchboard business, the Company also has a capacity to provide a wide range of products needed in electrical distribution, such as medium-voltage or low-voltage switchgears, The applications of which are required by many governmental and private projects. The Company has income from after sales and maintenance services, as well as from the installation of automation and energy conservation systems. The Company's total estimated market value is 30,000 million Baht, which confirms the increasing demands for electrical power consumption, from which the Company can gain support and seek further opportunities for its business operation.

Moreover, the Company has personnel who are well-experienced experts in electrical engineering field, who have maintained good relationships with the business partners, the company's suppliers, and customers. The company's policy also stresses the importance of supporting and developing personnel with continual learning, improving the product quality, and inventing new products and services to respond to the customers' needs, as major assets by which the Company can be benefited when faced with the growing competition.



Risk Factors

1. Risk from Relying on Major Suppliers

The Company's switchboard parts and equipment are mainly 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 2014- 2016, the Company purchased 49.09%, 48.68%, and 48.28% 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 Nex17.5, NEX 24, Blokset and Biosco, and revenue from the products, from 2014-2016, were 20.86%, 16.81%, and 24.54% 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, having been granted the license of Blokset since 2004, along with a list of purchases of electrical equipment from Schneider (Thailand), and since the Company is one of the leading switchboard manufacturers in Thailand, many of our switchboards and other products have been purchased and supplied to their Thai customers. The risk from agreement termination from Schneider Electric, therefore, 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, because the Company has continually maintained the before-and-after sales services, many notable projects and buildings have trusted the company's switchboard design. Moreover, the Company covers all kinds of products necessary in electrical distribution, from electrical wires and transformers to a small-sized switchboard for suitable domestic space.

4. Risk from Fluctuations in Copper Price

Copper bars or busbars, 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 profit-ability of the Company shall decrease.

In order to prevent the fluctuation, the company makes purchasing in advance by receiving daily price from a supplier. After the price analysis in consideration with the marketing conditions, price trends, copper inventory, and workloads, the purchasing then shall be done. This policy has made the company's copper cost lower than the market price. From 2015-2016, the company's average cost of copper was at 224 and 204 baht per kilogram, respectively, while average market prices from suppliers at the purchase date are 234 and 218 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 22, 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 (295,000 Baht per day) while the maximum penalty will not exceed 20 percent of the contract price or 59 million Baht.

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 9, 2015, and the completion of the project was submitted to EGAT's committee of approval. Asefa Suntech Joint Venture still has 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)

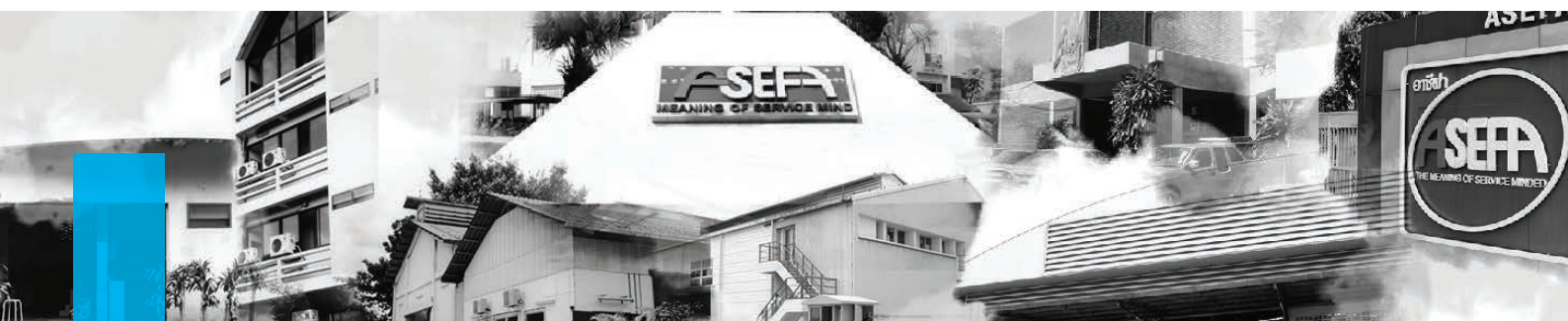
Since the core business of the Company is design and assembly of switchboard from the various characteristics and various requirements of the customer (customized products), the Company requires personnel, mostly engineers, who have knowledge and experience in switchboards both in sales and design. If 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 to which the engineers are responsible from several departments to avoid the risk from engineer's resignation. Moreover, the Company also provides compensation, benefits and promotion to retain the personnel with the Company. Moreover, the Company issues personnel development policy in order to increase ability and quality of the personnel including training, knowledge support, and other activities. During 2014-2016, 6.67, 5.15, and 7.68 percent of engineer resignation records are reported respectively, and it indicates that most of the company's engineers are kept annually, since the resignation rate in each year is relatively low, 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 26 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 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 firstly 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 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-voltage type-tested switchboard — BLOKSET— guaranteed by the standard of imported products.

2005

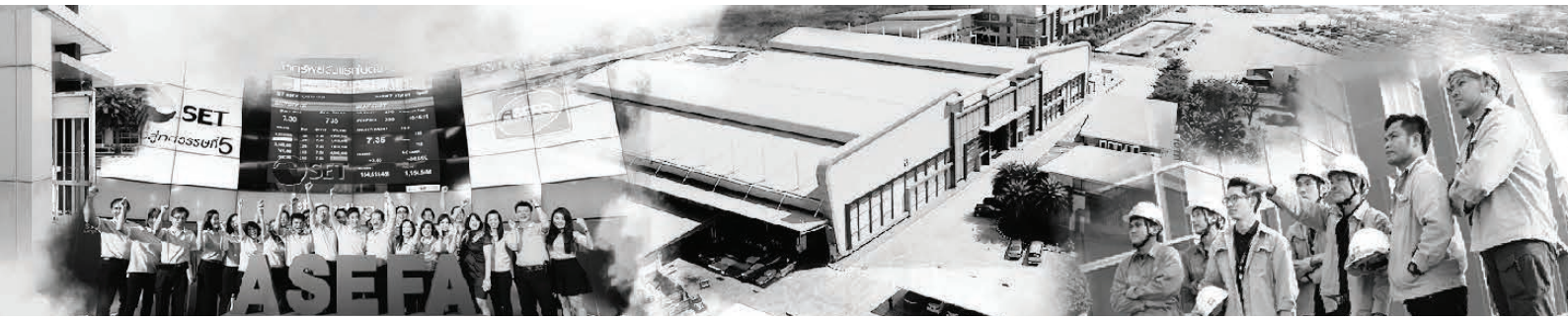
- Added 20.00 million Baht registered capital to the previous 30.00 million Baht capital — 50.00 million Baht in total — by issuing 200,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
- Obtained license from Schneider Electric Industries S.A., France, in manufacturing medium-voltage 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 business 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 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. 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 Bypass (ATS), a type-tested switchboard that can automatically receive current from the main generator and 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 34,120 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 on December 22, 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 17, 2015 the following decision 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 5, 2015.

2016

- On May 12, 2016 the board of directors has agreed at the fourth meeting of 2016 to decrease the registered capital of Varitek Company Limited from 30 million Baht to 15 million Baht, in the total number of 150,000 shares, with the value per share of 100 Baht. The decision has followed the liquidity management policy and the registration of capital decrease with the Department of Business Development, Ministry of Commerce on July 29, 2016.
- On June 1, 2016, the Company received the Plaque of Honor at the 3rd Annual Pride of the Provinces Project, the Stock Exchange of Thailand Building.
- On October 23, 2016, the Company was appointed the supplier and distributor of mineral-insulated (MI) fire-resistant cables by Thermal Resources Management Company (TRM) and Mineral Insulated Cable (MICC) Company Limited from England.
- On October 31, 2016, the Company signed the agreement with VARS Company Limited, establishing the joint venture called "Asefa and VARS." The purpose of the joint investment was to bid for the subcontract to upgrade the electrical distribution system by installing the underground cables around the periphery of Sukhothai Historical Park in Sukhothai Province and Phimai Historical Park in Nakhon Ratchasima Province, as part of the Third-Phase Electrical Reliability Enhancement Project by Provincial Electricity Authority (PEA). With the initial capital of 2 million Baht, the net profit will be divided by the 50:50 percentage rate.
- Relocated the metalworking facility from Bang Bon District to merge with Rama II facility. The registration of business cancellation with the Department of Business Development, Ministry of Commerce, was finalized on December 27, 2016.
- On December 27, 2016, the Company registered the expansion of business with the Department of Business Development, Ministry of Commerce, adding 3 more branches consisting of Nakhon Ratchasima Branch, Ubon Ratchathani Branch, and Songkhla Branch.
- Purchased 4.80 acres of land located at Khok-Krabue District (near the railroad crossing), Mueang Samutsakhon, Samutsakhon Province, an added attachment to the two plots previously purchased by the Company as a business plan for future expansion.





Major Shareholders

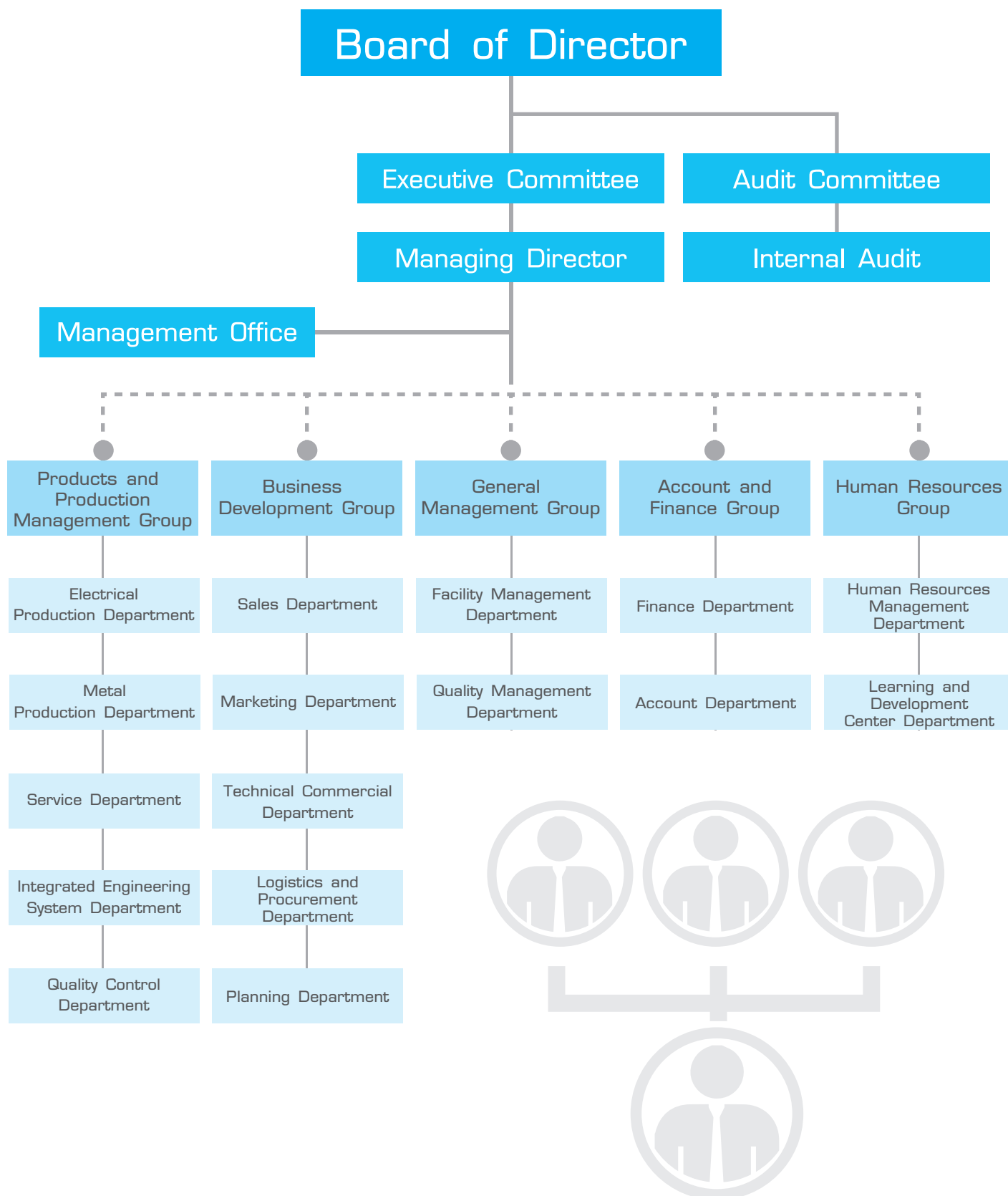
Top 10 major shareholders as at December 30, 2016

	Name of Shareholders	Number of shares held	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	20,557,000	3.74
	1.4 Ms. Pornsuda Ungkanakornkul	182,200	0.03
	Total shares held by Ungkanakornkul Group	220,739,200	40.13
2	Mr. Pornchai Uraisin	59,300,000	10.78
3	Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78
4	Mr. Chairat Tangtivaja	58,780,000	10.69
5	Thai NVDR Company Limited	28,363,630	5.16
6	FWD Life Insurance Public Company Limited	19,537,700	3.55
7	State Street Bank Europe Limited	4,366,981	0.79
8	Mr. Supharoj Rojveera	4,000,000	0.73
9	Mr. Prathan Plengwittaya	2,000,000	0.36
10	Mr. Chaichat Wanichphak	1,850,000	0.34
	Total	458,217,511	83.31

Source: Thailand Securities Depository Co., Ltd.

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

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 consist 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)	
	2015	2016
1. Mr. Soracit Phungsuk	6/6	6/6
2. Mr. Phaiboon Ungkanakornkul	6/6	6/6
3. Mr. Chairat Tangtivaja	6/6	6/6
4. Mr. Sa-Ngeam Klomchitcharoen	6/6	6/6
5. Mr. Pornchai Uraisin	6/6	6/6
6. Asst. Prof. Prasit Pittayapat	6/6	6/6
7. Mr. Suphan Settapanich	6/6	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)	
	2015	2016
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 7 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. Sanya Chindaphan	Director

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

Management

The Management consists of the following 7 directors:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Managing Director
2. Mr. Uton Srathong	Asst. Managing Director, act for HR Management Dept.
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. Sanya Chindaphan	Department Manager - Account 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. Makes arrangements for meetings of the board of directors and shareholders, including operate for performance to resolution, coordinate to perform of meeting resolutions.
3. Observes and makes 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 the document as follow;
 - 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 director consists of experts with knowledge and experience in management positions in the organization, then they canbring experience ability to develop policy and business direction effectively of the Company, that is the benefits to 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.

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

- 1.1 Board of Management consist of 7 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 consist 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 Responsible for policy and oversight of the executive. And the executive management of the Company response to act in order to comply with the policy. In order to prevent arbitrary, the Company has a clearly defined scope of authority in the operations of the company (Authority Table).

The Board of Directors appoints the company secretary to response as the details 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. And taking into account the interests of the Company and shareholder. 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 Compliance with laws and regulations of the Securities and Exchange Commission announced the order or the requirements of the Capital Market Commission and the Stock Exchange of Thailand. As well as compliance 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 strictly.

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 disclose 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 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 clearly written. There is a control to use the property to benefit the most, separate the responsible 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 found in the operation Analysis of the causal factors and measures an event that causes the risk factors. Including measures to reduce risk. Also assigned to the relevant authorities to continuous the progress and reports 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. In each meeting has clearly set the agenda and send a meeting invitation with the details 7 days prior to the Board of director for studying the information before the meeting. Including take a minuite and kept 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 other companies in the same industry. Factors to be considered the remuneration including to experience, extent of the role and responsibilities. The remuneration of Committee shall be considered by a meeting of shareholders of the Company. In terms of remuneration of executives management, 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

Board of Directors is dedicated to promoting and facilitating the training about cooperate 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. Board of Director, Audit Committee and Executive Management Committee have the qualify under Section 68 of the Securities and Exchange Act B.E. 2535 and the Regulation of the Capital Market Authority of the relevant. The authority and responsibility of committees are as follows:

Duties and Scope of Authority of Board of Directors

1. 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. 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. 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 concurs with work planning policies and setting budgets.

4. Board of Directors must consider reviews, audits and approvals of policy, strategy, business operators proposed by the executives.
5. Board of Directors must consider designating executive structures with authority to appoint the Board of Management, Managing Director and other sub-committees as deemed fitting, including set Scope of duties of the Board of Management, Managing Director, other sub-committees.

Authorizations according to designated scopes of authority and duty with no characteristics of allowing 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. Board of Directors may authorize a director, several directors, or any other persons to perform any actions 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 deems 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 rendered by the Audit Committee receives 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 Board of Management

1. To consider and propose of goals, policies, business plans and annual budgets for consideration of approval by Board of Directors.
2. Board of Management must supervise compliance of the company's businesses with policies, work plans and budgets approved by 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 Board of Directors.
4. To propose of company's structure, authority to administrate the corporation for consideration of approval by Board of Directors.
5. Board of Management has the authority to appoint or employ consultants associated with corporate administration for maximum efficiency.
6. 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. 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 Board of Management. 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 Board of Directors.
3. Response for 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 reporting 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 issues 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 has not nominating 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 equal number of votes for the last directorship exceed 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 characterize 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 same 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 entitle to vote, and the total number of shares altogether should not 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 share of no more than 1 percent of the total voting shares of the Company, parent company, subsidiary company, related company or juristic person of person 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, director 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 consisting of three members who is the independent directors of the company that has 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 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 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. Prohibiting directors, management and employees of the Company are disclosing 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. Prohibiting 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 have 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 subject to penalties according to the disciplinary measures set forth by the company.
3. Ensuring the directors and the management of the Company including their spouse and minor children 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 know about the above terms.



The Board of Directors and Management

Board of Directors



Mr. Soracit Phungsuk

Chairman
Chairman of the Audit Committee
Independent Director



Mr. Phaiboon Ungkanakornkul

Director
Chairman of the Executive Board
Managing Director



Mr. Chairat Tangtivaja

Director



Mr. Sa-Ngeam Klomchitcharoen

Director





Mr. Pornchai Uraisin

Director



Asst. Prof. Prasit Pittayapat

Audit Committee Director
Independent Director



Mr. Suphan Settapanich

Audit Committee Director
Independent Director



/// Board of Management

- | | |
|------------------------------|---|
| 1. Mr. Uton Srathong | Assistant Managing Director
In charge of Human Resources Management Department |
| 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. Sanya Chindaphan | Department Manager, Account Department |

The Board of Directors and Management



Mr. Soracit Phungsuk

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

Age 69

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

Ratio of the Company's Shares Held (30/12/16) 0.11

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2007-Present	Chairman	Asefa PLC.	manufacturer and distributor of switchboards
2000-Present	Chairman	Sunco Engineering Co., Ltd.	repairs large electrical equipment



Mr. Phaiboon Ungkanakornkul

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

Age 49

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

Ratio of the Company's Shares Held (30/12/16) 31.56

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
1997-Present	Chairman/Chairman of the Executive Board/ Managing Director	Asefa PLC.	manufacturer and distributor of switchboards
1999-Present	Director	Varitek Co., Ltd.	distributor of electrical equipment
2006-2015	Director	Lighting Mart Co., Ltd.	manufacturer and distributor of luminaires
2005-2015	Director	Fireman Corporation Co., Ltd.	distributor of safety equipment



Mr. Chairat Tangtivaja

Position (s) - Director

Age 51

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

Ratio of the Company's Shares Held (30/12/16) 10.69

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
1997-Present	Director	Asefa PLC.	manufacturer and distributor of switchboards
1999-Present	Director	Varitek Co., Ltd.	distributor of electrical equipment
2005-Present	Director	Fireman Corporation Co., Ltd.	distributor of safety equipment
1995-Present	Director	Enginar Co., Ltd.	distributes and installs electrical equipment
2006-2015	Director	Lighting Mart Co., Ltd.	manufacturer and distributor of luminaires



Mr. Sa-Ngeam Klomchitcharoen

Position (s) - Director

Age 50

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

Ratio of the Company's Shares Held (30/12/16) 10.78

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
1997-Present	Director	Asefa PLC.	manufacturer and distributor of switchboards
2005-Present	Director	Fireman Corporation Co., Ltd.	distributor of safety equipment
1999-Present	Director	Varitek Co., Ltd.	distributor of electrical equipment
1995-Present	Director	Enginar Co., Ltd.	distributes and installs electrical equipment
2006-2015	Director	Lighting Mart Co., Ltd.	manufacturer and distributor of luminaires



Mr. Pornchai Uraisin

Position (s) - Director

Age 53

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

Ratio of the Company's Shares Held (30/12/16) 10.78

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
1997-Present	Director	Asefa PLC.	manufacturer and distributor of switchboards



Asst. Prof. Prasit Pittayapat

Position (s) - Audit Committee Director

- Independent Director

Age 75

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

Ratio of the Company's Shares Held (30/12/16) 0.08

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2007-Present	Audit Committee	Asefa PLC.	manufacturer and distributor of switchboards
2011-Present	Chairman	PP&P Design Co., Ltd.	designs engineering system
1968-Present	Chairman	Multi System Engineering Co., Ltd.	designs electrical engineering system



Mr. Suphan Settapanich

Position (s) – Audit Committee Director
– Independent Director

Age 45

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

Ratio of the Company's Shares Held (30/12/16) None
Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2007-Present	Audit Committee	Asefa PLC.	manufacturer and distributor of switchboards
2012-Present	Managing Director	Solaris Asset Management Co., Ltd.	manages assets and funds
2014-2016	Director	WCI Holding Co., Ltd.	holding company
2014-2016	Director	Wuttisak Clinic Intergroup Co., Ltd.	cosmetics clinic
2011-2012	Senior Director	OSK Asset Management Co., Ltd.	fund management
2008-2011	Managing Director	United Asset Management Co., Ltd.	manages assets and funds



Mr. Uton Srathong

Position (s) – Assistant Managing Director

In charge of Human Resources Management Department

Age 51

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

Ratio of the Company's Shares Held (30/12/16) 0.04
Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2016-Present	In charge of Human Resources Management Department	Asefa PLC.	manufacturer and distributor of switchboards
2015-Present	Assistant Managing Director	Asefa PLC.	manufacturer and distributor of switchboards
2013-2015	Department Manager, Building Management Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2011-2013	Human Resource Manager	Asefa Co., Ltd.	manufacturer and distributor of switchboards



Mr. Boontherd Thongsamrit

Position (s) – Assistant Managing Director

Age 47

Education Bachelor of Industrial Technology,
Mechanical Technology Program, Siam University

Ratio of the Company's Shares Held (30/12/16) 0.04
Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2015-Present	Assistant Managing Director	Asefa PLC.	manufacturer and distributor of switchboards
2013-2015	Department Manager, Electrical Production Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2010-2013	Department Manager, Electrical Production Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards



Mr. Burin Phraemongkol

Position (s) - Senior Department Manager, Planning Department

Age 38

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

Ratio of the Company's Shares Held (30/12/16) 0.04

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2015-Present	Senior Department Manager, Planning Department	Asefa PLC.	manufacturer and distributor of switchboards
2013-2015	Department Manager, Planning Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2010-2013	Planning Department Manager	Asefa Co., Ltd.	manufacturer and distributor of switchboards



Mr. Choosak Sukhathammoo

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

Age 50

Education Bachelor of Marketing, Bangkok University

Ratio of the Company's Shares Held (30/12/16) 0.04

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2015-Present	Senior Department Manager, Sales Department	Asefa PLC.	manufacturer and distributor of switchboards
2013-2015	Department Manager, Sales Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2010-2013	Advisor, Sales and Marketing Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards



Mr. Phut Rueangthieng

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

Age 48

Education Senior High School, Sukhothai Wittayakom School

Ratio of the Company's Shares Held (30/12/16) 0.04

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2015-Present	Senior Department Manager, Metal Production Department	Asefa PLC.	manufacturer and distributor of switchboards
2013-2015	Department manager, Metal Production Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2011-2013	Metal Production Department Manager	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2001-2010	Division Manager, Metal Production Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards



Mr. Sanya Chindaphan

Position (s) Department Manager, Accounting Department

Age 37

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

Ratio of the Company's Shares Held (30/12/16) 0.03

Familial Relationship with the Directors None

Work experience in the last 5 years

Period	Position	Company's Title	Business Type
2015-Present	Accounting Department Manager	Asefa PLC.	manufacturer and distributor of switchboards
2014-2015	Division Manager, Accounting Department	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2012-2014	Accounting Division Manager	Asefa Co., Ltd.	manufacturer and distributor of switchboards
2007-2012	Accounting Division Manager	Varitek Co., Ltd.	distributor of electrical equipment

Shareholding of the Board of Directors and Management

Name	Position	Number of shares held as at December 30, 2016
1. Mr. Soracit Phungsuk	Independent Director / Chairman	600,000
2. Mr. Phaiboon Ungkanakornkul	Director	173,560,000
3. Mr. Chairat Tangtivaja	Director	58,780,000
4. Mr. Sa-Ngeam Klomchitcharoen	Director	59,280,000
5. Mr. Pornchai Uraisin	Director	59,300,000
6. Asst. Prof. Prasit Pittayapat	Independent Director / Director	400,000
7. Mr. Suphan Settapanich	Independent Director / Director	-
8. Mr. Utorn Srathong	Director of Management	220,000
9. Mr. Boontherd Thongsamrit	Director of Management	220,000
10. Mr. Burin Phraemongkol	Director of Management	190,000
11. Mr. Choosak Sukhathammoo	Director of Management	100,000
12. Mr. Phut Rueangthieng	Director of Management	220,000
13. Mr. Sanya Chindaphan	Director of Management	145,000

Changes in Shareholding of the Board of Directors and Management

Name	Number of shares held as at December 30, 2016	Number of shares held as at December 30, 2015
1. Mr. Soracit Phungsuk	600,000	600,000
2. Mr. Phaiboon Ungkanakornkul	173,560,000	173,560,000
3. Mr. Chairat Tangtivaja	58,780,000	59,280,000
4. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	59,280,000
5. Mr. Pornchai Uraisin	59,300,000	59,300,000
6. Asst. Prof. Prasit Pittayapat	400,000	400,000
7. Mr. Suphan Settapanich	-	-
8. Mr. Utorn 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	100,000	190,000
12. Mr. Phut Rueangthieng	220,000	219,100
13. Mr. Sanya Chindaphan	145,000	145,000



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

At the general meeting of shareholder year 2016, on April 26, 2016 was voted for the Board of Directors as follows:

Position	Monthly Compensation Year 2015 (Baht)	Monthly Compensation Year 2016 (Baht)
Chairman	15,000.00	30,000.00
Director (per person)	10,000.00	20,000.00
Audit Committee (per person)	10,000.00	20,000.00

The Remunerations for the Board of Directors Year 2015 - 2016 are as follows:

Name	Number of meetings attended/ Total number of meetings Year 2015	Compensation Year 2015 (Baht)	Number of meetings attended/ Total number of meetings Year 2016	Compensation Year 2016 (Baht)
1. Mr. Soracit Phungsuk	6/6	180,000.00	6/6	315,000.00
2. Mr. Phaiboon Ungkanakornkul	6/6	120,000.00	6/6	210,000.00
3. Mr. Chairat Tangtivaja	6/6	120,000.00	6/6	210,000.00
4. Mr. Sa-Ngeam Klomchitcharoen	6/6	120,000.00	6/6	210,000.00
5. Mr. Pornchai Uraisin	6/6	120,000.00	6/6	210,000.00
6. Asst. Prof. Prasit Pittayapat	6/6	120,000.00	6/6	210,000.00
7. Mr. Suphan Settapanich	6/6	120,000.00	6/6	210,000.00
Total		900,000.00		1,575,000.00

Management's Remunerations

In 2015 and 2016, the remunerations paid to the management by the Company were 16.84 million Baht and 18.55 million Baht, respectively, including salaries, bonuses, payments to provident fund, and other benefits.

Year	Number of Management (people)	Remuneration in cash (Baht)
2015	8	16,841,680.00
2016	7	18,553,590.00

Other remunerations

None

Personnel

Number of employees

As of December 31, 2015 and December 31, 2016: The Company has employees 1,093 and 1,213 employees, respectively. The list is detailed as follows (excluding 7 directors in Management):

Division	Number of (people)	
	Year 2015	Year 2016
1. Management Office	11	14
2. Products and Production Management Group	662	760
3. Business Development Group	306	324
4. General Management Group	39	36
5. Account and Finance Group	30	30
6. Human Resources Group	45	49
Total	1,093	1,213

Employees' Remunerations

Monetary Remuneration

In 2015 and 2016, the Company paid remuneration to employees (excluding executive directors) 329.57 million Baht and 390.22 million Baht, respectively, in the form of salary, bonuses, incentives, overtime, 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 Efficient Solutions in Thailand and ASEAN. With that goal in mind, the Company has planned to enforce the policy that will also develop staff 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 get 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 encourage 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 surroundings.



Internal Control and Risk Management

The Board of Directors' Opinion about Internal Control

In Board of Directors' Meeting No. 2/2016 on February 25, 2016 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 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 Subsidiaries Operation Tracking Systems to prevent Committees and Executives to use the Company's property improperly or without authority. The Company also has sufficient control system 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 offer their opinions based on the company's audits.

To ensure that the Company has effective internal control systems, the Company has hired Dharmniti Internal Audit Co., Ltd. to perform the duty of auditing the company's internal control systems. 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 2016, Dharmniti Internal Audit Co., Ltd., which is an Independent firm, examined and investigated several management systems such as production process control, metal manufacturing, planning and production control, electric work planning and control, quality control for the products manufactured and distributed by the Company, and after-sales service within the warranty period. The auditors offer some advice to the Company to improve the check-and-balance in every system operation, which will lead to the improvement of the Company's Internal Control and Management system. The Company has operated in solving issues as Dharmniti Internal Audit Co., Ltd. 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 2015-2016 as follows:

In 2015, the Company's Auditor informed in the Board of Directors meeting session 2/2016 on February 25, 2016 that, after examining financial statements for the year ended December 31, 2015, Auditor did not notice or give any advice about the Company's internal control in accounting system.

In 2016, the Company's Auditor informed in the Board of Directors meeting session 1/2017 on February 17, 2017 that after examining financial statements for the year ended December 31, 2016, Auditor did not offer any opinion or 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 Committee 2) Asst. Prof. Prasit Pittayapat, Audit Committee 3) Mr. Suphan Settapanich, Audit Committee.

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 2016, 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 2016 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 Dharmniti Internal 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 2016 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 2017, 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, whose compensation is stipulated 1,645,000 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 straight forwardly 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 Dharmniti Internal Audit Co., Ltd. to perform the duty of auditing the company's internal control systems. Dharmniti Internal Audit Co., Ltd. was appointed by the Company Board of Audit on February 25, 2016 and Dharmniti Internal Audit Co., Ltd. has assigned Ms. Korakot Wanasawat to perform duty as Internal Audit Supervisor who has qualifications as follows:

Internal Audit:	Dharmniti Internal Audit Co., Ltd. Ms. Korakot Wanasawat, Responsibility to Internal Audit
Education:	Bachelor of Science Program in Applied Science, Computer Science, King Mongkut's University of Technology North Bangkok Bachelor of Accountancy, Ramkhamhaeng University
Certificate:	Certified Professional Internal Audit of Thailand (CPIAT)
Relevant Experience:	2010 — Present: Dharmniti Internal Audit Co., Ltd.

However, any consideration, approval, appointment, termination or transfer of any personal in a supervisory position of the Company's internal audit 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:

Individual with Potential Conflict of Interest	Type of Relationship																													
<p>Enginar Co., Ltd.(“ENG”) operates its business as a distributor of the following products:</p> <ul style="list-style-type: none">• ASCO’s ATS (Automatic Transfer Switch) in Emerson Industrial Automation Group is a high-quality Double Throw that can distribute electricity without interruption during power failure. Lasting longer than other typical ATS brands, this ATS has a higher cost than other brands, so only a few specific customers choose ASCO’s ATS.• Clipsal — Bus Lighting System is a computerized lighting system.• Cirpark System is a navigation system for parking.• Room Control Unit System (RCU) is a temperature and lighting control system in the room.	<ul style="list-style-type: none">• Having two directors in common: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klomchitcharoen• Having shareholders in common as following <table><tr><th rowspan="2">Shareholders</th><th colspan="2">ASEFA</th><th colspan="2">ENG</th></tr><tr><th>No. of shares</th><th>%</th><th>No. of 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. Pornchai Uraisin</td><td>59,300,000</td><td>10.78</td><td>2,500</td><td>5.00</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. Chairat Tangtivaja</td><td>58,780,000</td><td>10.69</td><td>21,250</td><td>42.50</td></tr></table> <p>* The total shareholdings of the concerned individuals</p> <p><u>Note</u></p> <p>Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen and Mr. Pornchai Uraisin confirmed to the Company that they will not engage in any business that has the same nature of operation and will not engage in any other companies that compete with the Comany, and also will not be a partner, a shareholder or a director in any other companies that have the same nature with the Company.</p>	Shareholders	ASEFA		ENG		No. of shares	%	No. of shares	%	1. Mr. Phaiboon Ungkanakornkul*	200,000,000	36.36	2,500	5.00	2. Mr. Pornchai Uraisin	59,300,000	10.78	2,500	5.00	3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	21,250	42.50	4. Mr. Chairat Tangtivaja	58,780,000	10.69	21,250	42.50
Shareholders	ASEFA		ENG																											
	No. of shares	%	No. of shares	%																										
1. Mr. Phaiboon Ungkanakornkul*	200,000,000	36.36	2,500	5.00																										
2. Mr. Pornchai Uraisin	59,300,000	10.78	2,500	5.00																										
3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	21,250	42.50																										
4. Mr. Chairat Tangtivaja	58,780,000	10.69	21,250	42.50																										
Varitek Co., Ltd. (VAR)	<ul style="list-style-type: none">• Operates its business as a distributor of equipment in electrical, water supply, and air-conditioned systems, with the Company holding 99.99% of its shares.																													
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.																													

Individual With Potential Conflict of Interest	Type of Relationship
Asefa and VARS Joint Venture	<ul style="list-style-type: none"> A joint venture between the Company and VARS Company Limited, with the 50 percentage shareholding. The purpose of the joint investment was to be subcontracted by Provincial Electricity Authority (PEA) to upgrade the electrical distribution system installing the underground cables around the periphery of Sukhothai Historical Park in Sukhothai Province and Phimai Historical Park in Nakhon Ratchasima Province.
Mr. Phaiboon Ungkanakornkul	<ul style="list-style-type: none"> Being in charge in positions of a director, the board of management, and a managing director. A shareholder of 200,000,000 shares (the total holding of the concerned individual) or 36.36 percent of the number of shares issued by the Company on December 30, 2016.
Mr. Sa-Ngeam Klomchitcharoen	<ul style="list-style-type: none"> Being in charge as a director. A Shareholder of 59,280,000 shares, or 10.78 percent of the number of shares issued by the Company on December 30, 2016.
Mr. Chairat Tangtivaja	<ul style="list-style-type: none"> Being in charge as a director. A Shareholder of 58,780,000 shares, or 10.69 percent of the number of shares issued by the Company on December 30, 2016.

Related Transaction Details

In 2015-2016, the Company carried out transactions with individuals who might have the potential conflicts of interest, with the details stated as follows:

(1) Goods Transactions

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
Enginar Co., Ltd. ("ENG")	Goods sale Trade accounts receivable	0.64 0.15	0.88 0.67	<p>The Company sold switchboards (enclosures) and some electrical equipment to ENG, the transaction of which was based on the ordinary course of business and market prices.</p> <p>The Audit Committee has considered the issue and held the view that the aforementioned transactions of sale of goods and services have followed the Company's regular business pattern and are within reasonable bounds.</p>

(1) Goods Transactions

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
Asefa Suntech Joint Venture	Goods sale Trade accounts receivable	0.31 0.43	- -	<p>The Company sold switchboard to Asefa Suntech Joint Venture to be operated as an electrical distribution device in the power plant demolition project, the transaction of which was based on the ordinary course of business and market prices.</p> <p>The Audit Committee has considered the issue and held the view that the aforementioned transactions of sale of goods and services have followed the Company's regular business pattern and are within reasonable bounds.</p>

(2) Other Revenue

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
Asefa Suntech Joint Venture	Income management fee Receivable management fee	6.90 -	1.56 0.14	<p>The Company charged the Joint Venture a management fee by calculating from the compensation normally paid to the Company's employees (salary, overtime, allowance, and travel expense), because the staff had been working in the power plant project.</p> <p>The Audit Committee has considered the issue and held the view that the aforementioned transactions of management fee have followed the compensation rates actually paid to the Company's employees and are within reasonable bounds.</p>

(3) Goods and Service Purchase Transactions

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
Varitek Co., Ltd. (VAR)	Purchase of goods Purchase of property	- -	0.005 0.32	<p>The purchase of property and other equipment used in the Company's business operation was based on the ordinary course of business transaction and market prices.</p>

(3) Goods and Service Purchase Transactions

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
				The Audit Committee has considered the issue and held the view that the aforementioned transactions of purchases have followed the Company's regular business pattern and are within reasonable bounds.
Enginar Co., Ltd. ("ENG")	Purchase of goods	19.94	7.20	The purchase of ASCO automatic transfer switches (ATS) from its major distributor ENG was made due to the Company's customer's demand. And since the ASCO's ATS has a higher price, the Company usually makes such purchase if the customer has listed the specification that only the ASCO's ATS can satisfy. The aforementioned transaction of ATS purchase, however, was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and held the view that the aforementioned transactions of purchases have followed the Company's regular business pattern and are within reasonable bounds.
	Trade accounts payable	1.62	1.60	
	Turnkey project expense	0.27	-	- The purchase of CLIPSAL lighting automation system and - installation service from its major distributor ENG was made due to the Company's customer's demand, the transaction of which was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and held the view that the aforementioned transactions of purchases have followed the Company's regular business pattern and are within reasonable bounds.
	Accrued expense	0.02		
Asefa Suntech Joint Venture ("The Joint Venture")	Purchase of property	-	0.10	The purchase of fixed asset and other equipment used in the Company's operation was based on the ordinary course of business transaction and market prices. The Audit Committee has considered the issue and held the view that the aforementioned transactions of purchases have followed the Company's regular business pattern and are within reasonable bounds.
	Purchase of goods	-	0.08	
	Other expenses	-	0.01	

(4) Loans

Individual/Corporation with Potential Conflicts of Interest	Transaction Type	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
		2015	2016	
Asefa Suntech Joint Venture	Balance at the beginning of period	82.25	229.00	In 2014, the Company provided a loan to Asefa Suntech Joint Venture as a working capital for business operation, with the interest rate for 2016 at 6 percent and 5 percent for 2016, which were relatively close to the market interest rate.
	<u>Loan</u> during the period	249.00	-	
	<u>Repayment</u> during the period	102.25	68.00	The Audit Committee has considered the issue and held the view that the transaction was appropriate and beneficial to the Company because the Joint Venture is likely to gain additional profits, revenues as well as business opportunity to the Company.
	<u>Allowance</u> during the period	-	8.50	
	Balance at the end of period	229.00	152.50	
	Interest received	14.57	10.58	
	Accrued interest received	1.17	1.75	

(5) Loan guarantee

Individual/Corporation with Potential Conflicts of Interest	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
	2015	2016	
Mr. Phaiboon Ungkanakornkul	Limit 1,001.81	-	Mr. Phaiboon Ungkanakornkul had personally guaranteed for loans with commercial banks without any compensation from the Company. In 2016, the commercial banks terminated the guarantees.
	Outstanding balance 515.22	-	
			The Audit Committee has considered the issue and held the view that the guarantees made by Mr. Phaiboon are appropriate and influenced by the necessity to benefit the Company as the loan request to commercial bank was made in order to continue business operation.

(5) Loan guarantee

Individual/Corporation with Potential Conflicts of Interest	Transaction/ Outstanding Value (MB)		Necessity and Validity of the Related Transactions
	2015	2016	
Mr. Chairat Tangtivaja	Limit 1,001.81 Outstanding balance 515.22	- -	Mr. Chairat Tangtivaja had personally guaranteed for loans with commercial banks without any compensation from the Company. In 2016, the commercial banks terminated the guarantees. The Audit Committee has considered the issue and held the view that the guarantees made by Mr. Chairat are appropriate and influenced by the necessity to benefit the Company as the loan request to commercial bank was made in order to continue business operation.
Mr. Sa-Ngeam Klomchitcharoen	Limit 1,001.81 Outstanding balance 515.22	- -	Mr. Sa-Ngeam Klomchitcharoen had personally guaranteed for loans with commercial banks without any compensation from the Company. In 2016, the commercial banks terminated the guarantees. The Audit Committee has considered the issue and held the view that the guarantees made by Mr. Sa-Ngeam are appropriate and influenced by the necessity to benefit the Company as the loan request to commercial bank was made in order to continue business operation business.

(6) Lease guarantees

Individual/Corporation with Potential Conflicts of Interest	Transaction/ Outstanding Value (MB)		Individual/ Corporation with Potential COIs
	2015	2016	
Mr. Phaiboon Ungkanakornkul	Limit 36.04 Outstanding balance 10.96	Limit 15.75 Outstanding balance 2.91	Mr. Phaiboon Ungkanakornkul had personally guaranteed for the lease of machinery and motor vehicles without any compensation from the Company. The Audit Committee has considered the issue and held the view that the guarantees made by Mr. Phaiboon are appropriate and influenced by the necessity to benefit the Company as the loan request to commercial bank was made in order to continue business operation.

(6) Lease guarantees

Individual/Corporation with Potential Conflicts of Interest	Transaction/ Outstanding Value (MB)		Individual/ Corporation with Potential COIs
	2015	2016	
Mr. Chairat Tangtivaja	Limit	Limit	Mr. Chairat Tangtivaja had personally guaranteed for the lease of machinery and motor vehicles without any compensation from the Company. The Audit Committee has considered the issue and held the view that the guarantees made by Mr. Chairat are appropriate and influenced by the necessity to benefit the Company as the loan request to commercial bank was made in order to continue business operation.
	38.50	18.21	
	Outstanding balance 12.56	Outstanding balance 4.17	

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 officers, 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 direct or indirect gains or losses. 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 the budgets that 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 the 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 and 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 has currently been released from the guarantees of all commercial banks.

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 31, 2016, according to the generally accepted accounting standard. It 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 was 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 determined 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 31, 2016, 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: Shareholders 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; the others are Asst. Prof. Prasit Pittayapat and Mr. Suphan Settapanich, as members of the Audit Committee. During 2016, 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 2016, 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 the Audit Committee members was as follows:

Mr. Soracit Phungsuk	Chairman of the Audit Committee	attending 4/4 meetings
Asst. Prof. Prasit Pittayapat	Member of Audit Committee	attending 4/4 meetings
Mr. Suphan Settapanich	Member of Audit Committee	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 was 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 risk 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 training 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 involved in management, according to the laws, rules, and other related regulations, and promote the use of information technology as a tool to monitor and prevent corruption.

In 2016, the Audit Committee held a total of 4 meetings and consulted related issues with executives and external and internal auditors. The tasks can be summarized as follows:

1. Review the financial statements. The Audit Committee thoroughly reviewed the quarterly, annual, and consolidated financial statements of 2016 with the executives and auditors to confirm 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 interest. The Audit Committee also reviewed and offered its opinions regarding the auditor's strategy and reports before proposing to the Company's Board of Director. 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 systems 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 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 future 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 2017, by comparing the ANS auditors' qualifications, work performance, fees and services with other companies. The Company's Board of Directors was 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 2017, with the fees of 1,645,000 Baht, which will also cover the Company's subsidiaries.

5. Review the related transactions and the potential conflict of interest. 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 to 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 more sustainable management.



(Mr.Soracit Phungsuk)
Chairman of the Audit Committee

Business Performance and Financial Position

1. Audit Report Summary

(A) 2014 Financial Statement as Audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from ANS Audit Co., Ltd.

The company's combined financial statement and separated financial statement of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31, 2014, the statements had shown the company's financial status, the company's combined operations and separated operations, and the combined cash flow as well as the cash flow of each subsidiary. All statements were correct as required by Financial Reporting Standards.

(B) 2015 Financial Statement as Audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from ANS Audit Co., Ltd.

The company's combined financial statement and separated financial statement of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31, 2015, the statements had shown the company's financial status, the company's combined operations and separated operations, and the combined cash flow as well as the cash flow of each subsidiary. All statements were correct as required by Financial Reporting Standards.

(C) 2016 Financial Statement as Audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from ANS Audit Co., Ltd.

The company's combined financial statement and separated financial statement of the company and the subsidiaries were audited, and the auditor concluded that, as of December 31, 2016, the statements had shown the company's financial status, the company's combined operations and separated operations, and the combined cash flow as well as the cash flow of each subsidiary. All statements were correct as required by 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	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	35.90	2.09	37.62	1.67	53.66	2.37
Trade and other receivables - net	438.24	25.50	564.67	25.02	638.75	28.20
Short-term loan to related party - net	82.25	4.79	229.00	10.14	152.50	6.73
Inventories - net	479.36	27.89	642.96	28.48	598.16	26.41
Non-current assets held for sale	-	-	-	-	8.38	0.37
Total current assets	1,035.75	60.27	1,474.25	65.31	1,451.45	64.09
Non-Current Assets						
Restricted deposits at financial institutions	96.70	5.63	127.02	5.63	94.56	4.18
Deposit of land	10.00	0.58	-	-	3.00	0.13
Retention	-	-	-	-	5.83	0.26
Investments in subsidiaries - net	31.85	1.85	31.85	1.41	16.85	0.74
Investment property - net	2.51	0.15	2.30	0.10	2.08	0.09
Property, plant and equipment - net	522.24	30.39	602.07	26.67	667.22	29.46
Intangible assets - net	3.43	0.20	4.31	0.19	6.67	0.29
Deferred tax assets	14.21	0.83	14.68	0.65	16.50	0.73
Other non-current assets	1.97	0.10	0.88	0.04	0.58	0.03
Total non-current assets	682.91	39.73	783.11	34.69	813.29	35.91
Total assets	1,718.66	100.00	2,257.36	100.00	2,264.74	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	377.61	21.97	251.42	11.14	189.82	8.38
Trade and other payables	480.30	27.95	586.93	26.00	499.42	22.05
Current portion of liabilities under financial lease agreements	9.03	0.53	6.24	0.28	4.54	0.20
Current portion of long-term loans from financial institutions	51.20	2.98	26.20	1.16	26.20	1.16
Accrued income tax	10.16	0.59	23.54	1.04	34.27	1.51
Total current liabilities	928.30	54.02	894.33	39.62	754.25	33.30
Non-Current Liabilities						
Liabilities under financial lease agreements - net	10.41	0.61	6.01	0.27	0.94	0.04
Long-term loans from financial institutions - net	164.34	9.56	91.24	4.04	59.74	2.64
Provision for long-term employee benefit	5.36	0.31	6.02	0.27	12.04	0.53
Deferred tax liabilities	2.61	0.15	3.01	0.13	3.11	0.14
Non-current liabilities	0.25	0.01	0.27	0.01	0.18	0.01
Total non-current liabilities	182.97	10.64	106.56	4.72	76.01	3.36
Total liabilities	1,111.27	64.66	1,000.89	44.34	830.26	36.66
Shareholders' Equity						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	400.00		550.00		550.00	

Statement of Financial Position	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	400.00	23.27	550.00	24.37	550.00	24.29
Premiums on ordinary shares	-	-	386.70	17.13	386.70	17.07
Discount on purchase of investment in subsidiaries-net	-	-	-	-	-	-
Retained earnings						
Appropriated						
Legal reserve	33.00	1.92	50.61	2.24	55.00	2.43
Unappropriated	174.39	10.15	269.16	11.92	442.78	19.55
Total shareholders' equity	607.39	35.34	1,256.47	55.66	1,434.48	63.34
Total liabilities and shareholders' equity	1,718.66	100.00	2,257.36	100.00	2,264.74	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	1,639.21	99.31	2,373.09	98.66	2,717.43	99.11
Other income	11.42	0.69	32.24	1.34	24.40	0.89
Total revenues	1,650.63	100.00	2,405.33	100.00	2,741.83	100.00
Expenses						
Costs of sales and service	1,266.73	76.74	1,826.58	75.94	2,013.34	73.43
Selling expenses	123.48	7.48	178.53	7.42	219.27	8.00
Administrative expenses	91.80	5.56	113.78	4.73	139.12	5.07
Total expenses	1,482.01	89.78	2,118.89	88.09	2,371.73	86.50
Profit before finance costs and income tax	168.62	10.22	286.44	11.91	370.10	13.50
Finance costs	19.93	1.21	28.83	1.20	9.37	0.34
Profit before income tax	148.69	9.01	257.61	10.71	360.73	13.16
Income tax expenses	30.61	1.85	45.50	1.89	69.63	2.54
Profit for the years	118.08	7.15	212.11	8.82	291.10	10.62
Net Profit (Loss) per share (Fully Diluted) (Baht)	29.52		0.39		0.53	
Net Profit (Loss) per share (Weighted Average) (Baht)	35.45		0.46		0.53	
Par Value (Baht)	100.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2014	2015	2016
Cash Flows from Operating Activities:			
Profit before income tax	148.69	257.62	360.74
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities			
Depreciation and amortization	39.48	43.91	44.40
Reversal of allowance for doubtful accounts	(4.69)	(4.40)	(4.75)
Allowance for inventories devaluation	(1.37)	5.04	6.83
Allowance for impairment of investments in subsidiary	5.70	-	1.00
Allowance for short-term loans to related party	-	-	8.50
(Gain) loss from disposal of properties	(0.97)	0.28	(0.56)
(Gain) loss from disposal of investment in subsidiary		(0.39)	-
Provision for long-term employee benefits	1.07	1.00	2.16
Loss of land expropriation	-	-	0.18
Dividend income	(3.00)	-	-
Interest expenses	19.93	28.83	9.37
Profit from operating activities before changes in operating assets and liabilities	204.83	331.89	427.87
Operating assets (increased) decreased			
Trade and other receivables	98.85	(121.64)	(75.16)
Inventories	(41.30)	(168.65)	37.97
Other non-current assets	(0.20)	1.08	0.31
Operating liabilities increased (decreased)			
Trade and other payables	(111.16)	103.20	(85.53)
Employee benefit obligations	-	-	-
Other non-current liabilities	(0.11)	0.02	(0.09)
Cash provided (paid) by operating activities	150.92	145.90	305.37
Employee benefit obligations paid	-	-	-
Interest paid	(19.96)	(29.13)	(9.38)
Income tax paid	(42.02)	(32.24)	(59.85)
Net cash from (used in) operating activities	88.94	84.53	236.14
Cash Flows from Investing Activities			
Restricted deposits at financial institutions (increased) decreased	(17.70)	(30.32)	32.46
Cash received from short-term loans to related party	-	102.25	68.00
Cash payment for short-term loans to related party	(82.25)	(249.00)	-
Cash payment for investment in subsidiary	(6.70)	-	(1.00)
Cash payment for land deposit	(10.00)	-	(3.00)
Dividend income	3.00	-	-
Cash payment for acquisition of fixed asset	(97.57)	(105.83)	(119.12)
Cash received from capital paying-back on investments in subsidiaries	-	-	15.00
Cash received from disposal of fixed assets	1.54	0.43	1.76
Cash payment for acquisition of intangible asset	(2.86)	(3.54)	(4.32)
Net cash used in investing activities	(212.54)	286.00	10.22

Statements of Cash Flows

(Unit: Million Baht)	2014	2015	2016
Cash Flows from Financing Activities:			
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	167.02	(126.18)	(61.61)
Cash received from long-term loans from financial institutions	-	-	-
Cash repayments for long-term loans from financial institutions	83.53	(98.10)	(31.50)
Cash payments for liabilities under finance lease agreements	(42.65)	(9.22)	(6.77)
Cash received from increase common shares	(12.41)	555.00	-
Directly attributable expenses of the initial public offering	70.00	(18.30)	-
Dividend paid	(130.00)	(100.00)	(110.00)
Net cash from (used in) financing activities	135.49	203.20	(209.88)
Net cash and cash equivalents (increased) decreased	11.89	1.72	16.04
Cash and cash equivalents at the beginning of the years	24.01	35.90	37.62
Cash and cash equivalents at the end of the years	35.90	37.62	53.66

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios	2014	2015	2016
Liquidity Ratio			
Liquidity (Times)	1.12	1.65	1.92
Quick Ratio (Times)	0.51	0.67	0.92
Cash Flow Liquidity (Times)	0.10	0.09	0.29
Trade Debtors' Circulation (Times)	3.42	4.85	4.71
Mean Debt Collection Time (Days)	105	74	76
Circulating Inventory (Times)	2.77	3.26	3.24
Average Product Selling Time (Days)	130	111	111
Creditors' Circulation (Times)	3.12	4.42	4.85
Credit Term Debt Payment Time (Days)	115	81	71
Cash Cycle (Days)	120	103	113
Profit Making Ability Ratios			
Gross Profit (%)	22.72	23.03	25.91
Profit from Operating Activities (%)	9.59	10.71	12.72
Cash per Profit (%)	96.00	57.40	88.33
Net Profit (%)	7.15	8.82	10.62
Return on Equity Shareholders' Returns (ROE) (%)	20.42	22.76	21.64
Performance Effectiveness Ratios			
Returns from Assets (ROA) (%)	10.20	14.41	16.37
Returns from Fixed Assets (%)	32.62	45.07	51.93
Asset Circulation (Times)	1.00	1.21	1.21
Financial Policy Analysis Ratios			
Debt per Shareholders' Equity (Times)	1.83	0.80	0.58
Interest Payment Ability (Times)	10.67	7.12	39.92
Obligation Payment Ability (cash basis) (Times)	0.30	0.27	0.86
Dividend Payment (%)	84.69	51.85	60.46

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	53.81	3.12	53.34	2.36	77.80	3.45
Temporary investment	9.00	0.52	18.00	0.80	-	-
Trade and other receivables - net	518.45	30.02	566.13	25.07	639.63	28.38
Materials from the decommissioning a power plant - net	-	-	220.93	9.79	131.50	5.84
Inventories - net	481.37	27.87	642.96	28.48	598.16	26.54
Non-current assets held for sale	-	-	-	-	8.38	0.37
Total current assets	1,062.63	61.53	1,501.36	66.50	1,455.47	64.59
<u>Non-Current Assets</u>						
Restricted deposits at financial institutions	105.70	6.12	127.02	5.63	94.56	4.20
Deposit of land	10.00	0.58	-	-	3.00	0.13
Retention	-	-	-	-	5.83	0.26
Investment property - net	3.97	0.23	2.30	0.10	2.08	0.09
Property, plant and equipment - net	522.19	30.24	604.03	26.75	668.02	29.64
Intangible assets - net	3.48	0.20	4.34	0.19	6.67	0.30
Deferred tax assets	15.96	0.92	16.83	0.75	17.27	0.77
Other non-current assets	2.98	0.17	1.88	0.08	0.58	0.03
Total non-current assets	664.28	38.47	756.40	33.50	798.01	35.41
Total assets	1,726.91	100.00	2,257.76	100.00	2,253.48	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	377.61	21.87	251.42	11.14	189.82	8.42
Trade and other payables	483.70	28.01	587.72	26.03	501.83	22.27
Current portion of liabilities under financial lease agreements	9.03	0.52	6.24	0.28	4.54	0.20
Current portion of long-term loans from financial institutions	51.20	2.96	26.20	1.16	26.20	1.16
Accrued income tax	10.15	0.59	23.54	1.04	34.27	1.52
Total current liabilities	931.69	53.95	895.12	39.65	756.66	33.58
<u>Non-Current Liabilities</u>						
Liabilities under financial lease agreements - net	10.41	0.60	6.01	0.27	0.94	0.04
Long-term loans from financial institutions - net	164.35	9.52	91.24	4.04	59.74	2.65
Provision for long-term employee benefit	5.36	0.31	6.02	0.27	12.04	0.53
Deferred tax liabilities	2.61	0.15	3.01	0.13	3.11	0.14
Non-current liabilities	0.25	0.01	0.27	0.01	0.18	0.01
Total non-current liabilities	182.97	10.60	106.55	4.72	76.01	3.37
Total liabilities	1,114.67	64.55	1,001.67	44.37	832.67	36.95
<u>Shareholders' Equity</u>						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	400.00		550.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	400.00	23.16	550.00	24.36	550.00	24.41

Statement of Financial Position	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Premiums on ordinary shares	-	-	386.70	17.13	386.70	17.16
Discount on purchase of investments in subsidiaries - net	0.83	0.05	1.98	0.09	1.98	0.09
Retained earnings						
Appropriated						
Legal reserve	33.00	1.91	50.61	2.24	55.00	2.44
Unappropriated	177.82	10.30	267.23	11.84	437.98	19.44
Total shareholders's equity attributable to owners of parent	611.65	35.42	1,256.52	55.65	1,431.67	63.53
Non-controlling interests	0.59	0.03	(0.43)	(0.02)	(10.85)	(0.48)
Total shareholders' equity	612.24	35.45	1,256.09	55.63	1,420.81	63.05
Total liabilities and shareholders' equity	1,726.91	100.00	2,257.76	100.00	2,253.48	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	1,692.93	99.34	2,549.60	99.47	2,799.63	99.48
Other income	11.26	0.66	13.57	0.53	14.58	0.52
Total revenues	1,704.19	100.00	2,563.17	100.00	2,814.21	100.00
Expenses						
Costs of sales and service	1,309.92	76.86	1,979.80	77.24	2,095.93	74.48
Selling expenses	126.26	7.41	178.54	6.97	220.86	7.85
Administrative expenses	99.30	5.83	124.63	4.86	140.23	4.98
Total expenses	1,535.47	90.10	2,282.97	89.07	2,457.02	87.31
Profit before finance costs and income tax	168.71	9.90	280.20	10.93	357.19	12.69
Finance costs	21.49	1.26	28.83	1.12	9.37	0.33
Profit before income tax	147.22	8.64	251.37	9.81	347.82	12.36
Income tax expenses	34.10	2.00	45.63	1.78	71.02	2.52
Profit for the years	113.12	6.64	205.74	8.03	276.80	9.84
Total comprehensive income for the years - Equity holders of the Company	113.65	6.67	206.75	8.07	288.23	10.24
Net Profit (Loss) per share (Fully Diluted) (Baht)	28.28		0.37		0.50	
Net Profit (Loss) per share (Weighted Average) (Baht)	33.96		0.45		0.52	
Par Value (Baht)	100.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2014	2015	2016
Cash Flows from Operating Activities:			
Profit before income tax	147.22	251.37	347.82
Adjustments to reconcile profit before income tax to cash			
Provided by (used in) operating activities			
Depreciation and amortization	40.02	44.50	44.86
Reversal of allowance for doubtful accounts	(4.45)	(6.56)	(6.52)
Allowance for inventories devaluation	(6.24)	9.19	14.34
Gain from disposal of investment property	-	(0.40)	-
(Gain) loss from disposal of properties	(1.78)	0.22	(1.07)
(Gain) loss from disposal of investment in subsidiary	-	1.19	-
Provision for long-term employee benefits	1.09	1.00	2.16
Loss from disposal of intangible asset	-	-	0.02
Loss of land expropriation	-	-	0.18
Interest expenses	21.49	28.83	9.37
Profit from operating activities before changes in operating assets and liabilities	197.35	329.34	411.16
Operating assets (increased) decreased			
Trade and other receivables	93.08	(40.93)	(72.80)
Materials from the decommissioning a power plant	-	(225.08)	81.92
Inventories	4.87	(166.63)	37.97
Other non-current assets	0.26	1.08	1.31
Operating liabilities increased (decreased)			
Trade and other payables	(174.14)	100.64	(83.90)
Other non-current liabilities	(0.11)	0.02	(0.09)
Cash provided (paid) by operating activities	121.32	(1.56)	375.57
Employee benefit obligations paid	(0.20)	-	-
Interest paid	(21.64)	(29.12)	(9.38)
Income tax paid	(41.98)	(32.60)	(59.85)
Net cash from (used in) operating activities	57.49	(63.28)	306.34
Cash Flows from Investing Activities			
Temporary investments decrease	(9.00)	-	18.00
Restricted deposits at financial institutions (increased) decreased	26.31	(30.32)	32.46
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	(97.24)	(108.39)	(118.80)
Cash received from disposal of investment property	-	1.82	-
Cash received from disposal of fixed assets	3.14	0.50	2.66
Cash payment for acquisition of intangible asset	(2.87)	(3.53)	(4.32)
Net cash used in investing activities	(89.67)	(140.38)	(73.00)
Cash Flows from Financing Activities:			
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	90.74	(126.18)	(61.61)
Cash received from long-term loans from financial institutions	83.53	-	-
Cash repayment for long-term loans from financial institutions	(42.65)	(98.11)	(31.50)
Cash payments for liabilities under finance lease agreements	(12.83)	(9.22)	(6.77)

Statements of Cash Flows

(Unit: Million Baht)	2014	2015	2016
Cash received from increase ordinary shares	70	555.00	-
Directly attributable expenses of the initial public offering		(18.30)	-
Dividend paid	(130.00)	(100.00)	(110.00)
Non-controlling interest increase	1.30	-	1.00
Net cash from financing activities	60.08	203.19	(208.88)
Net cash and cash equivalents (increased) decreased	27.91	(0.47)	24.46
Cash and cash equivalents at the beginning of the years	25.90	53.81	53.34
Cash and cash equivalents at the end of the years	53.81	53.34	77.80

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios	2014	2015	2016
<u>Liquidity Ratio</u>			
Liquidity (Times)	1.14	1.68	1.92
Quick Ratio (Times)	0.62	0.69	0.95
Cash Flow Liquidity (Times)	0.06	(0.07)	0.37
Trade Debtors' Circulation (Times)	3.21	5.09	4.77
Mean Debt Collection Time (Days)	112	71	75
Circulating Inventory (Times)	2.73	3.52	3.98
Average Product Selling Time (Days)	132	102	107
Creditors' Circulation (Times)	2.99	4.77	5.05
Credit Term Debt Payment Time (Days)	120	75	71
Cash Cycle (Days)	124	98	111
<u>Profit Making Ability Ratios</u>			
Gross Profit (%)	22.62	22.35	25.14
Profit from Operating Activities (%)	9.30	10.46	12.24
Cash per Profit (%)	77.05	(0.58)	109.62
Net Profit (%)	6.67	8.07	10.24
Returns on Equity Shareholders' Returns (ROE) (%)	19.44	22.13	21.44
<u>Performance Effectiveness Ratios</u>			
Returns from Assets (ROA) (%)	9.74	14.06	15.84
Returns from Fixed Assets (%)	32.38	45.71	51.73
Asset Circulation (Times)	0.98	1.29	1.25
<u>Financial Policy Analysis Ratios</u>			
Debt per Shareholders' Equity (Times)	1.82	0.80	0.58
Interest Payment Ability (Times)	8.55	2.07	47.40
Obligation Payment Ability (cash basis) (Times)	0.19	(0.20)	1.19
Dividend Payment (%)	88.40	53.47	63.58

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 distribute electrical power to end equipment that set up in a building or a factory with 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 buy and sell 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 to be increased from 37,612 megawatts to 70,335 megawatts, and in 2016, the company's turnover was dramatic increased as per the growth of industry that requires much electrical power, for instance, data center, industry sector, infrastructure construction and power plant, To increase as power generation development plan of Thailand (PDP 2015).

During 2014, investments in civil works and constructions form both government and individuals had decrease as per political unrest at the end 2013, and it shrinked the confidence from investors as well as suspension of projects. The combined revenue of the company and the subsidiaries was at 1,704.19 million baht, decreased 422.04 million baht or by 19.85%, the net profit was at 113.65 million baht decreased 68.55 million baht or by 37.62% when comparing with 2014 at the same period.

During 2015, the economy expanded substantially after the national political climate had improved towards more positive direction and the government issued several effective financial policies to stimulate the economy and support businesses, inspiring confidence among both Thai and foreign investors and increasing investments in both government and private sectors. Meanwhile, the continual growth in industrial and manufacturing sector ensures the increasing demands for electricity, which is a positive and encouraging factor for the Company's business. As of this year, the Company and its subsidiaries' overall revenue was amounted to 2,563.17 million baht, having increased by 858.98 million baht (or 50.40%), with the net profit of 206.75 million baht, having increased by 93.10 million baht (or 81.92%), compared to the same period last year.

In 2016, Thai economy continued its positive trend from last year, since the investment in the government's infrastructure had been the driven force for the growths in national expense, consumerism, and the investment in both government and private sectors. During this economic expansion, the Company and its subsidiaries earned the total revenue of 2,814.21 million baht, having increased by 251.01 million baht (or 9.79%), with the net profit of 288.23 million baht, having increased by 81.48 million baht (or 39.41%), compared to the same period last year.

2. Analysis of Operating Results

2.1 Revenue

In 2014, the Company and its subsidiaries earned the total revenue of 1,704.19 million baht, having decreased by 442.01 million baht (or 19.85%). The decrease in the Company and its subsidiaries' revenue corresponded to the recession caused by global economy and the political unrest at the end of 2013, which reduced the investments in government and private sectors and had carried its impact over to 2014.

In 2015, the Company and its subsidiaries earned the total revenue of 2,563.17 million baht, having increased by 858.98 million baht (or 50.40%), with the net profit of 206.75 million baht, having increased by 93.10 million baht (or 81.92%), compared to the same period of 2014. The revenue increased because the national political climate had improved towards more positive direction and the government issued several effective financial policies to stimulate the economy and support businesses, inspiring confidence among both Thai and foreign investors and increasing investments in both government and private sectors.

In 2016, the Company and its subsidiaries earned the total revenue of 2,814.21 million baht, having increased by 251.04 million baht or calculated in growth rate as 9.79%, when compared to the same period in 2015. The revenue significant increased in the sale of products manufactured and distributed by the Company amounting to 349.01 million baht or by 21.32%. The supplied & distributed products income increased by 64.52 million baht or 17.41%, due to the expansion of investment on other projects of both public and private sectors. On the other hand, the revenue from the Bangpakong power plant demolition project decreased by 94.62 million baht or by 18.88%, because the company has delayed the sales of iron and copper materials, the decision of which was influenced by the price-drop in the world market.

Product Group	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from sales						
- Products manufactured and distributed by the Company	1,145.97	67.24	1,637.40	63.88	1,986.41	70.58
- Products distributed by the Company	298.19	17.50	370.52	14.46	435.04	15.46
Total revenues from sales	1,444.16	84.74	2,007.92	78.34	2,421.46	86.04
2. Revenues from services	248.77	14.60	364.86	14.23	295.98	10.52
3. Revenue from power plant demolition	-	-	176.82	6.90	82.19	2.92
4. Other incomes	11.26	0.66	13.57	0.53	14.58	0.52
Total Revenues	1,704.19	100.00	2,563.17	100.00	2,814.21	100.00

The Company and its subsidiaries' total revenues in 2014 consist of sales and service revenues and other incomes, calculated in percentage as 84.74%, 14.60%, and 0.66% of the total revenues, respectively. In 2015, the total revenues consist of sales and service revenues and revenue from decommissioning power plants and other incomes, calculated in percentage as 78.34%, 14.23%, 6.90%, and 0.53% of the total revenues.

In 2016, the Company and its subsidiaries earned the revenues from sales, services, the demolition of the power plants, and other incomes, in the percentages of 86.04%, 10.52%, 2.92%, and 0.52%, respectively.

Revenues from sales

Sales revenue during 2014-2016 composed of the revenue from products manufactured and distributed by the Company, and the revenue from products distributed by the Company. In 2014, the Company and its subsidiaries earned the revenue from products manufactured and distributed by the Company and the revenue from the products distributed by the Company in the amount of 1,145.97 million baht and 298.19 million baht, or 67.24% and 17.50% of total sales revenues, respectively. In 2015, the Company and its subsidiaries earned the revenue from products manufactured and distributed by the Company and the revenue from the products distributed by the Company in the amount of 1,637.40 million baht and 370.52 million baht, or 63.88% and 14.46% of total sales revenues, respectively.

In 2016, the Company and its subsidiaries earned the revenue from products manufactured and distributed by the Company and the revenue from the products distributed by the Company in the amount of 1,986.41 million baht and 435.04 million baht, or 70.59% and 15.4% of total sales revenues, respectively.

Product Group	Operated by	2014		2015		2016	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	Asefa	707.83	49.01	1,085.37	54.05	1,156.74	47.77
Licensed Products	Asefa	353.15	24.45	428.70	21.35	686.93	28.37
Other products	Asefa	84.99	5.88	123.32	6.14	142.74	5.89
Total revenue from products manufactured and distributed by the Company		1,145.97	79.35	1,637.40	81.55	1,986.41	82.03
Products distributed by the Company							
Electrical and control products	Asefa, VRT	61.95	4.29	80.90	4.03	81.92	3.38
Electrical power distribution products	Asefa	147.47	10.21	254.68	12.68	310.44	12.82
Lighting and equipment	Asefa, LTM	20.23	1.40	12.98	0.65	5.46	0.23
Mineral Insulated Cable	Asefa	-	-	-	-	30.66	1.27
Other products	Asefa, LTM, VRT	68.54	4.75	21.97	1.09	6.57	0.27
Total revenue from products distributed by the Company		298.19	20.65	370.52	18.45	435.05	17.97
Total revenue from sales		1,444.16	100.00	2,007.92	100.00	2,421.46	100.00

Products manufactured and distributed by the Company

The Company and its subsidiaries have the revenues from manufacturing and distributing switchboards designed and developed by the Company, switchboards licensed by the international manufacturers, and other products such as metal trunkings and luminaires, which are calculated in percentage as 79.35%, 81.55%, and 82.03% of the total sales revenues from 2014 to 2016, respectively. The majority of revenues came from manufacturing and distributing switchboards designed and developed by the Company under the trademark "Asefa," which is calculated in percentage as 49.01%, 54.06%, and 47.77% of the total sales revenues from 2014 to 2016, respectively.

From 2015 to 2016, the revenue from sales of products manufactured and distributed by the Company have the growth rates of 42.88% and 21.31%, respectively, because the sales of switchboards designed and developed by the Company and the licensed switchboards had gone up after the demands of switchboards in several projects had increased the orders.

Products distributed by the Company

From 2014 to 2016, the Company and its subsidiaries earned its revenue from the products distributed by the Company in the amount of 298.19 million baht, 370.52 million baht, and 435.05 million baht, or calculated in percentage as 20.65%, 18.45%, and 17.97% of the total sales revenues, respectively. The products the Company distributed consist of electrical and control equipment, equipment used in electrical distribution system, lighting equipment, mineral-insulated cables, and other products.

In 2016, the Company and its subsidiaries earned the revenues from the products distributed by the Company in the amount of 435.05 million baht, having increased by 64.53 million baht from last year with the growth rate of 17.42%. The revenue from electrical distribution equipment increased from 254.68 million baht to 310.44 million baht, or calculated in growth rate as 21.89%; the revenue from mineral-insulated cable increased by 30.66 million baht, or calculated in growth rate as 100%. Meanwhile, the revenues from other products decreased from 21.97 million baht to 6.57 million baht, calculated in growth rate as (70.10%), since the Company proceeded to expand the market in electrical distribution equipment more and thus reduced the distribution of other products that had produced less profits.

Revenue from services

The Company and its subsidiaries earned the revenue from services in the amount of 248.77 million baht in 2014, and 364.86 million baht in 2015, calculated in growth rate as 46.67%. In 2016, the Company and its subsidiaries earned the revenue from services (consisting of the after-sales service and integrated engineering service) in the amount of 295.98 million baht, having decreased from last year by 68.88 million baht, or calculated in growth rate as (18.88%). The decrease was due to the market condition having influenced the Company to focus more on the products manufactured and distributed by the Company.

Product Group	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	176.77	71.06	302.56	82.92	215.73	72.89
After sales services	72.00	28.94	62.30	17.08	80.24	27.11
Total revenue from services	248.77	100.00	364.86	100.00	295.98	100.00

The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 176.77 million baht in 2014, 302.56 million baht in 2015, and 215.73 million baht in 2016, calculated in percentage as 71.06%, 82.92%, and 72.89% respectively. Due to the recession and market in switchboard product group growing more competitive, the Company and its subsidiaries decided to direct its focus on integrated engineering services. Having been a great service provider and supplier of wide-range products, the Company gradually increased its revenue from integrated engineering services in 2014 and 2015, compared to the number in 2013, calculated by the growth rate as 110.32% and 71.16% respectively. As for the revenue from integrated engineering services in 2016 having decreased from the previous year by 29.69%, the main reason was that the global economy had driven the Company to focus more on manufacturing and distributing products.

The growth of after sales services provided by the Company and its subsidiaries in 2015 had been reduced from 72 million baht in 2014 to 62.30 million baht the next year, calculated by growth rate as (13.47%). In 2016, the Company and its subsidiaries earned the revenue from after sales service in the amount of 80.24 million baht, with the growth rate of 28.80% compared to the same period last year, because the Company had focused more on expanding the after sales services.

Revenue from power plant demolition

Product Group	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from power plant demolition	-	-	176.82	100.00	82.19	100.00

In 2016, the Company and its subsidiaries earned the revenue from decommissioning the power plants in the amount of 82.19 million baht, having decreased by 94.63 million baht or 53.52%, compared to the same period last year, because the global market price of copper and iron had decreased causing the Company to stall the sales of those materials.

Other incomes

From 2014 to 2016, the Company and its subsidiaries received the revenue from other incomes in the amount of 11.26 million baht, 13.57 million baht, and 14.58 million baht, respectively; the growth rates were calculated to 0.66%, 0.53%, and 0.52% of the total revenues. Other incomes the Company and its subsidiaries received consisted of the return of doubtful accounts in the amount of 6.52 million baht and the rental income in the amount of 2.82 million baht, and the profits from distributed assets in the amount of 1.22 million baht, for example.

2.2 Cost of Sales and Expenses

The major expenses of the Company and its subsidiaries include cost of sales and service, selling expenses, administrative expenses, and finance cost. During 2014 to 2016, the Company and its subsidiaries had the expenses at 1,557.14 million baht, 2,311.80 million baht, and 2,466.39 million baht, respectively, or estimated at 91.37%, 90.19% and 87.64% of the total revenues.

Cost and Expenses	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	1,309.92	76.86	1,979.80	77.24	2,095.93	74.48
Selling expenses	126.26	7.41	178.54	6.97	220.86	7.85
Administrative expenses	99.47	5.84	124.63	4.86	140.23	4.98
Finance cost	21.49	1.26	28.83	1.12	9.37	0.33
Total Expenses	1,557.14	91.37	2,311.80	90.19	2,466.38	87.64
Total revenue	1,704.19	100.00	2,563.17	100.00	2,814.21	100.00

Cost of sales and service

Product Group	2014		2015		2016	
	Million Baht	GP (%)	Million Baht	GP (%)	Million Baht	GP (%)
Cost of sales - Products manufactured and distributed by the Company	913.56	20.28	1,240.70	24.23	1,469.38	26.03
Cost of sales - Products distributed by the Company	227.14	23.83	278.62	24.80	323.47	25.65
Cost of sales - Service	169.21	31.98	306.95	15.87	220.49	25.50
Cost of sales - power plant demolition	-	-	153.54	13.17	82.59	(0.48)
Cost of sales and service	1,309.92	22.62	1,979.80	22.35	2,095.93	25.14

During 2014 to 2015, the Company and its subsidiaries had the cost of sales and services at the amount of 1,309.92 million baht and 1,979.80 million baht, calculated in percentage as 76.86% and 77.24% of the total revenues; the cost of sales and services in 2015 rose by 669.88 million baht, or at 51.14%, compared to 2014, which was proportionate to the increase of production and sales.

In 2016, the cost of sales and service was at 2,095.93 million baht, having increased by 116.13 million baht, or 5.87%, which was proportionate to the increase of production and sales.

Gross Margin

During 2014 to 2015, the Company and its subsidiaries had the gross margin at 383.01 million baht and 569.80 million baht, calculated in percentage as 22.62% and 22.35%, respectively.

In 2016, the Company and its subsidiaries had the gross margin in the amount of 703.70 million baht, having increased by 133.90 million baht, or calculated by the gross margin ratio at 25.14%, having increased by 2.79% compared to the same period last year, because the Company had more effective management in production cost, projects, and budget control.

Selling expenses

During 2014 to 2015, the Company and its subsidiaries had the selling expenses in the amount of 126.26 million baht and 178.54 million baht, calculated in percentage as 7.41% and 6.97% of the total revenue. In 2015, the selling expense increased by 52.28 million baht, or 41.41%, compared to the same period of 2014, which was proportionate to the increased sales.

In 2016, the Company and its subsidiaries had the selling expense in the amount of 220.86 million baht, having increased by 42.32 million baht, or 23.70%, compared to the same period last year, because the Company had expanded its market and sales volume by increasing the hiring of marketing and sales staffs, and consequently increasing the salary expenses, as well as sales promotion.

Administrative expenses

During 2014 to 2015, the Company and its subsidiaries had the administrative expenses in the amount of 99.47 million baht and 124.63 million baht, calculated in the percentage as 5.84% and 4.86% of the total revenues. The expenses of 2015 was increased 25.17 million baht or 25.30%, when comparing the same period of 2014. This is in line with the cost control policy in line with increased sales.

In 2016, the Company and its subsidiaries had the administrative expense in the amount of 140.23 million baht, or calculated in percentage as 4.98 % of the total revenues, having increased by 15.60 million baht, or 12.52%, compared to the same period last year, because the Company had hired more personnel to increase the efficiency in management and support the Company's expansion plan, causing the staff expense to rise.

Finance cost

During 2014 to 2015, the Company and its subsidiaries had the finance cost in the amount of 21.49 million baht and 28.83 million baht, or calculated in percentage as 1.26% and 1.12% of the total revenues. In 2015, the finance cost had risen by 7.34 million baht or 34.16% compared to 2014, because the Company and its subsidiaries had to pay the interest rates incurred by the short-term loans made with a financial institution as part of the investment in decommissioning Bangpakong Power Plants.

In 2016, the Company and its subsidiaries had the finance cost of 9.37 million baht, having decreased by 19.46 million baht, or 67.49%, compared to the same period last year, because the Company had more working capital from increased productivity to repay short-term and long-term loans to the financial institutions.

2.3 Net Profit

Because of the business performance mentioned above, the Company and its subsidiaries had earned the net profits in the amount of 113.65 million baht and 206.75 million baht in 2014 and 2015, respectively, or calculated by the net profit ratio equal to 6.67% and 8.07%. The increase in net profit in 2015 was due to the raised sales number driven mainly by the increased investment funds in several government and private projects when compared in 2014, causing the Company to manage costs and expenses more effectively.

In 2016, the Company and its subsidiaries had the net profit in the amount of 288.23 million baht, having increased by 81.48 million baht, or 39.41%, with the net profit ratio of 10.24%, having increased by 2.17%, compared to the same period last year, because the sales figure of the Company and its subsidiaries had increased due to the improved political and economic climates in Thailand. The government's investment in infrastructure drove up the national spending, consumerism, and investments from both government and private sectors, a major attribution to the economic expansion. Also, the Company had more effective management in production costs, project costs, and expense control.

3. Financial Position

3.1 Asset

During 2014 to 2016, the Company and its subsidiaries had the total assets in the amount of 1,737.99 million baht and 1,726.91 million baht, and 2,257.77 million baht, respectively, with the growth ratio at (0.64)%, and 30.74%, and (0.19)%, respectively, the sources of which can be distinguished into several main parts: trade receivables, inventory, lands, buildings, and equipment.

In 2015, the ratio between the main assets and the total assets was calculated as 25.07%, 38.26%, and 26.75%, respectively.

In 2016, the ratio between the main assets and the total assets was calculated as 28.38%, 32.38%, and 29.64% respectively. The details of the main assets are as follows.

Trade receivables

In 2014-2016, there were trade receivables before allowance of doubtful accounts for 444.48 million baht, 557.48 million baht, and 616.09 million baht, respectively, as rated 25.74%, 24.69%, and 27.34% of the total assets, respectively.

The Company and its subsidiaries offers the repayment period for customers around 30-90 days. In 2014, the Company has an average repayment period at 112 days, and 71 in 2015, and 75 days in 2016.

Period	As of Dec 31, 2014		As of Dec 31, 2015		As of Dec 31, 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade receivables						
Current	216.78	48.77	319.95	57.39	367.19	59.60
Over due						
Not over 3 month	116.66	26.25	149.98	26.90	139.63	22.66
Over 3 month-Not over 6 month	12.80	2.88	1.02	0.18	1.96	0.32
Over 6 month-Not over 12 month	2.54	0.57	3.72	0.67	2.87	0.47
Over 12 Month	61.23	13.77	53.77	9.65	47.69	7.74
Unbilled receivables	34.47	7.76	29.04	5.21	56.75	9.21
Total Trade receivables	444.48	100.00	557.48	100.00	616.09	100.00
Less Allowance for doubtful accounts	61.64		55.08		48.56	
Total trade receivables - net	382.84		502.40		567.53	

From the table above, the Company and its subsidiaries had the ratio of overdue trade receivables, from 2014 to 2016, at 48.77%, 57.39%, and 59.60% of the total trade receivables before being deducted by the allowance of doubtful accounts, respectively. Most of the Company's overdue trade receivables were not over 3 months, calculated in percentage as 26.25%, 26.90%, and 22.66% respectively. In 2015, the Company and its subsidiaries had trade receivables overdue over 12 months in less amount, from 61.23 million baht in 2014 to 53.77 million baht in 2015, most of which are trade receivables from Sahafarm Company Group, which are currently being paid back to the Company in installment. The Company, however, has already set the allowance for the doubtful accounts in full.

At the end of 2016, the ratio of current trade receivables had increased from 57.39% to 59.60%, and the ratio of trade receivables overdue more than 3 months had decreased from 10.50% to 8.53 %, showing the improved quality in the Company's trade receivables.

For the policy as to prepare the allowance of doubtful accounts, the Company and its subsidiaries will set the allowance of doubtful accounts according to the overdue period: if trade receivables are overdue more than 180 days, the reserves will be set at 100.00%; and if the trade receivables to whom the Company has judged to be absolutely incapable to pay, or its cheque payment has been rejected by the bank, the Company will set the allowance for doubtful accounts at 100% as well.

Inventory

Inventory	As of Dec 31, 2014		As of Dec 31, 2015		As of Dec 31, 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	29.97	5.94	30.85	4.60	31.91	5.04
Work in process	52.71	10.45	95.45	14.22	105.35	16.64
Raw material	398.23	78.92	504.00	75.09	452.88	71.52
Supplies	12.34	2.45	26.13	3.89	34.40	5.43
Goods under installation	9.04	1.79	14.47	2.15	7.78	1.23
Goods in transit	2.30	0.46	0.31	0.05	0.92	0.14
Total inventories	504.59	100.00	671.21	100.00	633.24	100.00
Less allowance for devaluations	23.21		28.25		35.08	
Total inventories - net	481.37		642.96		598.16	

The Company and its subsidiaries had the net inventory at the end of 2014 and 2016 at the amount of 481.37 million baht, 642.96 million baht, and 598.16 million baht, respectively, which consisted of raw materials, work in progress, and finished goods.

In 2015, the Company and its subsidiaries had inventories in the amount of 671.21 million baht, the majority of which was raw materials, calculated in percentage as 75.09% of all the total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

At the end of 2016, the Company and its subsidiaries had inventories in the amount of 633.24 million baht, the majority of which was raw materials, calculated in percentage as 71.52% of all the total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

The net inventories in 2016 was in the amount of 598.16 million baht, decreased by 44.80 million baht, or 6.97% compared to 2015, because the Company had more effective measure in managing inventories.

Materials from the decommissioning a power plant

Inventory	As at 31 Dec, 2014	As at 31 Dec, 2015	As at 31 Dec, 2016
	Million Baht	Million Baht	Million Baht
Materials from the decommissioning a power plant	-	225.08	143.16
Less allowance for devaluations	-	4.15	11.66
Materials from the decommissioning a power plant-net	-	220.93	131.50

At the end of 2016, the Company and its subsidiaries had the net materials from decommissioning power plants in the amount of 131.50 million baht, having decreased by 89.33 million baht or 40.43% compared to the same period in 2015, because during the year the Company had sold materials from the decommissioned power plants, and thus decreased the net materials.

The Company and its subsidiaries has revised the policy on the provision criteria of obsolete products, and the new issued policy was announced in the second quarter of 2016, which was based on the estimation of the product's age, the management team's experience, as well as the confirmation from manufacturers, detailed as follows.

Raw material Type	Aging of inventory	Criteria of provision (%)
Raw material	Between 366 - 730 Days	15.00
Raw material	Between 731 - 1,095 Days	35.00
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

Lands, Buildings and Equipment

The Company and its subsidiaries had the net of lands, buildings, and equipment in the amount of 522.19 million baht in 2014, 604.04 million baht in 2015, and 668.02 million baht in 2016, calculated by the ratio of the total assets as 30.24%, 26.75%, and 29.64% respectively.

In 2014, the Company and its subsidiaries had bought 2 plots of lands on Rama II Road and opposite the Company's current factory, as support for the future expansion. The areas of the plots are 18,080 sq.m. and 16,000 sq.m., and the Company had also built an office buildings, factory, warehouse, and recreation center in addition to the factory area on Rama II Road, in the total of 6,552 sq.m. Moreover, in order to support more productivity, the company had bought more machineries.

In 2015, the Company and its subsidiaries had the net of land, buildings, and equipment in the amount of 604.04 million baht, having increased by 81.84 million baht, or 15.67%, compared to 2014, because the Company had invested more in lands, building construction, and equipment to increase the Company's manufacturing capacity.

In 2016, the Company and its subsidiaries had the net of land, buildings, and equipment in the amount of 668.02 million baht, having increased by 63.99 million baht, or 10.59%, compared to 2015, because the Company had invested more in building construction, machine and equipment to increase the Company's manufacturing capacity.

3.2 Liquidity

Cash flow

The Company and its subsidiaries had cash flow from its operating activities in the amount of 57.49 million baht in 2014 and (63.28) million baht in 2015, which was mostly utilized in a project of decommissioning power plants in the amount of 255.08 million baht and inventories in the amount if 166.63 million baht.

The net cash flow assigned for the Company's investment in 2014-2015 was (89.67) million baht and (140.38) million baht, respectively. In 2015, the subsidiaries invested in land, building, and equipment in the amount of 108.39 million baht to increase the Company's production capacity.

The net cash flow from financing activities in 2014-2015 was in the amount of 60.08 million baht and 203.19 million baht, respectively. In 2015, the Company and its subsidiaries had repaid the loans made with financial institutions and overdrafts in the amount of 224.29 million baht, and paid dividends in the amount of 100.00 million baht.

In 2016, the Company and its subsidiaries had cash flow from operating activities in the amount of 306.34 million baht, most of which came from the profits. Moreover, the Company purchased fixed assets in the amount of 118.80 million baht, totaling the cash flow used in investing activities to (73.00) million baht; and having paid back the loans made with financial institution and overdrafts in the amount of 93.11 million baht, and having paid dividends in the amount of 110.00 million baht, the total of cash flows from financing activities are amounted to (208.8) million baht.

(Unit: Million Baht)	2014	2015	2016
Net cash from (used in) operating activities	57.49	(63.29)	306.34
Net cash used in investing activities	(89.67)	(140.38)	(73.00)
Net cash from (used in) financing activities	60.08	203.19	(208.88)
Net cash and cash equivalents (increased) decreased	27.91	(0.47)	24.46

Liquidity Ratio

The Company and its subsidiaries had the liquidity ratio at the end of 2014 to 2016 at the amount of 1.14, 1.68, and 1.92 respectively, and had the quick ratio at 0.62, 0.71, and 0.96 respectively. The liquidity ratio and the quick ratio were markedly different since the Company and its subsidiaries had a high ratio between inventories and current assets, calculated in percentage as 45.30%, 57.54%, and 50.13% respectively.

The Company and its subsidiaries had cash cycle equal to 124 days in 2014, 98 days in 2015, and 111 days in 2016. The decrease in cash cycle in 2015 was due to the decrease in debt collection time from 112 days in 2014 to 71 days, and the decrease in selling time from 132 days in 2014 to 102 days.

In 2016, the Company and its subsidiaries had the average time of debt collecting around 75 days, time of selling around 107 days, time of debt payment around 71 days, and cash cycle of 111 days, showing that the Company has been attentive in controlling and following up on debt collection, sales, and repayment.

	2014	2015	2016
Liquidity (Times)	1.14	1.68	1.92
Quick Ratio (Times)	0.61	0.69	0.95
Mean Debt Collection Time (Days)	112	71	75
Average Product Selling Time (Days)	132	102	107
Credit Term Debt Payment Time (Days)	120	75	71
Cash Cycle (Days)	124	98	111

3.3 Sources of Capital

Liabilities

The Company and its subsidiaries had debts amount of 1,114.67 million baht in 2014, 1,001.67 million baht in 2015, and 832.67 million baht in 2016. Most of the liabilities incurred were mostly overdrafts, short term loan and trade payables, all of which were done with the purpose of producing working capital and operating the Company's business.

Most of the Company's debts were current liabilities, with the ratio between the current liabilities and the total Company's liabilities was shown as 83.59% in 2014, 89.36 in 2015, and 90.87 in 2016. The Company and its subsidiaries' current liabilities were from trade payables and short term loans from financial institutes, calculated into percentage as 43.39% and 33.88% in of total liabilities at the end of 2014, 58.67% and 25.10% of total liabilities at the end of 2015, and 60.27% and 22.80% of total liabilities at the end of 2016.

The Company's ratio of non-current liabilities had a downward trend to 106.56 million baht in 2015, because the Company had paid the long-term loan from a financial institution by using the Company's working capital. The ratio of the long-term loans to financial institution to the total liabilities had increased from 14.74% in 2014 to 9.11% in 2015.

At the end of 2016, the Company's non-current liabilities decreased by 30.54 million baht, or 28.67% when compared to the same period in 2015 because of the deduction of the amount of long-term loan and finance lease liabilities. The ratio of long term loan from finance institutes to total liabilities was at 7.17%, having decreased from 2014, because the Company had paid the long-term loan to a financial institution by using the Company's working capital.

Shareholders' Equity

The Company and its subsidiaries had the value of shareholders in the amount of 612.24 million baht in 2014, 1,256.09 million baht in 2015, and 1,420.81 million baht in 2016.

In 2015, the shareholder's equity increased from 2014 with growth rate at 105.16% because The Company and its subsidiaries had received from initial public offering (IPO) in the amount of 550.00 million baht and the dividends paid at 100.00 million baht.

The value of shareholders increased in 2016 from 2015 by the growth rate of 13.11%, compared to the same period last year, because of the increase in profits from business operation in 2016 the amount of 273.72 million baht, and the dividends paid in the amount of 110.00 million baht.

Capital Structure Viability

At the end of 2014, the Company and its subsidiaries had the ratio of debts to equity at 1.82, 0.80 at the end of 2015, and 0.58 at the end of 2016. The decrease was due to the increase in working capital that was used as repayment of short-term and long-term loans to the financial institutions.

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 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 equipments 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 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.



ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES' FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2016



Independent Auditor's Report

To the Shareholders of Asefa Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Asefa Public Company Limited and its subsidiary, and of Asefa Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2016, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and note to the financial statements and a summary of significant accounting policies.

In my opinion, the consolidated and separate accompanying 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 31, 2016, and the consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Allowance for devaluation of inventories

Risk

As described in Note to Financial Statement No.9, the Company has allowance for inventories as of December 31, 2016 in the amount of Baht 35.08 million. The allowance is estimated from the percentage of each inventory aging which is derived from the historical experience of Management and the information from suppliers about the useful lives of the products. The appropriateness of the allowance for the devaluation of inventories requires significant judgment by Management.

Auditor's Response

I gained an understanding of the internal control related to the estimation of the allowance for the devaluation of inventories. I also verified the accuracy of the aging report used for estimating the allowance for the devaluation of inventories. I then determined the appropriateness of the allowance for devaluation by comparing the allowance with the history of inventory movements and obtaining information from significant suppliers regarding the useful lives of the products.

Quantity and net realizable value of materials from the decommissioning of the power plant

Risk

As described in Note to Financial Statements No. 10, the Company has material from the decommissioning of power plants, net from the allowance for diminution of inventories as of December 31, 2016, amounting to Baht 131.50 million. The material is stated at its net realizable value, which fluctuates based on the price of steel and copper. In addition, the physical materials are specific in nature, cannot generally be quantified, and must be quantified by the appropriate specialist.

Auditor's Response

I have verified the sales quantity and actual selling prices after the year ended. I also compared the selling prices for unsold inventories after the year ended with the market price of steel and copper at the year-end date. For these unsold inventories, I observed the physical measurement performed by the specialist on February 8, 2017. I gained an understanding of the scope of work, the competence and independence of the specialist, as well as the measurement procedures and the computed quantity. Then, I compared the quantity measured by specialist with the accounting record.

Other Information

Management is responsible for the other information. The other information comprises the information in Annual Report for the year 2016 but does not include the consolidated and separate financial statements and the auditor's report thereon. The Annual report for the year 2016 is expected to be made available to the auditor after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. A description of an audit is provided in the attached Appendix.

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

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

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



(Yuttapong Chuamuangpan)

Certified Public Accountant Registration Number 9445

ANS Audit Company Limited

Bangkok, February 17, 2017

APPENDIX

My procedures include the following:

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

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES'
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	6	77,795,471	53,340,357	53,661,878	37,623,143
Temporary investment		-	18,000,000	-	-
Trade and other receivables-net	5, 7	639,629,724	566,131,394	638,749,693	564,665,564
Short-term loan to related party-net	5	-	-	152,500,000	229,000,000
Materials from the decommissioning power plant-net	8	131,499,467	220,930,975	-	-
Inventories-net	9	598,160,105	642,962,261	598,160,105	642,962,261
Non-current assets held for sale	28.5	8,380,800	-	8,380,800	-
Total current assets		1,455,465,567	1,501,364,987	1,451,452,476	1,474,250,968
Non-current assets					
Restricted deposits at financial institutions	10	94,558,815	127,018,187	94,558,815	127,018,187
Deposit of land	28.6	3,000,000	-	3,000,000	-
Retention		5,825,635	-	5,825,635	-
Investments in subsidiaries-net	11	-	-	16,849,339	31,849,339
Investment property-net	12	2,083,396	2,294,600	2,083,396	2,294,600
Property, plant and equipment-net	13, 16, 19	668,024,646	604,036,727	667,219,953	602,068,078
Intangible assets-net	14	6,670,364	4,336,349	6,670,364	4,312,170
Deferred tax assets	15	17,266,965	16,830,037	16,501,288	14,680,004
Other non-current assets		580,218	1,886,286	580,218	886,929
Total non-current assets		798,010,039	756,402,186	813,289,008	783,109,307
Total assets		2,253,475,606	2,257,767,173	2,264,741,484	2,257,360,275

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES'
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2016	2015	2016	2015
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	16	189,817,535	251,424,422	189,817,535	251,424,422
Trade and other payables	5, 17	501,829,575	587,721,658	499,417,178	586,932,230
Current portion of liabilities					
under financial lease agreements	18	4,542,345	6,237,270	4,542,345	6,237,270
Current portion of long-term					
loans from financial institutions	19	26,196,000	26,196,000	26,196,000	26,196,000
Accrued income tax		34,271,367	23,537,392	34,271,367	23,537,392
Total current liabilities		756,656,822	895,116,742	754,244,425	894,327,314
Non-current liabilities					
Liabilities under financial lease agreements-net	18	938,122	6,012,780	938,122	6,012,780
Long-term loans from financial institutions-net	19	59,737,833	91,243,061	59,737,833	91,243,061
Provision for long-term employee benefit	20	12,044,679	6,019,490	12,044,679	6,019,490
Deferred tax liabilities	15	3,110,068	3,013,735	3,110,068	3,013,735
Non-current liabilities		180,340	270,320	180,340	270,320
Total non-current liabilities		76,011,042	106,559,386	76,011,042	106,559,386
Total liabilities		832,667,864	1,001,676,128	830,255,467	1,000,886,700

Notes to financial statement are a part of this financial statement

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES'
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2016	2015	2016	2015
Shareholders' Equity					
Share capital					
Authorized share capital					
		550,000,000	550,000,000	550,000,000	550,000,000
Issued and fully paid-up					
		550,000,000	550,000,000	550,000,000	550,000,000
		386,702,910	386,702,910	386,702,910	386,702,910
		Discount on purchase of investments in subsidiaries-net	1,981,036	1,981,036	-
		Retained earnings			
		Appropriated			
		Legal reserve	55,000,000	50,605,545	55,000,000
		Unappropriated	437,982,233	267,234,496	442,783,107
		Total shareholders' equity attributable to owners of parent	1,431,666,179	1,256,523,987	1,434,486,017
		Non-controlling interests	(10,858,437)	(432,942)	-
		Total shareholders' equity	1,420,807,742	1,256,091,045	1,434,486,017
		Total liabilities and shareholders' equity	2,253,475,606	2,257,767,173	2,264,741,484

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 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2016	2015	2016	2015
3, 5, 25					
Revenues from sales and service		2,799,625,782	2,549,598,244	2,717,431,314	2,373,092,223
Costs of sales and service		(2,095,929,337)	(1,979,799,609)	(2,013,343,262)	(1,826,575,932)
Gross profit		703,696,445	569,798,635	704,088,052	546,516,291
Other income		14,581,119	13,567,991	24,401,895	32,239,370
Profit before expenses		718,277,564	583,366,626	728,489,947	578,755,661
Expenses		-	-	-	-
Selling expenses		(220,855,814)	(178,535,852)	(219,266,568)	(178,535,852)
Administrative expenses		(140,226,080)	(124,634,338)	(139,116,320)	(113,777,245)
Total expenses		(361,081,894)	(303,170,190)	(358,382,888)	(292,313,097)
Profit before finance costs and income tax		357,195,670	280,196,436	370,107,059	286,442,564
Finance costs		(9,371,916)	(28,830,061)	(9,371,916)	(28,830,061)
Profit before income tax		347,823,754	251,366,375	360,735,143	257,612,503
Income tax expenses	15	(71,018,625)	(45,632,175)	(69,634,269)	(45,501,599)
Profit for the year		276,805,129	205,734,200	291,100,874	212,110,904
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Premiums on purchase of investment	11	-	1,148,763	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss-net from tax		(3,088,432)	268,514	(3,088,432)	268,514
Total comprehensive income for the years		273,716,697	207,151,477	288,012,442	212,379,418
Profit (loss) attributable to					
Equity holders of the Company		288,230,624	206,754,269	291,100,874	212,110,904
Non-controlling interests		(11,425,495)	(1,020,069)	-	-
		276,805,129	205,734,200	291,100,874	212,110,904
Total comprehensive income (loss) attributable to					
Equity holders of the Company		285,142,192	208,171,546	288,012,442	212,379,418
Non-controlling interests		(11,425,495)	(1,020,069)	-	-
		273,716,697	207,151,477	288,012,442	212,379,418
Basic earnings per share					
Equity holders of the Company		0.52	0.45	0.53	0.46
Weighted average number of issued and fully paid-up ordinary shares (shares)		550,000,000	462,054,795	550,000,000	462,054,795

Notes to financial statement are a part of this financial statement

Unit: Baht

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 31, 2016

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 at January 1, 2015	400,000,000	-	33,000,000	174,391,247	607,391,247
Share capital increase	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 at December 31, 2015	550,000,000	386,702,910	50,605,545	269,165,120	1,256,473,575
Legal reserve	22, 23	-	4,394,455	(4,394,455)	-
Dividend paid	23	-	-	(110,000,000)	(110,000,000)
Total comprehensive income for the year	-	-	-	288,012,442	288,012,442
Balance as at December 31, 2016	550,000,000	386,702,910	55,000,000	442,783,107	1,434,486,017

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 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash Flows from Operating Activities:				
Profit before income tax	347,823,754	251,366,375	360,735,143	257,612,503
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	44,863,967	44,497,947	44,395,498	43,911,252
Reversal of allowance for doubtful accounts	(6,522,216)	(6,562,027)	(4,748,216)	(4,395,244)
Allowance for short-term loans to related party	-	-	8,500,000	-
Allowance for inventories devaluation	14,341,607	9,188,016	6,829,449	5,040,236
Allowance for impairment of investments in subsidiary	-	-	1,000,000	-
Gain from disposal of investment property	-	(398,826)	-	-
(Gain) loss from disposal of properties	(1,072,395)	227,621	(558,024)	278,953
(Gain) loss from disposal of investment in subsidiary	-	1,194,274	-	(387,158)
Loss from disposal of intangible asset	16,526	-	-	-
Loss of land expropriation	181,114	-	181,114	-
Provision for long-term employee benefits	2,164,649	995,525	2,164,649	995,525
Interest expenses	9,371,916	28,830,061	9,371,916	28,830,061
Profit from operating activities before changes in operating assets and liabilities	411,168,922	329,338,966	427,871,529	331,886,128
Operating assets (increased) decreased				
Trade and other receivables	(72,801,749)	(40,930,936)	(75,161,548)	(121,641,920)
Materials from the decommissioning power plant	81,919,350	(225,078,756)	-	-
Inventories	37,972,707	(166,629,040)	37,972,707	(168,646,297)
Other non-current assets	1,306,068	1,083,210	306,711	1,083,210
Operating liabilities increased (decreased)				
Trade and other payables	(83,902,490)	100,637,553	(85,525,459)	103,200,597
Other non-current liabilities	(89,980)	21,500	(89,980)	21,500
Cash provided (paid) by operating activities	375,572,828	(1,557,503)	305,373,960	145,903,218
Interest paid	(9,383,440)	(29,126,844)	(9,383,440)	(29,126,844)
Income tax paid	(59,853,137)	(32,601,359)	(59,853,137)	(32,245,350)
Net cash from (used in) operating activities	306,336,251	(63,285,706)	236,137,383	84,531,024

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 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash Flows from Investing Activities				
Temporary investments decrease	18,000,000	-	-	-
Restricted deposits at financial institutions (increased) decreased	32,459,372	(30,317,187)	32,459,372	(30,317,187)
Cash received from short-term loans to related party	-	-	68,000,000	102,250,000
Cash payment for short-term loans to related party	-	-	-	(249,000,000)
Cash payment for land deposit	(3,000,000)	-	(3,000,000)	-
Cash payment for investment in subsidiary	-	-	(1,000,000)	-
Decrease in cash and cash equivalents of liquidated subsidiary	-	(457,577)	-	-
Cash received from capital paying-back on investments in subsidiaries	-	-	15,000,000	-
Cash received from disposal of investment property	-	1,822,430	-	-
Cash payment for acquisition of fixed asset	(118,797,753)	(108,392,129)	(119,121,294)	(105,826,271)
Cash received from disposal of fixed assets	2,662,403	502,024	1,768,433	433,533
Cash payment for acquisition of intangible asset	(4,323,461)	(3,532,921)	(4,323,461)	(3,540,352)
Net cash used in investing activities	(72,999,439)	(140,375,360)	(10,216,950)	(286,000,277)
Cash Flows from Financing Activities:				
Decrease in bank overdraft and short-term loans				
from financial institutions-net	(61,606,887)	(126,185,841)	(61,606,887)	(126,185,841)
Cash payments for long-term loans from financial institutions	(31,505,228)	(98,106,486)	(31,505,228)	(98,106,486)
Cash payments for liabilities under finance lease agreements	(6,769,583)	(9,218,657)	(6,769,583)	(9,218,657)
Cash received from increased common shares	-	555,000,000	-	555,000,000
Directly attributable expenses of the initial public offering	-	(18,297,090)	-	(18,297,090)
Dividend paid	(110,000,000)	(100,000,000)	(110,000,000)	(100,000,000)
Non-controlling interest increase	1,000,000	-	-	-
Net cash from (used in) financing activities	(208,881,698)	203,191,926	(209,881,698)	203,191,926
Net cash and cash equivalents (increased) decreased	24,455,114	(469,140)	16,038,735	1,722,673
Cash and cash equivalents at the beginning of the years	53,340,357	53,809,497	37,623,143	35,900,470
Cash and cash equivalents at the end of the years	77,795,471	53,340,357	53,661,878	37,623,143
Supplemental Disclosures of Cash Flows Information				
Increase in assets from financial lease agreements during the year	-	2,024,366	-	2,024,336
(Decrease) Increase in accounts payables for purchase of fixed assets	(1,978,069)	3,727,588	(1,978,069)	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 31, 2016

1. GENERAL INFORMATION

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

The Company's registered address is located at No.5, Moo 1, Rama 2 Road, Khok-krabue, Muang Samutsakhon, Samutsakhon and owns 4 branches.

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 28, 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 as at December 31, are as follows:

Subsidiaries	Nature of business	Percentage of holding	
		2016	2015
Varitak Co., Ltd.	Dealer on equipment for electrical system, water supply system and air-conditioned system.	99.99	99.99
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
Asefa & VARS Joint Venture	Contractor for improvement of the underground cable power distribution systems in the external area around the Pimai and Sukhothai Historical Parks (Nakhon Ratchasima Province and Sukhothai Province) with the Provincial Electricity Authority, including entire project management.	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 and Asefa & VARS 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 subsidiaries.

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

New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2016. 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 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 financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after January 1, 2017. 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

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 receivables.

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	First-in, First-out
Finished goods, work in process, work under installation	Specific cost
Materials from decommissioning a power plant	Average

Investments in subsidiaries

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

Investment 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.

Investment property includes condominium stated at cost after deducting 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 after deducting 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, 20
Tools and office equipment	3, 5, 10
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 after deducting 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 after deducting 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 Company salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits — defined contribution plan

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The employee benefit obligation for severance payment under 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 Company 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.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the other comprehensive income and actuarial gains and losses arising from other long-term employee benefits are recognised immediately in the profit or loss.

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 attributable to shareholders by the weighted average number of ordinary shares during the years.

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.

Related parties	Nature of relationships	% Equity interest owned by the Company	
		2016	2015
Varitak Co., Ltd.	Subsidiary by common shareholders and directors	99.99	99.99
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
Asefa & VARS Joint Venture	Joint venture which is a subsidiary by common directors	50.00	-

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Varitek Co., Ltd.				
Purchase of inventories	-	-	4,651	-
Purchase of fixed assets	-	-	321,727	-
Enginar Co., Ltd.				
Sales of inventories	885,270	637,940	885,270	637,940
Purchase of inventories	7,201,225	19,943,020	7,201,225	19,943,020
Sub-contract expenses	-	271,870	-	271,870
Asefa Suntech Joint Venture				
Interest income	-	-	10,580,055	14,569,932
Sales of inventories	-	-	-	313,300
Management revenue	-	-	1,560,000	6,900,000
Purchase of fixed assets	-	-	96,700	-
Purchase of inventories	-	-	80,000	-
Other expenses	-	-	12,200	-

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 at December 31, can be summarized as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivable - related parties				
Enginar Co., Ltd.	668,857	145,948	668,857	145,948
Asefa Suntech Joint Venture	-	-	139,100	428,000
Total trade receivable - related parties - net	668,857	145,948	807,957	573,948
Trade payable - related parties				
Enginar Co., Ltd	1,602,486	1,623,340	1,602,486	1,623,340
Accrued sub-contractor expenses				
Enginar Co., Ltd	-	20,000	-	20,000
Accrued interest income				
Asefa Suntech Joint Venture	-	-	1,754,768	1,166,959

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Asefa Suntech Joint Venture				
Beginning balance at the years	-	-	229,000,000	82,250,000
Increase during the years	-	-	-	249,000,000
Decrease during the years	-	-	(68,000,000)	(102,250,000)
Ending balance at the years	-	-	161,000,000	229,000,000
Less allowance for doubtful accounts	-	-	(8,500,000)	-
Ending balance at the years-net	-	-	152,500,000	229,000,000

As at December 31, 2016 and 2015, short-term loans to related party bear interest rate of 5% and 6% per annum, respectively.

Management compensation

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Short-term benefits	20,128,590	17,741,680
Post-employment benefits	279,503	172,625
Total management compensation	20,408,093	17,914,305

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	1,066,718	764,909	245,502	255,785
Cash at banks - saving accounts	60,352,106	19,479,676	37,301,185	4,320,523
Cash at banks - current accounts	15,995,595	30,345,422	15,734,139	30,296,486
Cheque due	381,052	2,750,350	381,052	2,750,349
Total cash and cash equivalents	77,795,471	53,340,357	53,661,878	37,623,143

7. TRADE AND OTHER RECEIVABLES-NET

Trade and other receivables as at December 31, consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
Trade receivables-related parties	668,857	145,948	807,957	573,948
Trade receivables-other companies				
Returned cheque	14,096,767	14,252,767	7,832,550	7,872,550
Post-dated cheque	62,064,038	61,798,649	61,154,790	61,798,649
Promissory note	-	4,649,955	-	4,649,955
Other trade receivables-other	482,507,730	447,588,988	480,186,641	442,720,650
Total trade receivables-other	558,668,535	528,290,359	549,173,981	517,041,804
Unbilled receivables	56,753,407	29,047,896	56,753,407	29,047,896
Total trade receivables	616,090,799	557,484,203	606,735,345	546,663,648
Less Allowance for doubtful accounts				
Beginning balance	(55,079,936)	(61,641,963)	(43,870,230)	(48,265,475)
Increase during the years	(1,234,971)	(1,344,359)	(1,234,971)	(1,344,359)
Decrease during the years	7,757,187	7,906,386	5,983,187	5,739,604
Ending balance	(48,557,720)	(55,079,936)	(39,122,014)	(43,870,230)
Total trade receivables-net	567,533,079	502,404,267	567,613,331	502,793,418
Other receivables				
Retention receivable	36,368,630	37,592,464	36,368,630	37,592,464
Advance payment	10,023,202	7,646,509	10,023,202	7,646,509
Deposit receivable	7,882,632	5,246,114	7,882,632	5,246,114
Advance payment for goods	1,362,808	312,426	1,362,808	312,426
Accrued interest income	531,027	1,142,574	2,285,795	2,202,667
Suspense Input tax	8,120,205	3,975,645	8,118,105	3,975,645
Revenue Department receivable	2,405,075	2,355,644	-	-
Other	5,403,066	5,455,752	5,095,190	4,896,321
Total other receivables	72,096,645	63,727,127	71,136,362	61,872,146
Total trade and other receivables	639,629,724	566,131,394	638,749,693	564,665,564

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables-related companies				
Current	400,822	145,948	400,822	145,948
Over due				
Not over 3 months	268,035	-	407,135	428,000
Total trade receivables				
— related companies	668,857	145,948	807,957	573,948
Trade receivables-other companies				
Current	366,790,116	319,800,014	366,790,116	319,800,014
Over due				
Not over 3 months	139,364,285	149,986,306	139,364,285	149,947,456
Over 3-6 months	1,961,307	1,024,354	1,961,307	1,024,354
Over 6-12 months	2,867,350	3,720,006	2,828,500	3,720,006
Over 12 months	47,685,477	53,759,679	38,229,773	42,549,974
Total trade receivables				
— other companies	558,668,535	528,290,359	549,173,981	517,041,804

Unbilled receivables/Revenue from contract received in advance

Unbilled receivables/revenue from contract received in advance for the year ended December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Revenue recognition from percentage of completion method	208,413,936	281,415,401
Unbilled receivables		
Project value as per contract	199,423,645	297,643,319
Accumulated amount recognised as		
revenue on percentage of completion basis	149,805,089	201,893,986
Less: Value of total billed	(93,051,682)	(172,846,090)
Unbilled receivables	56,753,407	29,047,896
Retention receivable as per contracts	3,512,502	18,931,545
Revenue from contract received in advance		
Project value as per contract	-	47,663,551
Value of total billed	-	6,775,701
Less: Accumulated amount recognised as		
revenue on percentage of completion basis	-	-
Revenue from contract received in advance	-	6,775,701

8. MATERIALS FROM THE DECOMMISSIONING POWER PLANT-NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of materials from				
the decommissioning power plant	378,901,625	378,302,434	-	-
Less cost of materials from decommissioning				
transferred to cost of sales	(235,742,219)	(153,223,678)	-	-
Less allowance for devaluations	(11,659,939)	(4,147,781)	-	-
Materials from the decommissioning				
 power plant-net	131,499,467	220,930,975	-	-

9. INVENTORIES-NET

Inventories as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Finished goods	31,912,915	30,858,430
Work in process	105,350,436	95,457,500
Raw material	452,883,404	503,999,125
Supplies	34,404,688	26,125,599
Goods under installation	7,777,219	14,468,185
Goods in transit	915,779	308,309
Total inventories	633,244,441	671,217,148
Less allowance for devaluations	(35,084,336)	(28,254,887)
Total inventories-net	598,160,105	642,962,261

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

As at December 31, 2016 and 2015, the above fixed deposits of the Group have interest rate of 0.80% - 1.20% per annum and 0.80% — 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.

Investments in subsidiaries as at December 31, consisted of:

		Unit : Thousand Baht					
		Separate Financial Statements					
Company	Relationship	Paid - up share		% of holding		Cost method	
		2016	2015	2016	2015	2016	2015
Subsidiaries							
Varitek Co., Ltd. *	Executives and shareholders together	15,000	30,000	99.99	99.99	15,849	30,849
Asefa Suntech Joint Venture	Joint Venture	2,000	2,000	50.00	50.00	1,000	1,000
Asefa & VARS Joint Venture	Joint Venture	2,000	-	50.00	-	1,000	-
Total investments						17,849	31,849
Less Allowance for impairment on investments						(1,000)	-
Total investments-net						16,849	31,849

On October 31, 2016, the Company entered into an agreement with VARS Co., Ltd. to establish the Asefa & VARS Joint Venture, for bidding the contract as the contractor for improvement of the underground cable power distribution systems in the external area around the Pimai and Sukhothai Historical Parks (Nakhon Ratchasima Province and Sukhothai Province) with the Provincial Electricity Authority according to the project to increase the reliability of power systems phase 3. This is with the sharing ratio of 50:50 and with an initial investment of Baht 2 million.

*On June 22, 2016, the Company received cash for the return on share capital of Baht 15 million from a subsidiary, according to the resolution of the subsidiary's Extraordinary Meeting of shareholders No.1/2016 held on June 15, 2016, passing the reduction of its share capital from Baht 30 million to Baht 15 million. The subsidiary registered the capital reduction with the Ministry of Commerce on July 29, 2016.

On October 6, 2014, the Company entered into an agreement with Suntech 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 Baht 2 million.

* On June 28, 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 subsidiary 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 was in amount of Baht 1.98 million.

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

	Unit : Thousand Baht							
	Varitek Co., Ltd.		Asefa Suntech Joint Venture		Asefa & VARS Joint Venture		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
As at December 31								
Current assets	19,401	33,143	140,035	228,096	2,004	-	161,440	261,239
Non-current assets	966	2,455	1,481	2,342	-	-	2,447	4,797
Current liabilities	(70)	(81)	(165,173)	(231,304)	(64)	-	(165,307)	(231,385)
Non-controlling interests	-	-	(11,828)	(433)	970	-	(10,858)	(433)
For the year ended December 31								
Revenues	2,468	3,112	82,392	176,866	-	-	84,860	179,978
Net loss for the year attributable to non-controlling interests	-	-	(11,396)	(1,020)	(30)	-	(11,426)	(1,020)
Net cash provided by (used in)								
Operating activities	874	(305)	69,609	(147,135)	-	-	70,483	(147,440)
Investing activities	18,595	1,891	339	(2,566)	-	-	18,934	(675)
Financing activities	(15,000)	-	(68,000)	146,750	2,000	-	(81,000)	146,750
Cash and cash equivalents increase (decrease) - net	4,469	1,586	1,948	(2,951)	2,000	-	8,417	(1,365)

12. INVESTMENT PROPERTIES-NET

Investment properties as at December 31, 2016, consisted of:

Unit : Baht				
Consolidated and Separate financial statements				
	As of	Movements during the year		As of
	January 1, 2016	Additions / Transfer	Decrease	December 31, 2016
Condominium				
Cost	4,559,345	-	-	4,559,345
Accumulated depreciation	2,264,745	211,204	-	2,475,949
Book value-net	<u>2,294,600</u>			<u>2,083,396</u>
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 Baht 0.36 million. 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 31, 2016, consisted of:

(Unit : Baht)											
Consolidated financial statement											
	Land	Building and improvement	lease hold improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Building under construction	Machinery under installation	Equipment under installation	Total
Cost :											
Balance as at January 1, 2016	267,601,901	237,999,105	1,806,900	121,792,002	95,051,633	31,940,246	36,420,416	42,005,808	-	-	834,618,011
Add purchase during the year	2,345,000	150,000	-	11,000,000	15,975,928	5,447,393	6,996,536	56,669,613	16,125,743	2,109,471	116,819,684
Transferred in/out during the year	345,000	91,851,209	-	17,811,146	4,127,379	1,223,845	-	(98,675,421)	(14,573,687)	(2,109,471)	-
Less disposal during the year	(181,114)	(175,695)	(1,806,900)	(4,209,720)	(7,089,037)	(2,516,119)	(1,805,964)	-	-	-	(17,784,549)
Transfer to non-current assets held for sale during the year	(8,380,800)	-	-	-	-	-	-	-	-	-	(8,380,800)
Balance as at December 31, 2016	261,729,987	329,824,619	-	146,393,428	108,065,903	36,095,365	41,610,988	-	1,552,056	-	925,272,346
Accumulated depreciation :											
Balance as at January 1, 2016	-	48,783,285	1,806,892	72,151,463	64,885,764	18,671,764	24,282,116	-	-	-	230,581,284
Add depreciation during the year	-	14,421,410	-	7,933,744	11,607,570	4,921,162	3,795,957	-	-	-	42,679,843
Less disposal during the year	-	(135,083)	(1,806,892)	(3,628,618)	(6,355,665)	(2,310,858)	(1,776,311)	-	-	-	(16,013,427)
Balance as at December 31, 2016	-	63,069,612	-	76,456,589	70,137,669	21,282,068	26,301,762	-	-	-	257,247,700
Net book value :											
Net book value-net Beginning of year	267,601,901	189,215,820	8	49,640,539	30,165,869	13,268,482	12,138,300	42,005,808	-	-	604,036,727
Net book value-net Ending of year	261,729,987	266,755,007	-	69,936,839	37,928,234	14,813,297	15,309,226	-	1,552,056	-	668,024,646

(Unit : Baht)

Separate financial statement										
	Land	Building and improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Building under construction	Machinery under installation	Equipment under installation	Total
Cost :										
Balance as at January 1, 2016	267,601,901	237,999,105	121,792,002	91,246,773	28,604,214	35,146,684	42,005,808	-	-	824,396,487
Add purchase during the year	2,345,000	150,000	11,000,000	16,294,129	5,452,733	6,996,536	56,669,613	16,125,743	2,109,471	117,143,225
Transferred in/out during the year	345,000	91,851,209	17,811,146	4,127,379	1,223,845	-	(98,675,421)	(14,573,687)	(2,109,471)	-
Less disposal during the year	(181,114)	(175,695)	(4,209,720)	(4,787,825)	(46,096)	(1,805,963)	-	-	-	(11,206,413)
Transfer to non-current assets										
held for sale during the year	(8,380,800)	-	-	-	-	-	-	-	-	(8,380,800)
Balance as at December 31, 2016	261,729,987	329,824,619	146,393,428	106,880,456	35,234,696	40,337,257	-	1,552,056	-	921,952,499
Accumulated depreciation :										
Balance as at January 1, 2016	-	48,783,285	72,151,464	62,575,900	16,293,778	22,523,982	-	-	-	222,328,409
Add depreciation during the year	-	14,421,410	7,933,744	11,206,238	4,726,496	3,931,139	-	-	-	42,219,027
Less disposal during the year	-	(135,083)	(3,628,618)	(4,235,554)	(39,324)	(1,776,311)	-	-	-	(9,814,890)
Balance as at December 31, 2016	-	63,069,612	76,456,590	69,546,584	20,980,950	24,678,810	-	-	-	254,732,546
Net book value :										
Net book value-net Beginning of year	267,601,901	189,215,820	49,640,538	28,670,873	12,310,436	12,622,702	42,005,808	-	-	602,068,078
Net book value-net Ending of year	261,729,987	266,755,007	69,936,838	37,333,872	14,253,746	15,658,447	-	1,552,056	-	667,219,953

Depreciation for the year ended December 31, 2016 and 2015 amounted to Baht 42.68 million and Baht 41.57 million, respectively for the consolidated financial statements, and amounted to Baht 42.22 million and Baht 41.04 million for the separate financial statements, respectively.

As at December 31, 2016 and 2015, the Group's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 130.86 million and Baht 113.69 million, and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 130.86 million and Baht 110.34 million, respectively.

As at December 31, 2016 and 2015, parts of the Company's land and buildings have been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Notes 16 and 19).

14. INTANGIBLE ASSETS-NET

Intangible assets as at December 31, 2016, consisted of:

Unit : Baht				
Consolidated financial statement				
	As of January 1, 2016	Movement during the year		As of December 31, 2016
		Increase	Decrease	
Cost				
License fee	2,471,620	1,773,086	2,471,620	1,773,086
Computer software	9,553,819	2,550,375	643,076	11,461,118
Total	12,025,439	4,323,461	3,114,696	13,234,204
Accumulated amortization				
License fee	2,100,900	666,318	2,471,620	295,598
Computer software	5,588,190	1,306,602	626,550	6,268,242
Total	7,689,090	1,972,920	3,098,170	6,563,840
Intangible assets-net	4,336,349			6,670,364

	Unit : Baht			
	Consolidated financial statement			
	As of January 1, 2016	Movement during the year		As of December 31, 2016
		Increase	Decrease	
Cost				
License fee	2,471,620	1,773,086	2,471,620	1,773,086
Computer software	8,910,743	2,550,375	-	11,461,118
Total	11,382,363	4,323,461	2,471,620	13,234,204
Accumulated amortization				
License fee	2,100,900	666,318	2,471,620	295,598
Computer software	4,969,293	1,298,949	-	6,268,242
Total	7,070,193	1,965,267	2,471,620	6,563,840
Intangible assets-net	4,312,170			6,670,364

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			
	Movements increase (decrease)			
	As of January 1, 2016	Profit or loss	Other comprehensive income	As of December 31, 2016
Deferred tax assets				
Trade and other receivables	9,193,921	(1,304,444)	-	7,889,477
Allowance for inventories devaluation	6,432,219	536,334	-	6,968,553
Provision for long-term employee benefits	1,203,897	432,930	772,108	2,408,935
Total deferred tax assets	16,830,037	(335,180)	772,108	17,266,965
Deferred tax liabilities				
Property, plant and equipment (depreciation)	3,013,735	96,333	-	3,110,068
Total deferred tax liabilities	3,013,735	96,333	-	3,110,068

As at December 31, 2016 and 2015, three subsidiaries have unutilized tax loss carried forward of Baht 25.57 million and Baht 8.82 million, respectively. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

	Unit : Baht		
	Consolidated financial statement		
	Movements increase (decrease)		
	As of January 1, 2016	Profit or loss Other comprehensive income	As of December 31, 2016
Deferred tax assets			
Trade and other receivables	7,873,443	(949,644)	6,923,799
Allowance for inventories devaluation	5,602,663	1,365,890	6,968,553
Investments in subsidiaries	-	200,000	200,000
Provision for long-term employee benefits	1,203,898	432,930	2,408,936
Total deferred tax assets	14,680,004	1,049,176	16,501,288
Deferred tax liabilities			
Property, plant and equipment (depreciation)	3,013,735	96,333	3,110,068
Total deferred tax liabilities	3,013,735	96,333	3,110,068

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

	Unit : Baht			
	Consolidated financial statement		Separate financial statements	
	2016	2015	2016	2015
Profit before income tax	347,823,754	251,366,375	360,735,143	257,612,503
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	69,564,751	50,273,275	72,147,029	51,522,501
Non-deductible expenses by the Revenue Code	2,295,106	222,547	209,724	206,443
Double expenses by the Revenue Code	(4,422,484)	(5,460,112)	(4,422,484)	(4,616,965)
Allowance for investments in subsidiary	200,000	-	-	(1,610,380)
Allowance for loans to related party	-	-	1,700,000	-
Loss from liquidation of investment in subsidiary	-	238,855	-	-
Unutilized tax loss carried forward	3,381,252	357,610	-	-
Income tax expenses	71,018,625	45,632,175	69,634,269	45,501,599
The effective tax rate	20.42%	18.15%	19.30%	17.66%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2016 and 2015. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate will continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

And according to the Revenue Code Amendment Act No. 42 B.E. 2559 which is effective from March 5, 2016 onwards, the corporate income tax is reduced from 30 % to 20% of net profit for accounting period beginning on or after January 1, 2016 onwards.

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

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Bank overdrafts	-	8,438,639
Promissory note	80,000,000	194,000,000
Trust receipts	109,817,535	48,985,783
Total bank overdraft and short-term		
loan from financial institutions	189,817,535	251,424,422

As at December 31, 2016 and 2015, 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	
	2016	2015
Asefa PCL. and its subsidiaries	1,473	1,069
Asefa PCL.	1,473	1,010

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). 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 at December 31, consisted of:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables				
Trade payables-related companies	1,602,486	1,623,340	1,602,486	1,623,340
Trade payables-others	361,193,687	465,181,990	361,168,747	465,026,107
Total trade payables	362,796,173	466,805,330	362,771,233	466,649,447
Other payables				
Advances received for goods	28,169,686	37,781,709	27,936,041	37,549,392
Revenue from contract received in advance	-	6,775,701	-	6,775,701
Accrued royalty expenses	10,675,555	5,346,945	10,675,555	5,346,944
Accrued commission expenses	24,939,122	26,140,023	24,939,122	26,140,023
Accrued plate expenses	1,665,790	2,259,292	1,665,790	2,259,292
Accrued sub-contractors expenses	8,374,892	1,436,927	8,374,892	1,436,927
Accrued employee special incentives expenses	12,136,838	-	12,136,838	-
Accrued staff welfare expenses	6,565,746	4,183,044	6,565,746	4,183,044
Withholding tax payable	4,973,936	3,231,599	4,973,936	3,231,599
Revenue Department payable	5,107,939	1,602,259	3,339,904	1,602,259
Retention payables	11,243,902	9,629,379	11,243,902	9,629,379
Payable for purchase of fixed assets	1,749,519	3,727,588	1,749,519	3,727,588
Accrued other expenses	23,430,477	18,801,862	23,044,700	18,400,635
Total other payables	139,033,402	120,916,328	136,645,945	120,282,783
Total trade other payables	501,829,575	587,721,658	499,417,178	586,932,230

18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS-NET

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Due within 1 year		
Minimum payments	4,659,874	6,689,749
Deferred interest	(117,529)	(452,479)
Present value of minimum payment	4,542,345	6,237,270
Due over 1 year not exceeding 5 years		
Minimum payments	972,167	6,071,923
Deferred interest	(34,045)	(59,143)
Present value of minimum payment	938,122	6,012,780
Net book value of asset under		
financial lease	14,551,092	26,979,235

As at December 31, 2016 and 2015, 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 at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Long-term loans	85,933,833	117,439,061
Less Current portion	(26,196,000)	(26,196,000)
Total long-term loans from financial institutions-net	59,737,833	91,243,061

These credit facilities are secured by mortgage of the Company's land and building (Note 13). The Company and subsidiaries must comply with certain conditions and restrictions stipulated in the agreements.

In October 2013, the Company entered a long-term loan agreement with a financial institution for building factory of Baht 43.28 million and during the year 2015. The Company also reduced long-term loans from financial institutions from the approved line of Baht 53.53 million. The total amount of Baht 96.81 million has the repayment period of 7 years.

The loan bears interest at the MLR-2.30 % to MLR-2.0 % per annum with monthly repayment. The loans have grace period of 6 months for principal after the first loan had been drawn. The regular monthly repayment for principal will be made at least Baht 1.29 million a month for periods of 7-83 starting in May 2014, and the remaining loan must be repaid in full at the period 84 (last repayment). The loan is secured by the mortgage of the Company's land and building.

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

20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Movement of the present value of provision for long-term employee benefits for the years ended December 31, is as follows:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Provision for long-term employee benefits		
beginning of the years	6,019,490	5,359,608
Included in profit or loss:		
Current service costs	1,790,039	724,108
Cost of interest	374,610	271,416
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	2,201,287	-
Experience adjustments	1,659,253	(335,642)
Provision for long-term employee benefits		
ending of the years	12,044,679	6,019,490

Long-term employee benefit expenses for years ended December 31, as shown in the statements of profit or loss are as follows:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2016	2015
Costs of sales	1,790,039	724,108
Selling expenses	374,610	271,416
Total employee benefits expenses	2,164,649	995,524

Principal actuarial assumptions at the valuation date are as follow:

	(Percentage (%)/annum)	
	Consolidated and Separate financial statements	
	2016	2015
Discount rate		
Monthly salary	3.21	4.70
Daily salary	3.21	5.01
Future monthly salary increase rate	8.00	8.41
Future daily salary increase rate	8.00	9.57
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008	100% of Thai Mortality Ordinary Tables of 2008

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2016 are summarised below:

	Unit: Million Baht	
	Consolidated and Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	11.42	12.73
Salary increase rate	12.75	11.39
Turnover rate	11.24	12.92

As at December 31, 2016, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht
	Consolidated and Separate financial statements
Over 1 and up to 5 years	3,940,737
Over 5 and up to 10 years	7,102,066
Over 10 years	7,486,293

21. SHARE CAPITAL

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

The General Shareholders' Meeting of 2015, held on March 17, 2015, passed a resolution to increase the Company's registered share capital from Baht 400 million to Baht 550 million and change the par value from Baht 100 to Baht 1 (from 4,000,000 ordinary shares at Baht 100 par value to 550,000,000 ordinary shares at Baht 1 par value). The Company registered the increase in share capital and the reduction in par value with the Ministry of Commerce on March 18, 2015.

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

The resolution of the Annual General Meeting of Shareholders for the year 2016 on April 26, 2016, has resolved to pay a dividend from a net profit for the year 2015, amounting to Baht 110 million to shareholders of 550 million shares at the rate of Baht 0.20 per share and allocated to the legal reserves of Baht 4.39 million. Dividends were paid to shareholders on May 25, 2016.

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

24. SIGNIFICANT EXPENSES BY NATURE

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

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in finished goods				
and work in process (increase) decrease	77.66	(280.84)	(4.26)	(51.09)
Raw materials and consumable materials used	1,513.91	1,444.02	1,513.78	1,441.28
Director and employee's benefits and expenses	454.65	375.58	454.65	374.30
Sales promotion expenses	82.07	64.05	82.07	64.05
Service fees for installation subcontracts	139.65	177.47	139.65	131.94
Rental and service expenses	34.76	59.13	31.90	31.45
Depreciation and amortization	44.86	44.50	44.40	43.92
Vehicles and travel expenses	37.59	36.85	37.55	30.97
Reversal of allowance for doubtful account	(6.92)	(6.56)	(4.75)	(4.40)
Allowance for inventory devaluation	14.34	9.19	6.83	5.04
Allowance of short-term loans to related party	-	-	8.50	-

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 31, are as follows:

Unit : Thousand Baht														
Consolidated financial statements														
	Manufacturing business		Trading business		Services business		Decommissioning the power plant		Total		Elimination		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues	1,986,412	1,637,712	435,044	370,523	295,975	364,857	82,215	176,819	2,799,646	2,549,911	(20)	(313)	2,799,626	2,549,598
Segment profit	517,029	396,621	111,577	91,987	75,482	57,908	(2,001)	20,862	702,087	567,378	1,609	2,421	703,696	569,799
Other income									27,047	35,425	(12,466)	(21,857)	14,581	13,568
Selling expenses									(220,856)	(178,536)	-	-	(220,856)	(178,536)
Administrative expenses									(150,308)	(124,553)	10,082	(82)	(140,226)	(124,635)
Finance costs									(19,952)	(43,400)	10,580	14,570	(9,372)	(28,830)
Income tax expenses									(69,989)	(46,462)	(1,029)	830	(71,018)	(45,632)
Profit for the period									268,029	209,852			276,805	205,734
Assets														
Property, plant and equipment-net									668,701	604,521	(676)	(484)	668,025	604,037
Others									1,759,927	1,919,357	(174,476)	(265,627)	1,585,451	1,653,730
Total assets									2,428,628	2,523,878	(175,152)	(266,111)	2,253,476	2,257,767

26. 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 his or 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

The Group is exposed to significant interest rate risks relate primarily to bank deposits and short-term investments. Most of the interest rates that fluctuate based on market rates or a fixed rate with a maturity date after the date of the statement of financial position does not exceed one year. As the Company has a policy to deposit or invest in highly liquid instruments with a maturity not exceeding one year, the Group's interest rate risk is low.

Significant financial assets and liabilities classified by type of interest rate are as follow.

Description	Unit : Thousand Baht				
	Consolidated financial statements as at December 31, 2016				
	Notes	Floating interest rate	Fixed interest rates	No interest rate	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	-	59,231	18,564	77,795
Trade and other receivables	7	-	-	639,630	639,630
Restricted deposits at financial institutions	10	-	94,559	-	94,559
<u>Financial liabilities</u>					
Bank overdrafts and shot-term loans					
from financial institutions	16	-	189,818	-	189,818
Trade and other payables	17	-	-	501,830	501,830
Liabilities under financial lease agreements	18	-	5,480	-	5,480
Long-term loans from financial institutions	19	85,934	-	-	85,934

Unit : Thousand Baht					
Consolidated financial statements as at December 31, 2015					
Description	Notes	Floating interest rate	Fixed interest rates	No interest rate	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	-	19,480	33,860	53,340
Trade and other receivables	7	-	-	566,131	566,131
Restricted deposits at financial institutions	10	-	127,018	-	127,018
<u>Financial liabilities</u>					
Bank overdrafts and shot-term loans					
from financial institutions	16	-	251,424	-	251,424
Trade and other payables	17	-	-	587,722	587,722
Liabilities under financial lease agreements	18	-	12,250	-	12,250
Long-term loans from financial institutions	19	117,439	-	-	117,439

For financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date, (if this occurs before the maturity date). From the date of the statement of financial position are as follows.

Unit : Thousand Baht					
Consolidated financial statements as at December 31, 2016					
Description	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Cash and cash equivalents	6	59,231	-	59,231	0.10 - 0.37%
Restricted deposits at financial institutions	10	94,559	-	94,559	0.8 - 1.20%
<u>Financial liabilities</u>					
Bank overdrafts and shot-term loans					
from financial institutions	16	189,818	-	189,818	2.45 - 2.56%
Liabilities under financial					
lease agreements	18	4,542	938	5,480	2.61 - 6.86%

Description	Unit : Thousand Baht				
	Consolidated financial statements as at December 31, 2015				
	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Cash and cash equivalents	6	19,480	-	19,480	0.10 - 0.37%
Restricted deposits at financial institutions	10	127,018	-	127,018	0.8 - 2.25%
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans					
from financial institutions	16	251,424	-	251,424	2.70 - 3.00%
Liabilities under financial					
lease agreements	18	6,237	6,013	12,250	2.61 - 6.86%

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 1, 2013. For the year ended December 31, 2016 and 2015, the Company contributed to the fund amounting to Baht 11.73 million and Baht 9.87 million, respectively.

28. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at December 31, 2016 and 2015, the Group had the following commitments and contingent liabilities as follows:

28.1 As at December 31, 2016 and 2015, 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	
	2016	2015	2016	2015
Due within 1 year	1.11	3.15	1.11	1.64
Due over 1 year not exceeding 5 years	1.73	0.51	1.73	0.51
Due over 5 year	0.87	1.02	0.87	1.02
Total	3.71	4.68	3.17	3.17

28.2 As at December 31, 2016 and 2015, the Group is contingently liable for bank guarantees issued by the banks amounting to Baht 144.72 million and Baht 194.14 million, respectively.

28.3 As at December 31, 2016 and 2015, the Group has a contractual obligation to pay the remaining capital amount of Baht 0.22 million and Baht 35.76 million, respectively.

28.4 As at December 31, 2016 and 2015, the Company has the commitment from account receivable, which have been sold with recourse to financial institution at a discount totaling of Baht 25.78 million and Baht 10.89 million, respectively.

28.5 During the year 2016, the Company has entered into an agreement to transfer the expropriated land with the Department of Rural Roads, The compensation for land amounted Baht 8.38 million whereby the cost of land amounted Baht 8.56 million. The Company recorded losses of land expropriated in the income statement for the nine-month period ended September 30, 2016, amounting to Baht 0.18 million and recorded the compensation received from Department of Rural Roads in other current liabilities amounting to Baht 6.29 million as well as reclassified the land to non-current assets held for sale. The Company will recognize the land sale when receiving the remaining of compensation and registering to transfer ownership of land to the Department of Rural Roads.

28.6 As at December 31, 2016, the Company has the purchase and sale agreement of land of Baht 30.42 million and the Company paid a deposit in the amount of Baht 3 million.

29. EVENT AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 1/2017, held on February 17, 2016, resolved pay a dividend from its operating result for the year ended December 31, 2016 for 550 million shares at the rate of Baht 0.32 per share, amounting Baht 176 million. 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 17, 2017.

