

ASEFA PUBLIC COMPANY LIMITED



Annual Report 2017

www.asefa.co.th



“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.”



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Financial Highlight

For the Fiscal year ended December 31 st	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	2.72	2.58	2.28	2.72	2.60	2.28
Earning per share (Baht) *	0.46	0.52	0.45	0.44	0.53	0.46
Operating (Unit: million baht)						
Revenues from sales and service	2,808.26	2,799.63	2,549.60	2,650.10	2,717.43	2,373.09
Total income	2,817.59	2,814.21	2,563.17	2,666.17	2,741.83	2,405.33
Net profit (Equity holders of the Company)	253.38	288.23	206.75	241.04	291.10	212.11
Balance Sheet (Unit: million baht)						
Current assets	1,560.16	1,455.47	1,501.36	1,539.83	1,451.45	1,474.25
Total assets	2,342.26	2,250.37	2,257.77	2,337.72	2,261.63	2,257.36
Current liabilities	815.21	756.66	895.12	814.30	754.24	894.33
Total liabilities	842.61	829.56	1,001.68	839.64	827.15	1,000.89
Paid-up capital	550.00	550.00	550.00	550.00	550.00	550.00
Shareholders' equity (Equity holders of the Company)	1,507.61	1,431.67	1,256.52	1,498.08	1,434.49	1,256.47
Financial Ratio						
Returns on shareholders' equity (ROE) (%)	17.24	21.44	22.13	16.44	21.64	22.76
Returns on fixed assets (%)	47.13	51.84	45.71	44.04	52.03	45.07
Returns on assets (ROA) (%)	13.92	15.84	14.06	13.16	16.38	14.41
Gross profit margin (%)	23.36	25.14	22.35	24.15	25.91	23.03
Net profit margin (%)	8.99	10.24	8.07	9.04	10.62	8.82
Current assets ratio to items of current liabilities (time)	1.91	1.92	1.68	1.89	1.92	1.65
Liquidity ratio to liabilities (time)	1.01	0.96	0.71	0.88	0.84	0.67
Debt ratio to shareholders' equity (D/E) (time)	0.56	0.58	0.80	0.56	0.58	0.80

Note :

* In year 2017 the use of the weighting average ordinary share numbers of 550,000,000 shares.

In year 2016 the use of the weighting average ordinary share numbers of 550,000,000 shares.

In year 2015 the use of the weighting average ordinary share numbers of 462,054,795 shares.

Message from the Board of Directors



2017 marked the 20th anniversary of the establishment of Asefa Public Company Limited. The Company has strategically operated business to drive the organization towards sustainable growth by putting emphasis on effective executive decisions, committing to the moral and ethical principles, and being aware of social responsibility and environment. This has been the core principles that the executives as well as employees have followed, together with the determination to improve the quality of the products and services to respond to the needs and guarantee the satisfaction of every customers. We have launched various products and expanded businesses by forming new business partnerships to stimulate growth and distribute risks. We have also continued to develop personnel and organization with the belief that each employee is the crucial component that will drive the Company towards success, strengthening the foundation by using their experience to tackle any uncertain situations. They will play an important role in supporting the Company during the competitions within the country and overseas in the next year.

Despite the growing economy, thanks to the government's stimulus package, the volatile economy significantly affected the operating results of the Company in 2017. Prices of some raw materials went up. Major customers in the industrial sector cut their investments. Price war became more intense. These factors have resulted in sales and profits of the Company missing the targets. However, the Board is closely monitoring the Company's strategic move and operational plan as well as management to reduce the impact as much as possible.

The economy is expected to keep expanding this year on the back of public and private investment. The government's infrastructure project will substantially hike private investment. Subsequently, the increased production capacity will move the industrial and export sectors forward, drawing the attention of foreign investors to the Eastern Economic Corridor (EEC). Under Thailand 4.0 National Development Plan, the pending general election will boost business sentiments and stimulate private investment in the country. These positive factors will support the Company's business operation in 2018.

On behalf of the Board of the Company, I would like to thank all stockholders, managers, employees, and every related party that have supported the Company. The Board promises to conduct business under good governance and social responsibility, creating sustainable growth while being aware of its impact on the economy, society, and the environment.

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

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Subsidiaries

1. Varitek Company Limited
2. ASEFA Suntech Joint Venture
3. Asefa and VARS Joint Venture
4. Asefa and UMI Joint Venture

References

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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. At present, some of the materials and electrical equipment from the demolition project are still in the process of being sold.

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 NakhonRatchasima 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.

5. Asefa and UMI Joint Venture (“The Joint Venture”)

On September 7, 2017, the Company signed the agreement with UMI Engineering Company Limited, establishing the Joint Venture called “Asefa and UMI.” The purpose of the joint investment was to cooperate and improve the air conditioning system Central Building 3 of the Provincial Electricity Authority (PEA) Headquarters. With the initial capital of 1 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 and business under joint venture agreement to demolish a power plant. For reference, the structure of revenue between 2015 - 2017 is shown as follows.

Products	Operator	2558		2559		2560	
		MB	%	MB	%	MB	%
Manufacturing Products							
• Switchboards designed and developed by the Company	Asefa	1,085.38	42.34	1,156.74	41.11	1,025.85	36.41
• Licensed Products	Asefa	428.70	16.73	686.93	24.41	596.40	21.17
• Other	Asefa	123.32	4.81	142.74	5.07	125.95	4.47
Total Manufacturing Product Revenue		1,637.40	63.88	1,986.41	70.59	1,748.20	62.05
Supplied and Distributed Products							
• Electrical and control products	Asefa, VRT	80.89	3.15	81.92	2.91	88.22	3.13
• Electrical power distribution products	Asefa	254.68	9.94	310.44	11.03	289.62	10.28
• Lighting Equipment	Asefa	12.98	0.51	5.46	0.19	8.23	0.29
• Mineral Insulated Cable	Asefa	-	-	30.66	1.09	21.82	0.78
• Other	Asefa, VRT	21.97	0.86	6.57	0.23	19.51	0.69
Total Supplied and Distributed Products Revenue		370.52	14.46	435.05	15.45	427.39	15.17
Services							
• Integrated engineering services	Asefa, JV	302.56	11.80	215.73	7.67	451.98	16.04
• After sales services	Asefa	62.30	2.43	80.24	2.85	100.67	3.57
Total Service Revenue		364.86	14.23	295.98	10.52	552.65	19.61
Power plant demolition	Asefa, JV	176.82	6.90	82.19	2.92	80.01	2.84
Other incomes*	LTM, VRT	13.57	0.53	14.58	0.52	9.33	0.33
Grand Total		2,563.17	100.00	2,814.21	100.00	2,817.59	100.00

Note *Other sources of income are derived from rental, doubtful accounts reversed, interest income, foreign exchange gains, selling assets etc.

Product and Service Descriptions

The Company's business is based on the production, distribution, and installation of Electrical Power Distribution products, Integrated Engineering Services and After Sales Service, including energy management and conservation. The 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, energy management and conservation and after sales service. The Company's product features and services can be summarized as follows:

1. Manufacturing Products
2. Supplied and Distributed Products
3. Services





1. Manufacturing Products

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

1.1 Asefa Modular Switchboards

Manufactured according to the IEC standards such as ANSI (American National Standards Institute), NEC (National Electrical Code), and NEMA (National Electrical Manufacturers Association), the Asefa's own products include electric control panel, automation device, motor panel, substation unit, and other panels related to electrical distribution system. A customer can customize the interior parts selecting from various versions, types, brands, and designs (the most common being Modular type). Depending on the budget and model, the products can be used in projects, buildings, factories, or other specialized fields, effectively designed for a convenient construction, installation, and modification, guaranteeing safety, competitive price and services by a team of expert engineers.

1.1.1 Modular SF6 Switchgear



Descriptions

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

1.1.2 Compact Substation



Descriptions

- The product is combined with medium voltage switchgears, transformers, and low voltage ring main units.
- High safety IEC standard. The product is capable to support 3,000 kVA 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 Switch 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 withstanding 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 NEX 17.5 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 Automatic Transfer Switch with Bypass: ATS-Bypass



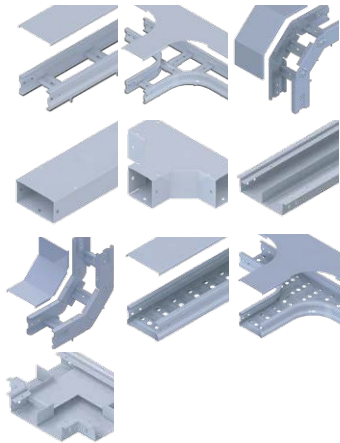
Descriptions

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

1.3 Other Products

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

1.3.1 Metal Trunking



Descriptions

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

1.3.2 Lighting and Solutions



Descriptions

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



2. Supplied and Distributed Products

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 416/240V or 400/230V 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 416/240V.



2.2.4 Load Center, Consumer unit and Safety Switch

Descriptions

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



2.2.5 Uninterruptible Power Supply: UPS

Descriptions

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

2.3 Lighting and Solutions

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



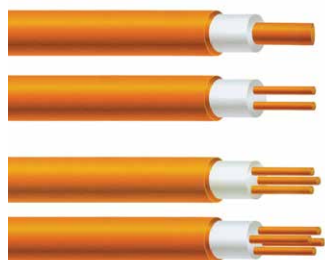
Lighting and Solutions

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

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 conservation system, automation and communications system, power quality solution, lighting solution, and ventilation/sanitary system.

3.1.1 Electrical Power Distribution Solution

Descriptions

- 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

Descriptions

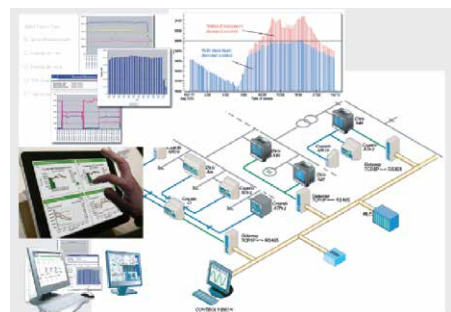
- The addition of UPS, ATS-Bypass, or PDMU (Power Distribution Monitoring Unit) shall be applicable to DataCenter and Redundancy Electrical Power System which requires high stability of power system. The system is recommended for customers who have data centers such as commercial banks, mobile phone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



3.1.3 Energy Management and Monitoring System

Descriptions

- 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

Descriptions

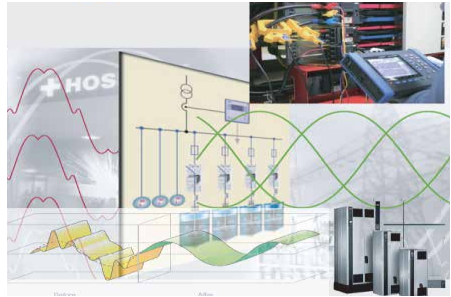
- This distribution system cooperates with the electrical communication system and automation control to increase efficiency, security, and convenience for the users both in remote controlling system such as SCADA or Building Automation System (BAS), and in alarm & data logsystem such as fire alarm,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



3.1.5 Power Quality Solution

Descriptions

- 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

Descriptions

- 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.



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

Descriptions

- 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, Busway, Power Monitoring & Control, and protection control devices such as Circuit Breaker, PT & CT, etc.



3.2.2 Preventive Maintenance and Spare part Management

Descriptions

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



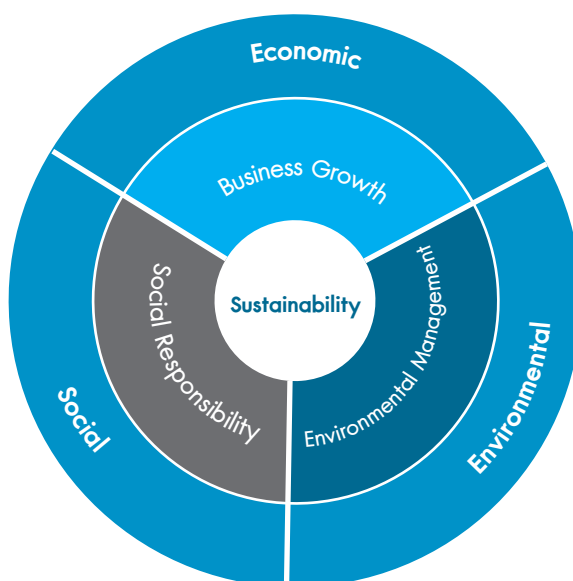
Corporate Social Responsibility to Sustainability



With commitment to be a leader in manufacturing, distributing, and installing power distribution devices, switchboards, automation control systems, power management systems, after sales services, and integrated engineering services both domestically and in Southeast Asia region, Asefa Public Company Limited has managed corporate social response activities successively. There are three aspects accumulated from the activities, and all of them perform fundamental roles in paving the company the way to sustainable development. They are Economic, Social, and Environment sections.

Sustainable Development Model

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

Major Aspects in Sustainability

In order to support the company's mission in raising business, social and environmental value along with participants' expectation response properly, systematically, and measurably, the company has described potential subjects in sustainability by analyzing from trends, directions, objectives, and business plan of the company including requirements and expectations of participants. The sections are as follows.

Sustainable Development Aspects

1. Economic	shareholder/partner/creditor
2. Product & Service Development	customer/partner
3. Anti-corruption	partner
4. Sustainable Supplier Development	partner
5. Customer Satisfaction	customer
6. Marketing Communication	customer/partner/shareholder
1. Waste Management	employee/community & society/government/partner
2. Emissions Air Control	employee/community & society/government
3. Waste water treatment	employee/community & society/government
4. Energy Conservation	employee/community & society/government
5. Hazardous Chemical Control	employee/community & society/government
6. Green Industry	employee/community & society/government
1. Occupational Health & Safety	employee
2. Emergency Responds	employee/community & society/shareholder
3. Happy Work Place	employee
4. Training & Education	employee
5. Communication Local Community	employee/community & society/media/shareholder
6. Education Support & Knowledge Sharing	community & society
7. Community Relations	community & society

Major Aspects in Sustainability Asefa Public Company Limited

Potential aspects are discriminated in three sections, Economic, Social, and Environment.

Economic Section related to sustainability aspects in 1. Economic 2. Product and Service Development 3. Anti-corruption 4. Sustainable Supplier Development 5. Customer Satisfaction and 6. Marketing Communication. All of these subjects are participated by stakeholders: shareholder, partner, creditor, and customer.

Environment Section related to sustainability aspects in 1. Waste Management 2. Emissions Air Control 3. Waste Water Treatment 4. Energy Conservation 5. Hazardous Chemical Control, and 6. Green Industry. All of these subjects are participated by stakeholders: employee, community & society, government, and partner.

Social Section related to sustainability aspects in 1. Occupational Health & Safety 2. Emergency Responds 3. Happy Workplace 4. Training & Education 5. Communication Local Community 6. Education Support & Knowledge Sharing and 7. Community Relations. All of these subjects are participated by stakeholders: employee, community & society, shareholder, and media.

Asefa's Corporate Social Responsibility Guideline

The company maintains business policies with social responsibility and focuses on community activities along with continual environment caretaking and participant consideration. As well, the company builds up organization attitude and culture on staff to perform responsibility toward community and society. The policies contain major principles as follows.

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
- 2.1 Fair treatment towards shareholders
- 3.1 Roles of the involved parties
- 4.1 Disclosure and transparency
- 5.1 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, for example, 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:

- **Assurance:** we are ready and willing to ensure 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 created by employees who apply and participate in the company's management policy.

Corporate Social Responsibility Project Process

• Youth and Public Education Support Program



Project “Youth Education”

The company had hosted and arranged trainings and seminars in Electrical Engineer for college students and university students in order to build up qualified human resource in national state. There was an objective to see the participants bring up knowledge and skills from the events to develop both themselves and the country. Continually, the company has maintained these event for 11 years since 2007 in university level and 7 years since 2011 in diploma college level.

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

There were 16 universities and 39 institutions were participated in diploma level (vocational and high vocational certificate) attended the seminars and training in 2017

Moreover, the company had collaborated with government academic institutes in aspects of developing knowledge and skills of vocational students in order to produce more electrical technicians, and to support and maintain government's policy of bilateral cooperation that levitating the studying standard with actual operation. The company accomplished Memorandum of Understanding (MOU) with colleges allowing their students to train and work in the company's projects, and there were 4 colleges agreed with the MOU in 2017.

1. Surin Technical College
2. Chiangrai Industrial and Community Education College
3. Wiangsa Industrial and Community Education College
4. Srisaket Technical College



Besides, Asefa Public Company Limited had been granted to participate the royal projects by submitting scholarship students from Kampong Speu Institution of Technology and Kampong Chheuteal High School to be the interns for one year in manufacturing section. Additionally, the company donated 3 panel boards and 30 luminaires to Srisaket Technical College for their educational reference.



Academic Seminar for Public



The company arranged Electrical Engineering seminars and trainings for public nationwide, and there were 26 events in 2017 had been held through the collaborations from government, organizations, and private sectors.

• Community Relation Activities



Project: Asefa's Electricity Restoration Service for Schools in Flood Area

Activity: Electricity System Restoration, Observation, and Repairing

Location: Matthayom Noppakun School, Bangsapan, Prachuab Khirikhan

Date: 21 January 2017



Project: Brother to Brother (Flood Relief)

Activity: Fund Donation to aid Prachuab Khirikhan Technical College in tool and equipment procurement for household electrical equipment repairing of flood sufferers

Location: Prachuab Khirikhan Technical College, Bangsapan, Prachuab Khirikhan

Date: 25 January 2017



Project: Asefa's Southern Region Flood Relief
Activity: Fund Donation to flood sufferers and on-site cooperation with Flood Relief Center
Location: Bangsapan, Prachuab Khirikhan
Date: 31 January 2017



Project: Asefa's Community Restoration through Flood Disaster
Activity: Book and Media Donation, Modification of Old Bookshelves, Cultivating Nursery Restoration, and Playground Restoration
Location: Ban Dontong School and Wat Napakkwang School Bangsapan, Prachuab Khirikhan
Date: 11 February 2017



Project: Asefa's Northeastern Region Flood Aid
Activity: Fund Donation via "OPM Disaster Relief Fund" and utility donation with Channel 3
Location: Channel 3, Maleenon Building, Rama IV Road
Date: 8 August 2017



Project: Asefa We Love Mom 2017
Activity: Submit fund from selling jasmines to Ban Tantawan Foundation for Children
Location: Ban Tantawan Foundation for Children, Nakhon Pathom
Date: 10 August 2017



Project: Asefa Volunteer for Honoring King Rama IX

Activity: Food Donation for public who attended to present Sandalwood Flowers as a final tribute to His Majesty the Late King

Location: Replica of Royal Cremation Pyre, Wat Chesadaram, Samutsakorn

Date: 26 October 2017



Project: Asefa Doing Good Deed for Dad

Activity: Mushroom house building, electricity system restoration, lunch treat, and donation academic equipment and scholarship to students

Location: Wat Ratthammaram School, Muang Samutsakorn, Samutsakorn

Date: 18 November 2017



Project: Asefa Volunteer for Honoring King Rama IX

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Location: Replica of Royal Cremation Pyre, Wat Chesadaram, Samutsakorn

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Activity: Mushroom house building, electricity system restoration, lunch treat, and donation academic equipment and scholarship to students

Location: Wat Ratthammaram School, Muang Samutsakorn, Samutsakorn

Date: 18 November 2017

• Happy Workplace



Project: Employee Relation Activity (Walk Rally)

Activity: Learning to work as a team and cooperation with happiness to build organization development awareness

Location: Banmaichailen, Samutsongkram

Date: 25-26 March 2017



Project: Asefa Family Songkran Festival 2017

Activity: Conserving Thai Tradition, Pouring Water to Show Respect to Elders, and Splashing Water Play

Location: Asefa Public Company Limited

Date: 11 April 2017



Project: Asefa Cup Football Competition 3rd

Activity: Football Matches for Male Teams and Female Teams to motivate exercising activities

Location: Sport Field, Canteen Front, Asefa Public Company Limited

Date: During April 2017



Project: Asefa Cup Volleyball Competition 3rd

Activity: Volleyball Matches for Male Teams and Female Teams to motivate exercising activities

Location: Sport Field, Canteen Front, Asefa Public Company Limited

Date: During July 2017



Project: Asefa Cup Sepak-Takraw Competition 4th

Activity: Sepak-Takraw Matches for Male Teams and Female Teams to motivate exercising activities

Location: Sport Field, Canteen Front, Asefa Public Company Limited

Date: 13 Nov 2017 - 28 February 2018



Project: Yoga @Asefa

Activity: Yoga Training by Professional Trainer

Location: Asefa Public Company

Date: From December 2017 and on



Project: Asefa Family Doing Good Deed in Buddhist Lent

Activity: Donation to present Lent Candle and restoring temple by cleaning

Location: Sujitra Monastery (Wat Tamphabing Branch), Bangkhae, Bangkok

Date: 1 July 2017



Project: Asefa Blood Donation 1st and 2nd

Activity: Employee's Blood Donation to Thai Red Cross

Location: Asefa Public Company Limited

Date: 27 July 2017 and 19 October 2017



Project: Annual Medical Check

Activity: Provided yearly medical check for employee by selecting programs that appropriate with work type and age

Location: Asefa Public Company Limited

Date: 30-31 October 2017 and 6-7 November 2017



Project: Loy Krathong Festival

Activity: Miss Noppamat Contest, Costume Contest, Krathong Contest, and attended Loy Krathong Rite to conserve Thai tradition

Location: Asefa Public Company Limited

Date: 3 November 2017



Project: Asefa Activity Day

- Activity:
- Safety, Occupational Health and Environment in Workplace
 - Bulletin Board Exhibition on Organizational Knowledge Management (KM)
 - Safety Procedure Contest
 - External agency booth
 - Quiz Show

Location: Asefa Public Company Limited

Date: 10 November 2017



Project: Asefa Family Happy New Year

Activity: Staff New Year Celebration

Location: Asefa Public Company Limited

Date: 27 November 2017



● Personnel Training for Career Opportunities

No.	Topic	Location
1.	High Level Administrator Development (Mini MBA) National Institute of Development Administration (NIDA)	Asefa Public Company Limited
2.	Engineers' Efficiency Development	Asefa Public Company Limited
3.	Middle Level Administrator Development "Roles of Leaders in Thailand 4.0"	Asefa Public Company Limited
4.	Primary Level Administrator Development, Operation Section, "Training Technic"	Asefa Public Company Limited
5.	Impressive Service for Technicians	Asefa Public Company Limited
6.	Human Resource Management for Supervisors (HR for Non HR)	Asefa Public Company Limited
7.	Online English Training (Beginner Course)	Asefa Public Company Limited
8.	Walk Rally Course "Teamwork and Organization Development Awareness"	Ban Mai Chai Len, Samutsakorn
9.	Raising Man-Power Production for Thailand 4.0	Central Place Hotel
10.	Workplace Safety and Occupational Health for New Recruitment	Asefa Public Company Limited
11.	Workplace Occupational Health and Environment Committee	Asefa Public Company Limited
12.	Safety Officer Management Level	Asefa Public Company Limited
13.	Safety Officer Supervisory Level	Asefa Public Company Limited
14.	Safety Work at Height	Asefa Public Company Limited
15.	Safety and Correct Fork-Lift Driving	Asefa Public Company Limited
16.	Fire Extinguish for Beginner and Fire Drill	Asefa Public Company Limited
17.	First Aid and CPR	Asefa Public Company Limited

No.	Topic	Location
18.	Planning and Production Control	Technology Promotion Association (Thailand-Japan)
19.	Professional Project Manager Development	Chaophraya Park Hotel
20.	Electrical System Related Standard	Asefa Public Company Limited
21.	Electrical System Installation Control Technic and Related Standard	Asefa Public Company Limited
22.	High Voltage Power Plant: Connection Requirement, Design, Test, and Application	Queen Sirikit National Convention Center
23.	Lightning Protection Standard (Internal and External)	Asefa Public Company Limited
24.	High Voltage and Low Voltage Grounding	E.I.T Building (Ramkhamhaen 39 Alley)
25.	Motor Starting with Safety and High Performance according to IEC Standard	Sinsakorn Industrial Estate, Samutsakorn
26.	Protective Relaying	Narai Hotel, Silom
27.	Underground Cable Technology 5 th Batch	Narai Hotel, Silom
28.	Mag Welding (Thin Steel) Level 1	Asefa Public Company Limited
29.	In-Building Electrician Level 1	Asefa Public Company Limited
30.	Investment Project Analysis and Risk Management Tactic to Increase Sustainable Value	Swissotel Le Concorde Hotel
31.	Accounting and Financial Risk Management	Siam @Siam Hotel
32.	Correct Inputting and Recording Cost Accounting	Intra Regent Hotel
33.	Information Technology Internal Audit	Federation of Accounting Professions under the Royal Patronage of His Majesty the King
34.	Recruitment Channeling Technic	Amari Boulevard Hotel
35.	Professional Job Operational Interview	Nakornthon Hospital
36.	Trainer Development in Establishment	Asefa Public Company Limited
37.	ISO 9001: 2015 Requirements and Audit	Asefa Public Company Limited
38.	Criteria for Applying Knowledgebase to Continuing Professional Development (CPD) in Engineering for Host Organization	Ramkhamhaeng University
39.	Practitioner's Skill Development CSR: S01-S03 4 th Batch	Stock Exchange of Thailand

• 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.			✓	
Energy saving lightbulbs such as T5 and LED			✓	
Power Monitoring System		✓	✓	✓
Automatic lighting system in restrooms			✓	
Control Room			✓	
Building Automation System (BAS) Controller			✓	
Water Auto Flush Valve maximizes water usage efficiency and reduces waste.			✓	
Softener: a water purification process that 100% filters contamination.				
Reverse Osmosis removes particles from water.		✓		
Ultraviolet System kills bacteria.				
Tree planting/ mangrove forest planting	✓	✓	✓	✓
Waste sorting	✓			
Reduce, reuse, recycle	✓	✓		
Waste sorting campaign via Intranet	✓			
Paperless office		✓		
Wastewater treatment	✓			
Communication device campaign to reduce traveling			✓	
Wastewater analysis	✓			✓
24-hour noise meter	✓			
Air pollutant monitoring	✓			✓
Hazardous waste monitoring	✓			
Chemical spill drill	✓			✓
Report on hazardous chemicals in the workplace	✓			
Annual report on unused materials transported outside the company	✓			
Annual report on waste and unused materials for generators	✓			
Control on chemical usage for pests				✓
List of controlled chemicals	✓			✓
Chemical safety training	✓			✓
Waste sorting and chemical safety training for contractors working inside the company	✓			✓

Other Company's Activities in 2017

• Sales and Marketing



- Visited by 46 customers and partnerships at Asefa Public Company Limited



- "KBank Presents Construction United 2017 Smart Supply Chain" Exhibition Booth at K-Bank Siam Bhikanes Theater



- Asian Cold Chain 2017 Booth at BITEC Bangna



- National Engineering Fair 2017 Booth at Plenery Hall, Queen Sirikit National Convention Center



- Football Friendly Match between Double A (1991) Co., Ltd. and Asefa Public Company Limited at 304 Arena, Prachinburi



- Football Friendly Match among Asefa Public Company Limited, ITAL Thai Engineering Co., Ltd., Process Engineering Co., Ltd. and Meinhardt (Thailand) Co., Ltd. at Soccer Pro Bangkok (Kaset Nawamin)



- Being a participant in Electric System Knowledge Development and Experience Exchange Project and visiting PPP Green Complex in Prachuab Khirikan.

• Investor Relations



- Attended “Contractor for Day” by Phatra Securities Public Company Limited at the Saint Regis Bangkok Hotel



- Opportunity Day, Turnover Announcement for the 4th Quarter of 2016 and the 2nd Quarter Of 2017 at Stock Exchange of Thailand



- 2017 Annual Shareholders Meeting at Asefa Public Company Limited



- Attended Road Show “Thailand Focus 2017” at Anantara Siam Hotel, Bangkok



- Live Interview in Money Daily by Channel 9 MCOT

• Awards and Certificates



- Outstanding Award for Safety, Occupational Health and Environment in Workplace 2017 in National Level, 1st year, Gold Level by Department of Labor Protection and Welfare, Ministry of Labor
- Outstanding Award for Labor Skill Development 2016 by Department of Skill Development, Ministry of Labor
- Received Certificate and honor brooch as a beneficiary to Ministry of Education by HRH Princess Mahachakri Sirindhorn at Dusidalai Hal, Chitralada Royal Villa
- Received Honor Trophy from Tharn Institute of Technology as a beneficiary to the college
- Received Excellent Quality Award from Huawei Technology Co., Ltd.
- Granted Standard Guarantee Label “Clean Food Good Taste” from Public Health Bureau, Samutsakorn



Industrial Trend and Competition

Industrial Trend

Since the company's businesses are coherent with controlling and distributing electrical equipment to consumers in order to support device operation, switchboards or switching devices, automated control system, power management and saving system, integrated engineering services, and after sales services as well as related electric devices, the company's role is involved with every type of users fundamentally whether they are manufacturers, power plants, residences, commercial buildings, office buildings, telecommunication, hospitals, and facility systems. Therefore, business growth both internationally and domestically, power consuming volume, investments both from government and from private bodies, and business growth of commercial bodies which require electrical equipment and power management and saving system are major variables affecting the company's business operations and growth.

Business Trend 2018				
	Actual Data		2018 Estimate	
	2016	2017	On 20 Nov 17	On 19 Feb 18
GDP Expansion (%)	3.3	3.9	3.6-4.6	3.6-4.6
Private Consumption	3.0	3.2	3.1	3.2
Government Consumption	2.2	0.5	2.7	3.2
Private Investment	0.5	1.7	3.7	3.7
Government Investment	9.5	-1.2	11.8	10.0
Export Value (USD %)	0.1	9.7	5.0	6.8
Inflation (%)	0.2	0.7	0.9-1.9	0.9-1.9
Current Account Balance (%GDP)	11.7	10.8	8.1	7.8

Source: The Office of the National Economic and Social Development Board (NESDB) 12 February 2018

Overview from the expansion of Gross Domestic Product (GDP) in the past 2017 was at 3.9 percent increasing from 2016 with private investment increased from 0.5% to 1.7% and government investment decreased from 9.5% to -1.2%.

From NESDB Estimate in 2018 Business Trend, GDP may be about 3.6-4.6% and both private and government investment shall be increasing from 2017.

As an aspect of 2018 business trend which GDP growing continually from 2017 by business expansion affected from the increasement of private and government investment that requiring products and services of the company, incomes and growth of the company shall be majorly going along with the expansion of the investment both by government and privates.

Competition

As a manufacturer and a distributor of electrical distributors, switchboards, intrigated engineering services, and after sales services as well as power management and saving system which are electrical industry required by various kinds of users, there are competitors in the company's market from small entrepreneurs to international firms that are original suppliers or technology holders.

However, most of the competitors are switchboard manufacturers who also are representatives to overseas suppliers and using the supplier's products as the main parts of their switchboards. These competitor's products are including small switchboards to Type-Tested switchboards with the copyright from aboard as per those international suppliers do not own a factory in the country. When there is an order, there will be local agents who will produce and distribute their products. The company's major competitors are as follows.

International Competitors: ABB, SIEMENS, Schneider, Eaton, etc.

Domestic Competitors: Most of them are small companies with productivity and sales less than the company's 2-3 times. Their works are in small system or in specific industry or business, while the company's operations are various with more expertises and more skills that cover all business type in full circle.

Business Opportunity

Conclusively, the company holds 15% of market share value approximately in switchboards and equipment business. Apart from switchboard business, the company still have products and services involved with electrical distributors, wheter it be medium voltage or low volatge, which participated in government and private investment. The company's business are also including integrated engineering services, after sales services and maintenance, automated control system, energy management and energy saving, etc. which rated high value in the market. All of the mentioned items are decent opportunity toward the rising growth of the electrical industry, and they are supporting valuables to the company's business.

At present, investment projects from government and privates which support the company like infrastructure investment e.g. metro or airport, facility system development project e.g. underground cabling, renewable energy and energy saving projects e.g. solar roofing or energy saving equipment, integrated engineering services, Eastern Economic Corridor Project, and Thailand 4.0 Development projects are major valuables to the company's business, and the company's related industry is growing continually.

Moreover, the company is growing with readiness in productivity and experienced and skilled human resources as well as a precise relation with the commercial partnership, vendors, and customers. The company's policies are still focused on supporting and developing the personnel to keep on developing the knowledges and performance continually. As well, the company is holding advantage in the competition, for there are quality product development and the addition of new items and new services in order to support the customers' needs.

Future Projects

The company intends to be a leader in manufacturing and distributing business of electrical distributors, switchboards, integrated engineering services, and after sales services as well as energy management and energy saving system, and the main products are low voltage switchboards, medium voltage switchboards, control panels, remote terminal unit for power plants and power distribution system, Computer-Based Substation Control System, and luminaries and lighting solution which are under Thai Industrial Standard and ISO 9001:2015 standard management, product development, and new equipment from overseas as well as related business expansion and partnership network building. The future projects of the company will aid increasing of performance and levitate the ability in competition and support marketing growth both internationally and locally as well as to provide maximum returns to shareholders steadily and sustainably. The plans of future projects are as follows.

1. Investment Project in Renewable Energy and Energy Saving

The company eyes on the opportunity to expand the business in Smart Grid system that related to renewable energy, and energy management and energy saving. The company is motivating a plan to co-invest with another company which has knowledgeable and experienced team in the business. Additionally, there has been an approval request in rationales and investment submitted to the board of directors' meeting, and the company is expecting to operate the project within 2018.

2. Investment Project in Expansion of Electrical System Service Maintenance

Service business is another business that growing continually from the past year, and the company sight the opportunity to expand the electrical system service maintenance business which is a related and topped-up from the company's major business, and the business shows a continual growth onto the future. Also, the company is in the process of possibility studying about a joint investment with another company which has knowledge and experience in the business, and the company has presented the business plan to the board of directors to approve the rationales and the study of the possibility to form the joint investment.



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 2015-2017, the Company purchased 48.68%, 48.28%, and 48.88% 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 2015-2017, were 16.81%, 24.54%, and 21.24% 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 Schneider's 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 domestic space.

4. Risk from volatility of raw material prices and other related equipment

Raw materials and equipment are important components of the production of electrical switch boards, such as copper, steel and other equipment. There will be fluctuations in demand and supply prices in the market. It may affect the cost of production of the company. If raw material prices rise, this will have a negative impact on the Company's profitability.

However, in order to prevent volatility of raw material prices, the Company has a risk management policy by purchasing of raw materials in advance. The purchasing department will receive the price from the distributor and also consider the market price trend, the amount of raw materials remaining and the amount of work available before ordering. The Purchasing Department regularly reviews the raw material prices and informs to concerned units accordingly.

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.

During the year ended December 31, 2017, a subsidiary of the Company, in the form of a joint venture, stopped its operation because of a Bankruptcy Court order freezing the assets of the joint venture partner in a bankruptcy case on June 20, 2017. On August 23, 2017 the Company filed a petition with the Bankruptcy Court allowing the subsidiary to operate to operate normally. However the petition is in the process of the official receiver which is expected to be announced after February 2018.

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. In the future power plants will need to be disposed and construction of new renewable power plant.

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 2015-2017, 5.15, 7.68, and 7.53 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 27 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.

Transition and milestone development

Major developments of the Company During the past period Details are as follows.

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 Suksawatwith 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.
- ReceivedISO 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 ElectricIndustries S.A., France, in manufacturing low-pressure type-tested switchboard --- BLOKSET--- guaranteed by the standard of imported products.

2005

- Added 20.00 million Baht registered capital to the previous 30.00 million Baht capital --- 50.00 million Baht in total --- by issuing 200,000ordinary shares, valued100 Baht each, to the original shareholders as working capital.
- Obtained license from Schneider ElectricIndustries S.A., France, in manufacturing medium-pressure type-tested switchboards, NEX 17.5 kV and NEX 24 kV, guaranteed by the standard of imported products.

2006

- Added 30.00 million Baht registered capital to the previous 50.00 million Baht capital --- 80.00 million Baht in total --- by issuing 300,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.

2007

- Rented the third factory in Bangkhunthien with 2,976 sq.m. of utility area for increasing switchboard production capacity.
- Added 80.00 million Baht registered capital to the previous 80.00 million Baht capital --- 160.00 million Baht in total --- by issuing 800,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
- Restructured the Company by purchasing shares of similar 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 — By Pass (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 acres of land located at Khokkrabue 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.



Transition and milestone development in 2017

- The signing of the Letter of Intent with Nawarat Pattanakarn Public Company Limited with the purpose to enter into the construction contract to build runways, taxiways, and aprons as well as other constructions at Betong Airport on March 15, 2017.
- Entering into an AE Consortium joint venture agreement with Enova Automation Company Limited with the purpose to procure and install the electrical distribution system together with equipment as well as other related operation at Bangkhen Water Treatment Plant, Metropolitan Waterworks Authority, on June 27, 2017.
- Entering into a joint venture agreement to establish Asefa and UMI Joint Venture with UMI Engineering Company Limited to specifically co-invest in the project aimed at modifying and enhancing the central air conditioning system at Building 3 of the Headquarter of Provincial Electricity Authority, on September 7, 2017.
- Entering into an AQ Consortium joint venture agreement with Quintus Advanced Products with the purpose to modify the airport runway lighting system at Buriram Airport on December 21, 2017.

Major Shareholders

Top 10 major shareholders of book closing date, December 29, 2017 as bellows:

Item	Shareholders	Number of shares hold	Percentage
1	Ungkanakornkul Group		
	1.1 Mr. Phaiboon Ungkanakornkul	173,560,000	31.56
	1.2 Ms. Wantana Thanwiset*	26,440,000	4.81
	1.3 Ms. Pornthip Ungkanakornkul	20,549,200	3.74
	1.4 Ms. Pornsuda Ungkanakornkul	182,200	0.03
	Total shares held by Ungkanakornkul Group	220,731,400	40.13
2	Mr. Pornchai Uraisin	59,386,000	10.80
3	Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78
4	Mr. Chairat Tangtivaja	58,780,000	10.69
5	FWD Life Insurance Public Company Limited	14,549,600	2.65
6	N.C.B. TRUST LIMITED-POHJOLA BANK PLC CLIENT A/C EUR	6,397,500	1.16
7	Thai NVDR Company Limited	5,196,830	0.94
8	MR. ALFRED RUSSELL JENTES	4,875,000	0.89
9	Mr. Amnaj Ruksawad	3,050,000	0.55
10	GOLDMAN SACHS INTERNATIONAL	2,000,000	0.36
	Total	434,246,330	78.95

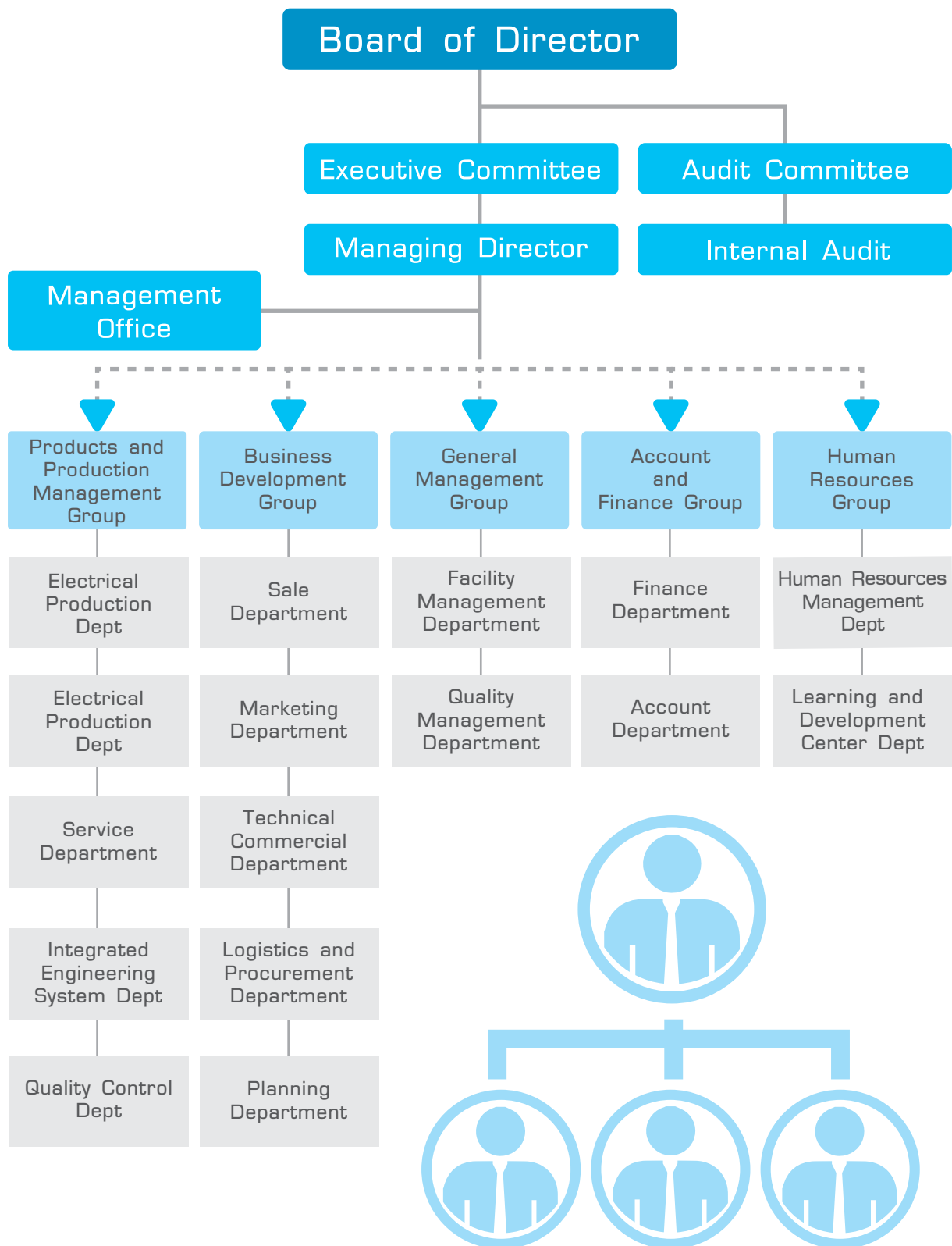
Source: The Thailand Securities Depository Co., Ltd.

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

Limitation of foreign shareholders

The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of December 29, 2017, the foreign shareholders held 2.42 percent of total shares.

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.

The Board of Directors

The Board of Directors as of December 31st, 2017, there are 7 persons. comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Chairman / Independent Director	April 25 th , 2017
2. Mr. Phaiboon Ungkanakornkul	Director	March 17 th , 2015
3. Mr. Chairat Tangtivaja	Director	April 25 th , 2017
4. Mr. Sa-Ngeam Klomchitcharoen	Director	April 26 th , 2016
5. Mr. Pornchai Uraisin	Director	April 26 th , 2016
6. Asst. Prof. Prasit Pittayapat	Independent Director	April 26 th , 2016
7. Mr. Suphan Settapanich	Independent Director	March 17 th , 2015

Mr. Pichai Panchan is a Company Secretary.

The Composition of the Board of Directors

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) and each Director is to serve a three-year term. The composition and qualifications of the Board of Directors are as follows, according to the Company's regulations and Good Corporate Governance Principles.

Authorized Directors

According to ASEFA's Articles of Association and Certification of Incorporation from the Department of Business Development of the Ministry of Commerce as of March 18th, 2015 the names of authorized signatory Director (s) are as follows: **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)	
	2016	2017
1. Mr. Soracit Phungsuk	6/6	5/5
2. Mr. Phaiboon Ungkanakornkul	6/6	5/5
3. Mr. Chairat Tangtivaja	6/6	5/5
4. Mr. Sa-Ngeam Klomchitcharoen	6/6	5/5
5. Mr. Pornchai Uraisin	6/6	5/5
6. Asst. Prof. Prasit Pittayapat	6/6	5/5
7. Mr. Suphan Settapanich	6/6	5/5

The Audit Committee

The Audit Committee as of December 31st, 2017, there are 3 persons comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Chairman	April 25 th , 2017
2. Asst. Prof. Prasit Pittayapat	Audit Committee	April 26 th , 2016
3. Mr. Suphan Settapanich *	Audit Committee	March 17 th , 2015

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

The Audit Committee shall be comprised of Directors serving on the Board, at least three (3) of whom shall be Independent Directors. Each Director shall serve at three-year term unless their term of directorship on the Board ends, or they resign or are removed from position. Directors to the Audit Committee whose term ends may be re-appointed by the Board. Each Director's qualifications, duties and responsibilities shall be in line with the criteria set forth by the Securities and Exchange Commission. Their scope of work shall be as defined by the Capital Market Commission.

The Audit Committee's meeting

Name	Attended (Times)	
	2016	2017
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

The Board of Management as of December 31st, 2017, there are 6 persons comprises of the following members:

Name	Position
1. Mr.PhaiboonUngkanakornkul	Chairman
2. Mr.Utom Srathong	Director
3. Mr.BoontherdThongsamrit	Director
4. Mr.BurinPhraemongkol	Director
5. Mr.ChoosakSukhathammoo	Director
6. Mr.Sanya Chindaphan	Director

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

Management

The Management as of December 31st, 2017, there are 6 persons comprises of the following members:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Managing Director and Acting Human Resources Manager
2. Mr. Utorn Srathong	Asst.Managing Director, act for Quality Management System.
3. Mr. Boontherd Thongsamrit	Asst.Managing Director - Production Dept. - Technical Commercial Dept.
4. Mr. Burin Phraemongkol	Senior Department Manager - Planning Dept.
5. Mr. Choosak Sukhathammoo	Senior Department Manager - Sales & Marketing Dept.
6. 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 can bring experience ability to develop policy and business direction effectively of the Company, that is the benefits to the company and shareholders. The board of 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 follows:

- 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 response 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 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 include an assessment of the adequacy of the internal control system. Review of Audit Committee Charter And the audit committee's charter annually, in line with current risks and circumstances. Monitoring, management and risk control Corruption With the observation. The Board of Directors is responsible for overseeing the Company's operations. To monitor the management to speed up the performance of the issues identified by internal auditors.

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 sand 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 an 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 here under, 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



Board of Management



Mr. Phaiboon Ungkanakornkul

Chairman of the Executive Board
In charge of Human Resources
Management Department



Mr. Utorn Srathong

Assistant Managing Director



Mr. Boontherd Thongsumrit

Assistant Managing Director



Mr. Burin Phraemongkol

Senior Department Manager
Planning Department



Mr. Choosak Sukhathammoo

Senior Department Manager
Sales Department



Mr. Sanya Chindaphan

Department Manager
Accounting Department

The Board of Directors and Management



Mr. Soracit Phungsuk

Position:	- Chairman - Chairman of the Audit Committee - Independent Director
Age	70
Qualifications and training history:	Bachelor of Electrical Engineering (Power), Far Eastern University, Philippines Directors Accreditation Program (DAP) 68/2008
Ratio of the Company's Shares Held (29/12/60):	0.11
Familial Relationship with the Directors:	-

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2007 - Present	Chairman	Asefa Public Company Limited	manufacturer and distributor of switchboards
2000 - Present	Chairman	Sunco Engineering Company Limited	repairs large electrical equipment



Mr. Phaiboon Ungkanakornkul

Position:	- Director - Chairman of the Executive Board - Managing Director
Age	50
Qualifications and training history:	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 Director Certification Program (DCP) 250/2017, Thai Institute of Directors (IOD)
Ratio of the Company's Shares Held (29/12/60):	31.56
Familial Relationship with the Directors:	-

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2017 - Present	In charge of Human Resources Management Department	Asefa Public Company Limited	manufacturer and distributor of Switchboards
1997 - Present	Chairman/Chairman of the Executive Board/ Managing Director	Asefa Public Company Limited	manufacturer and distributor of Switchboards
1999 - Present	Director	Varitek Company Limited	distributor of electrical equipment
2006 - 2015	Director	Lighting Mart Company Limited	manufacturer and distributor of luminaires
2005 - 2015	Director	Fireman Corporation Company Limited	distributor of safety equipment



Mr. Chairat Tangtivaja

Position:	Director
Age	52
Qualifications and training history:	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 (29/12/60):	10.69
Familial Relationship with the Directors:	-

Work experience within the last 5 years

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



Mr. Sa-Ngeam Klomchitcharoen

Position:	Director		
Age	51		
Qualifications and training history:	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 (29/12/60):	10.78		
Familial Relationship with the Directors:	-		
Work experience within the last 5 years			
Period	Position	Company's Title	Business Type
1997 - Present	Director	Asefa Public Company Limited	manufacturer and distributor of switchboard
2005 - Present	Director	Fireman Corporation Company Limited	distributor of safety equipment
1999 - Present	Director	Varitek Company Limited	distributor of electrical equipment
1995 - Present	Director	Enginar Company Limited	distributes and installs electrical equipment
2006 - 2015	Director	Lighting Mart Company Limited	manufacturer and distributor of luminaires



Mr. Pornchai Uraisin

Position:	Director		
Age	54		
Qualifications and training history:	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 (29/12/60):	10.80		
Familial Relationship with the Directors:	-		
Work experience within the last 5 years			
Period	Position	Company's Title	Business Type
1997 - Present	Director	Asefa Public Company Limited	- manufacturer and distributor of switchboards



Asst. Prof. Prasit Pittayapat

Position:	Audit Committee Director and Independent Director		
Age	76		
Qualifications and training history:	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 (29/12/60):	0.07		
Familial Relationship with the Directors:	-		
Work experience within the last 5 years			
Period	Position	Company's Title	Business Type
2007 - Present	Audit Committee	Asefa Public Company Limited	manufacturer and distributor of switchboards
2011 - Present	Chairman	PP&P Design Company Limited	designs engineering system
1968 - Present	Chairman	Multi System Engineering Company Limited	designs electrical engineering system



Mr. Suphan Settapanich

Position:	Audit Committee Director and Independent Director
Age	45
Qualifications and training history:	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 (29/12/60):	-
Familial Relationship with the Directors:	-
Work experience within the last 5 years	

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



Mr. Utorn Srathong

Position:	Assistant Managing Director
Age	52
Qualifications and training history:	M.B.A., Kasembundit University
	Bachelor of Engineering (Industrial Engineering), King Mongkut's University of Technology North Bangkok
	0.04
Ratio of the Company's Shares Held (29/12/60):	-
Familial Relationship with the Directors:	

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2017 - Present	Quality Management Department Manager	Asefa Public Company Limited	manufacturer and distributor of switchboards
2015 - Present	Assistant Managing Director	Asefa Public Company Limited	manufacturer and distributor of switchboards
2016 - 2017	In charge of Human Resources Management Department	Asefa Public Company Limited	manufacturer and distributor of switchboards
2013 - 2015	Department Manager, Building Management Department	Asefa Company Limited	manufacturer and distributor of switchboards
2011 - 2013	Human Resource Manager	Asefa Company Limited	manufacturer and distributor of switchboards
2008 - 2010	Metal Production Department	Asefa Company Limited	manufacturer and distributor of switchboards



Mr. Boontherd Thongsumrit

Position:	Assistant Managing Director
Age	47
Qualifications and training history:	Bachelor of Industrial Technology, Mechanical Technology Program, Siam University
Ratio of the Company's Shares Held (29/12/60):	0.04
Familial Relationship with the Directors:	-

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2017 - Present	Department Manager, Technical Commercial Department / Department Manager, Electrical Production Department	Asefa Public Company Limited	manufacturer and distributor of switchboards
2015 - Present	Assistant Managing Director Department Manager,	Asefa Public Company Limited	manufacturer and distributor of switchboards
2013 - 2015	Electrical Production Department Department Manager,	Asefa Company Limited	manufacturer and distributor of switchboards
2010 - 2013	Electrical Production Department	Asefa Company Limited	manufacturer and distributor of switchboards



Mr. Burin Phraemongkol

Position:	Senior Department Manager, Planning Department
Age	39
Qualifications and training history:	Bachelor of Business Administration (Industrial Management), University of the Thai Chamber of Commerce
Ratio of the Company's Shares Held (29/12/60):	0.03
Familial Relationship with the Directors:	-

Work experience within the last 5 years

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



Mr. Choosak Sukhathammoo

Position:	Senior Department Manager, Sales Department
Age	51
Qualifications and training history:	Bachelor of Marketing, Bangkok University
Ratio of the Company's Shares Held (29/12/60):	0.03
Familial Relationship with the Directors:	-

Work experience within the last 5 years

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



Mr. Sanya Chindaphan

Position:	Department Manager, Accounting Department
Age	38
Qualifications and training history:	Master Degree of Accounting, Mahanakorn University of Technology Bachelor of Accountancy, Southeast Asia University
Ratio of the Company's Shares Held (29/12/60):	0.02
Familial Relationship with the Directors:	-

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2015 - Present	Accounting Department Manager	Asefa Public Company Limited	manufacturer and distributor of switchboards
2014 - 2015	Devison Manager, Account Department	Asefa Company Limited	manufacturer and distributor of switchboards
2012 - 2014	Account Devison Manager	Asefa Company Limited	manufacturer and distributor of switchboards
2007 - 2012	Account Devison Manager	Varitek Company Limited	distributor of electrical equipment

Shareholding of the Board of Director and Management

Name	Position	Ordinary shares December 29, 2017
1. Mr. Soracit Phungsuk	Independent Director / Chairman	600,000
2. Mr. Phaiboon Ungkanakornkul	Director	173,560,000
3. Mr. Pornchai Uraisin	Director	59,386,000
4. Mr. Sa-Ngeam Klomchitcharoen	Director	59,280,000
5. Mr. Chairat Tangtivaja	Director	58,780,000
6. Asst. Prof. Prasit Pittayapat	Independent Director / Director	400,000
7. Mr. Suphan Settapanich	Independent Director / Director	-
8. Mr. Uton Srathong	Director of Management	220,000
9. Mr. Boontherd Thongsamrit	Director of Management	220,000
10. Mr. Choosak Sukhathammoo	Director of Management	200,000
11. Mr. Burin Phraemongkol	Director of Management	190,000
12. Mr. Sanya Chindaphan	Director of Management	145,000

Shareholding Changes of the Directors and Management

Name	Ordinary shares December 29, 2017	Ordinary shares December 30, 2016
1. Mr. Soracit Phungsuk	600,000	600,000
2. Mr. Phaiboon Ungkanakornkul	173,560,000	173,560,000
3. Mr. Pornchai Uraisin	59,386,000	59,300,000
4. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	59,280,000
5. Mr. Chairat Tangtivaja	58,780,000	58,780,000
6. Asst. Prof. Prasit Pittayapat	400,000	400,000
7. Mr. Suphan Settapanich	-	-
8. Mr. Uton Srathong	220,000	220,000
9. Mr. Boontherd Thongsamrit	220,000	220,000
10. Mr. Choosak Sukhathammoo	200,000	100,000
11. Mr. Burin Phraemongkol	190,000	190,000
12. 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 2017, on April 25, 2017 was voted for the Board of Directors as follows:

Position	Monthly Compensation Year 2016 (Baht)	Monthly Compensation Year 2017 (Baht)
Chairman	30,000.00	30,000.00
Director (per person)	20,000.00	20,000.00
Audit Committee (per person)	20,000.00	20,000.00

The Remunerations for the Board of Directors Year 2016 – 2017 are as follows:

Name	Number of meetings attended/Total number of meetings Year 2016	Compensation Year 2016 (Baht)	Number of meetings attended/Total number of meetings Year 2017	Compensation Year 2017 (Baht)
1. Mr. Soracit Phungsuk	6/6	315,000.00	5/5	360,000.00
2. Mr. Phaiboon Ungkanakornkul	6/6	210,000.00	5/5	240,000.00
3. Mr. Chairat Tangtivateja	6/6	210,000.00	5/5	240,000.00
4. Mr. Sa-Ngeam Klomchitcharoen	6/6	210,000.00	5/5	240,000.00
5. Mr. Pornchai Uraisin	6/6	210,000.00	5/5	240,000.00
6. Asst. Prof. Prasit Pittayapat	6/6	210,000.00	5/5	240,000.00
7. Mr. Suphan Settapanich	6/6	210,000.00	5/5	240,000.00
Total		1,575,000.00		1,800,000.00

Management's Remunerations

In 2016 and 2017, the remunerations paid to the management by the Company were 18.55 million Baht and 16.30 million Baht, respectively, including salaries, bonuses, payments to provident fund, and other benefits.

Year	Number of Management (people)	Remuneration in cash (Baht)
2016	7	18,553,590.00
2017	6	16,303,260.00

Other remunerations

None

Personnel

Number of employees

As of December 31, 2016 and December 31, 2017: The company has employees 1,213 and 1,150 employees, respectively. The list is detailed as belows (excluding 6 directors in Management):

Division	Number of (people)	
	Year 2016	Year 2017
1. Management Office	14	15
2. Products and Production Management Group	760	683
3. Business Development Group	324	333
4. General Management Group	36	36
5. Account and Finance Group	30	31
6. Human Resources Group	49	52
Total	1,213	1,150

Employees' Remunerations

Monetary Remuneration

In 2016 and 2017, the company paid remuneration to employees (excluding executive directors) 390.22 million Baht and 405.73 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 9001:2015. 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. 1/2018 on February 20th, 2018 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 5 aspects:

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

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

Internal Control-Related Performance

The Company has the Audit Committee perform the duty of checking to ensure that the Company has proper and effective internal control systems and internal audits, including the company's performance to ensure compliance with the laws governing securities and stock exchanges, the specifications set forth by the Stock Exchange of Thailand and laws related to the Company's businesses. The Audit Committee will hold meetings at least once every quarter in order to consider and take steps toward ensuring the compilation of accurate financial reports with complete and sufficient disclosure, including the consideration of related transactions or transactions with potential conflicts of interest to ensure compliance with the law and the specifications set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand. Auditors are present at the meetings in order to observe based on the Company's audits. To ensure that the Company has effective internal control systems, the company has hired 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 2017, Dharmniti Internal Audit Co., Ltd., which is an Independent Internal Audit Firm, examined and tracked several management systems, which 4 quarters, including, Procurement control, Warehouse control, Payroll and employee benefits and income controls, including giving some advices to the Company for improving check and balance in every Performance Systems which it would help develop the quality of Internal Control Systems continually and cause the Company to have good governance system. The Company has operated in solving issues as 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 2016 - 2017 as follows:

In 2016, the Company's Auditor informed in the Board of Directors meeting session 1/2017 on February 17th, 2017 that after examining financial statements for the year ended December 31st, 2016, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

In 2017, the Company's Auditor informed in the Board of Directors meeting session 1/2018 on February 20th, 2018 that after examining financial statements for the year ended December 31st, 2017, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

The Audit Committee Report

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

The scope for the key duties and responsibilities according to the Audit Committee Charter is to care for the Company's financial reports in compliance with generally accepted accounting standards and principles for checking the company's operations to ensure compliance with good governance principles with an efficient internal control system in compliance with related specifications and laws, and supervision of cases involving potential conflicts of interest between the Company and associated individuals. In 2017, the Audit Committee held a total of four meetings

1. The Audit Committee has examined the quarterly financial statements and the financial statement for 2017 with the management and accounting auditors in order to assure that the company's financial reports have been prepared accurately in accordance with Thai Financial Report Standards (TFRSs) 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 2017 discover no indication of fraud, risk issues and no errors in terms of key internal controls. Also consider approving the internal audit plan for 2018.
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 2018, and nominate Mr. Yuttapong Chuamuangpan CPA License No.9445 and/ or Mr. Atipong Atipongsakul CPA License No.3500 and/ or Mr. Vichai Ruchitanont CPA License No.4054 and/ or Mr. Sathien Vongsnan CPA License No.3495 and/ or Ms. Kultida Pasurakul CPA License No.5946 from ANS Audit Co., Ltd as the company's accounting auditors, which compensation are stipulated 1,830,000 Baht in total, to be proposed to for the approval of the shareholders' general meeting. The Audit Committee has meticulously performed duties with prudence and independence including expressed opinions straightforwardly with no limitations in receiving information with good cooperation from the company, and also committed to good governance concurrent according to the principles of the Stock Exchange of Thailand in order to assure transparency and ethics to build confidence among shareholders, investors, customers, and all related parties.

Internal Audit Supervisor and Work Control Supervisor

The Company has outsourced external firm which is 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 25th, 2016 and Dharmniti Internal Audit Co., Ltd. has assigned Ms. Korakot Wanasawat to perform duty as Internal Audit Supervisor which 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, consideration, approval, appointment, deprivation, and transfer the one who holds a position of Internal Audit Supervisor in the Company must be permitted (or must be approved) by the Audit Committee first.

Related Transaction

Relationship

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

Person With Potential Conflict of Interest	Type of Relationship																													
Enginar Co., Ltd. (“ENG”) The distributor of electrical equipment, air conditioning and electrical installation. - ATS (Automatic Transfer Switch) brand ASCO in Emerson Industrial Automation Group, which is a high-quality Double Throw that can have uninterrupted power supply during power failure. Lasting longer than the typical ATS, ATS has higher cost more than other brands, so it is for a quite specific customer who only uses ATS's ASCO. - Clipsal - Bus lighting System, Driver computerized lighting system. - Cirpark System, navigation system for parking - Room Control Unit System (RCU) Control temperature and lighting system in the room.	- Has Director together: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klom-chitcharoen - Shareholders together <table><tr><th rowspan="2">Shareholders</th><th colspan="2">ASEFA</th><th colspan="2">ENG</th></tr><tr><th>share</th><th>%</th><th>share</th><th>%</th></tr><tr><td>1. Mr. Phaiboon Ungkanakornkul*</td><td>220,731,400</td><td>40.13</td><td>2,500</td><td>5.00</td></tr><tr><td>2. Mr. Pornchai Uraisin</td><td>59,386,000</td><td>10.80</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>22,000</td><td>44.00</td></tr><tr><td>4. Mr. Chairat Tangtivaja</td><td>58,780,000</td><td>10.69</td><td>22,000</td><td>44.00</td></tr></table> * Total holding of the person concerned <u>Note</u> Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen and Mr. Pornchai Uraisin confirmed to the Company that he will not engage in any business that has the same nature and not engage in competition company, also not be a partner, a shareholder or a director in other companies that has the same nature with the Company.	Shareholders	ASEFA		ENG		share	%	share	%	1. Mr. Phaiboon Ungkanakornkul*	220,731,400	40.13	2,500	5.00	2. Mr. Pornchai Uraisin	59,386,000	10.80	2,500	5.00	3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	22,000	44.00	4. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00
Shareholders	ASEFA		ENG																											
	share	%	share	%																										
1. Mr. Phaiboon Ungkanakornkul*	220,731,400	40.13	2,500	5.00																										
2. Mr. Pornchai Uraisin	59,386,000	10.80	2,500	5.00																										
3. Mr. Sa-Ngeam Klomchitcharoen	59,280,000	10.78	22,000	44.00																										
4. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00																										
Varitek Co., Ltd. (VAR)	- Operate a business as a distributor of equipment in electrical, water supply, and air-conditioned systems, by the Company holding 99.99% of the shares. At present, the registered of capital is 15 million baht.																													
Asefa-Suntech Joint Venture	- A joint venture company with Suntech Engineering Co., Ltd. The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 2 million baht 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.																													

Person With Potential Conflict of Interest	Type of Relationship
Asefa and VARS Joint Venture	- A joint venture between the company and VARS Company Limited, The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 2 million baht. 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.
Asefa and UMI Joint Venture	- A joint venture between the company and UMI Engineering Co., Ltd., The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 1 million baht. The purpose to operate and improve the air conditioning system, Central Building 3 of the Provincial Electricity Authority (PEA) Headquarters.
Mr. Phaiboon Ungkanakornkul	- Being in charge of Director, Board of Management and Managing director positions. - Shareholder of 220,731,400 shares (Total holding of the person con-cerned.), percentage 40.13 of the number of shares sold of the Company at December 29 th , 2017.
Mr. Sa-Ngeam Klomchitcharoen	- Being in charge of Director. - Shareholder 59,280,000 shares, percentage 10.78 of the number of shares sold of the Company at December 29 th , 2017.
Mr. Chairat Tangtivaja	- Being in charge of Director. - Shareholder 58,780,000 shares, percentage 10.69 of the number of shares sold of the Company at December 29 th , 2017.

Related Transaction Details

In 2016 - 2017, the Company carried out transactions with individuals who might have potential conflicts of interest with the following transaction details:

(1) Goods Transactions

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2016	2017	
Enginar Co., Ltd. ("ENG")	Goods sale	0.88	0.87	The Company sold switchboard (structure) and electrical equipment to ENG that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.
	Trade Accounts Receivable	0.67	-	

(2) Other Revenue

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2016	2017	
Asefa Suntech Joint Venture	Management fee Income	1.56	1.56	The Company charges a management fee from joint ventures due to the company's employees had to work on projects Bang Pakong Combined Cycle Power Plant. The compensation of the Company's employees is calculated from salaries, allowances, overtime and travel expenses. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Management fee Receivable	0.14	0.29	

(3) Goods and Service Purchase Transactions

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2016	2017	
Varitek Co., Ltd. (VAR)	Buy Goods	0.005	-	Bought property use in the business of the Company that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned buy of goods and services transaction is one of the company's normal and valid trading types.
	Buy property	0.32	-	
Enginar Co., Ltd. ("ENG")	Buy Goods	7.20	27.85	Bought automatic transfer switch brand ASCO from ENG, who is the major distributors, according to customer's needs. Due to ATS brand ASCO has higher price, the company will buy it according to customer's spec only that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Trade Accounts Payable	1.60	2.65	
Asefa Suntech Joint Venture	Buy property	0.10	-	Bought fixed asset and other equipment use in the business of the Company that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
	Buy Goods	0.08	0.10	
	Other expenses	0.01	-	

(4) Loans

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2016	2017	
Asefa Suntech Joint Venture	Balance, beginning of period	229.00	161.00	In 2014, the company has provided a loan to the Asefa Suntech Joint Venture to a turnover in the operation. In 2016 and 2017 the interest rate is 5 percent per year, a rate that is close to market rates.
	<u>Loan</u> during the period	-	-	
	<u>Repayment</u> during the period period	68.00	72.00	
	<u>Allowance</u> during the period	8.50	17.01	The Audit Committee has considered the issue and holds the view that The transaction is appropriate and beneficial to the Company. The joint venture will result in increased revenues, earnings and business prospects of the company.
	Balance at the end of period	152.50	71.99	
	Interest received	10.58	5.18	
	Accrued interest received	1.75	0.74	
Asefa and VARS Joint Venture	Balance, beginning of period	-	-	In 2017, the company has provided a loan to the Asefa and VARS Joint Venture to a turnover in the operation. The interest rate is 5 percent per year, a rate that is close to market rates.
	<u>Loan</u> during the period	-	55.00	
	<u>Repayment</u> during the period period	-	20.00	
	<u>Allowance</u> during the period	-	-	The Audit Committee has considered the issue and holds the view that The transaction is appropriate and beneficial to the Company. The joint venture will result in increased revenues, earnings and business prospects of the company.
	Balance at the end of period	-	35.00	
	Interest received	-	0.88	
	Accrued interest received	-	-	

(5) The list of secured leasing

Persons/Corporation With Potential Conflicts of Interest	Value/ Outstanding (Million Baht)		Necessity and Validity of Related Transactions
	2016	2017	
Mr. Phaiboon Ungkanakornkul	Limit 15.75	Limit 15.75	Mr. Phaiboon Ungkanakornkul had made a personal guarantee for the lease of machinery and motor vehicles without consideration of the guarantees. The Audit Committee has considered the issue and holds the view that guarantees of Mr. Phaiboon are appropriate and due to the need to bring benefits to the company.
	Outstanding balance 2.91	Outstanding balance 0.12	
Mr. Chairat Tangtivaja	Limit 18.21	Limit 18.21	Mr. Chairat Tangtivaja had made a personal guarantee for the lease of machinery and motor vehicles without consideration of the guarantees. The Audit Committee has considered the issue and holds the view that guarantees of Mr. Chairat are appropriate and due to the need to bring benefits to the company.
	Outstanding balance 4.17	Outstanding balance 0.12	

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

Future Trends for Related Transactions

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

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

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

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



(Mr. Soracit Phungsuk)
Chairman



(Mr. Phaiboon Ungkanakornkul)
Chairman of the Executive Board
and Managing Director

Report of the Audit Committee

To: Shareholder of ASEFA Public Company Limited

The Audit Committee of Asefa Public Company Limited consists of 3 independent qualified directors, one of which is knowledgeable and experienced in accountancy, namely Mr. Soracit Phungsuk, as the Chairman of the Audit Committee, Asst. Prof. Prasit Pittayapat and Mr. Suphan Settapanich as members of the Audit Committee. During 2017, 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 2017, the Audit Committee held a total of 4 meetings and regularly reported the summaries to the Company's Board of Directors in every quarter. The attendance of Audit Committee member is as follows:

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

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

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

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

In 2017, the Audit Committee held a total of 4 meetings and consulted related issues with executives and external and internal auditors. The work duties can be summarized as follows:

1. Review the financial statements. The Audit Committee thoroughly reviewed the quarterly, annual, and consolidated financial statements of 2017 of Asefa Public Company Limited and found that the reports of

the Company and its subsidiaries were prepared accurately and according to the generally accepted accounting standards. The review on important issues and particular transactions has been clarified by the auditors and director of the auditing institute, so it is guaranteed that the financial statement, including the financial disclosure, is within the laws and financial reporting standards. Therefore, the Committee has expressed approvals to the said financial statement that has been reviewed and audited by the auditors transparently and thoroughly. Moreover, the Audit Committee has convened a meeting with the auditors without intervention of the executive branch of the Company, so the consultation as well as the transfer of information on auditing reports—consisting of the important details of financial statement reporting and disclosure, which were in conformance with the financial reporting standards and beneficial to the users of the financial statement, of the irrelevant issues related to the audit and of the auditors' consideration of scope and plans in annual auditing—were conducted independently. In 2017, however, the auditors do not express any urgent concerns regarding the statements.

2. Review the efficiency of the internal control. According to the internal control review of the Company as specified by the internal control sufficiency evaluation conducted by the Management as required by the Securities and Exchange Commission, and according to the auditing results from the internal audit agency and auditors, there are no significant issues or deficiencies that could impact the Company. Moreover, the Management has also improved and moderated the operation as suggested by the Audit Committee, auditors, and internal audit agency, meaning that the Company has paid special attention on internal control and been capable of building confidence, reasonably guaranteeing that the Company has sufficient and efficient internal control.

3. Monitor the internal control operation. The Audit Committee reviews the Audit Committee Charter as well as the charter of the auditing agency every year to make sure they are updated to the current risks and situations. Moreover, the Committee has reviewed and studied the auditing plan, including the management and risk control as well as corruption. The Committee then provided the notes and proposed them to the Board in order for the Company to follow up on the issues by urging the Management to improve its operation according to what the internal auditor suggested.

4. Review the process in line with the law related to securities and stock exchange and regulations of the Stock Exchange as well as related laws relevant to the Company's business operation. The Audit Committee has consistently reviewed the Company's business operation in order to guarantee that the Company has followed the laws related to securities and stock exchange, regulations of the Stock Exchange of Thailand, and laws related to the Company's business operation. As a result, the Committee expressed its opinion that the Company has sufficiently followed the laws and regulations as mentioned above. Furthermore, the Committee has not received any reports from the auditors, nor complaints from the third party, nor any disclosure from the Management that could compromise the Company's integrity in following the laws. This means that the Management has also been regularly informed of the details of the Securities and Exchange Act and related laws and reports.

5. Review the related transactions and the potential conflict of interest in line with the laws and regulations of the Stock Exchange.

The Audit Committee considered the financial transaction reporting and the disclosure of related transaction in the notes of the quarterly and annual financial statement. The Committee has independently expressed its opinion on the transactions related to the obtained-and-distributed assets of the Company that were used as investment in important projects of the Company and its subsidiaries.

6. 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 2018, by comparing the ANS auditors' qualifications, work performance, fees and services with other companies. The Company's Board of Directors is advised to propose in the shareholders' meeting the following names --- Mr. Yuttapong Chuamuangpan, auditor with licensing number 9445, or Mr. Atipong Atipongsakul, auditor with licensing number 3500, Mr. Vichai Ruchitanont, auditor with licensing number 4054, Mr. Sathien Vongsnan, auditor with licensing number 3495, and Ms.Kultida Pasurakul, auditor with licensing number 5946, of ANS Audit Co., Ltd. --- as the auditors of the Company and its subsidiaries in 2018, with the fees of 1,830,000 Bath that will also cover the Company's subsidiaries. The auditors, however, are not the former auditors that took responsibility in reviewing, auditing and expressing opinions on the Company's finance in the 5 consecutive accounting periods.

7. Disclose the Audit Committee Report. The Audit Committee had supplemented the Audit Committee Report to the annual report.

8. Other necessary tasks assigned by the Board of Directors with the Audit Committee's approval.

The Audit Committee has evaluated and agreed that the Company prepared and disclosed the information in the financial statement with reliability and congruity. The efficient internal control system is likely to improve the Company towards the more sustainable management. The operation of the Audit Committee in 2017 was met with positive collaboration from the Board of Directors, managers, and auditors as well as other related parties, so the Committee would like to express gratitude towards them henceforth.



(Mr. Soracit Phungsuk)

Chairman of the Audit Committee

Financial Status and Operational Results

1. Financial Status and Operational Results

Audit Report Summary

(A) 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 31st, 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.

(B) 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 31st, 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.

(C) 2017 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 31st, 2017, 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	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	37.62	1.67	53.66	2.37	92.10	3.94
Trade and other receivables - net	564.67	25.01	582.00	25.74	627.86	26.86
Unbilled receivables	-	-	56.75	2.51	34.07	1.46
Short-term loan to related party-net	229.00	10.14	152.50	6.74	106.99	4.58
Inventories - net	642.96	28.48	598.16	26.45	678.81	29.03
Non-current assets held for sale	-	-	8.38	0.37	-	-
Total current assets	1,474.25	65.31	1,451.45	64.18	1,539.83	65.87
Non-current Assets						
Restricted deposits at financial institutions	127.02	5.63	94.56	4.18	68.32	2.92
Deposit of land	-	-	3.00	0.13	-	-
Retention	-	-	5.83	0.26	5.01	0.21
Investments in subsidiaries - net	31.85	1.41	16.85	0.75	16.85	0.72
Investment property - net	2.30	0.10	2.08	0.09	1.87	0.08
Property, plant and equipment - net	602.07	26.67	667.22	29.50	677.28	28.98
Intangible assets - net	4.31	0.19	6.67	0.29	8.31	0.36
Deferred tax assets	14.68	0.65	13.39	0.59	18.31	0.78
Other non-current assets	0.88	0.04	0.58	0.03	1.94	0.08
Total non-current assets	783.11	34.69	810.18	35.82	797.89	34.13
Total assets	2,257.36	100.00	2,261.63	100.00	2,337.72	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	251.42	11.14	189.82	8.39	0.01	0.00
Trade and other payables	586.93	26.00	499.42	22.08	776.38	33.22
Current portion of liabilities under financial lease agreements	6.24	0.28	4.54	0.20	0.69	0.03
Current portion of long-term loans from financial institutions	26.20	1.16	26.20	1.16	10.72	0.46
Accrued income tax	23.54	1.04	34.27	1.52	26.50	1.13
Total current liabilities	894.33	39.62	754.25	33.35	814.30	34.83
Non-Current Liabilities						
Liabilities under financial lease agreements - net	6.01	0.27	0.94	0.04	0.25	0.01
Long-term loans from financial institutions - net	91.24	4.04	59.74	2.64	8.58	0.37
Provision for long-term employee benefit	6.02	0.27	12.04	0.53	16.42	0.70
Deferred tax liabilities	3.01	0.13	-	-	-	-
Non-current liabilities	0.27	0.01	0.18	0.01	0.09	0.00
Total non-current liabilities	106.56	4.72	72.90	3.22	25.34	1.08
Total liabilities	1,000.89	44.34	827.15	36.57	839.64	35.92
Shareholders' Equity						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		550.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	24.36	550.00	24.32	550.00	23.53
Premiums on ordinary shares	386.70	17.13	386.70	17.10	386.70	16.54
Retained earnings						
Appropriated						
Legal reserve	50.61	2.24	55.00	2.43	55.00	2.35
Unappropriated	269.16	11.92	442.78	19.58	506.38	21.66
Total shareholders' equity	1,256.47	55.66	1,434.48	63.43	1,498.08	64.08
Total liabilities and shareholders' equity	2,257.36	100.00	2,261.63	100.00	2,337.72	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,373.09	98.66	2,717.43	99.11	2,650.09	99.40
Other income	32.24	1.34	24.40	0.89	16.07	0.60
Total revenues	2,405.33	100.00	2,741.83	100.00	2,666.16	100.00
Expenses						
Costs of sales and service	1,826.58	75.94	2,013.34	73.43	2,010.22	75.40
Selling expenses	178.53	7.42	219.27	8.00	199.50	7.48
Administrative expenses	113.78	4.73	139.12	5.07	153.72	5.77
Total expenses	2,118.89	88.09	2,371.73	86.50	2,363.44	88.65
Profit before finance costs and income tax	286.44	11.91	370.10	13.50	302.72	11.35
Finance costs	28.83	1.20	9.37	0.34	5.03	0.19
Profit before income tax	257.61	10.71	360.73	13.16	297.69	11.16
Income tax expenses	45.50	1.89	69.63	2.54	56.65	2.12
Profit for the years	212.11	8.82	291.10	10.62	241.04	9.04
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.39		0.53		0.44	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.46		0.53		0.44	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2015	2016	2017
Cash Flows from Operating Activities:			
Profit before income tax	257.62	360.74	297.69
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities			
Depreciation and amortization	43.91	44.40	51.40
Reversal of allowance for doubtful accounts	(4.40)	(4.75)	(2.35)
Allowance for short-term loans to related party	-	8.50	8.51
Allowance for inventories devaluation	5.04	6.83	20.86
Allowance for impairment of investments in subsidiary	-	1.00	-
(Gain) Loss from disposal of asset	0.28	(0.56)	(1.12)
(Gain) Loss from disposal of investment in subsidiary	(0.39)	-	-
(Gain) Loss from disposal of non-current assets held for sale	-	-	(0.02)
Loss from disposal of intangible asset	-	-	0.00
Loss of land expropriation	-	0.18	-
Provision for long-term employee benefits	1.00	2.16	2.57
Interest expenses	28.83	9.37	5.03
Profit from operating activities before changes in operating assets and liabilities	331.89	427.87	382.57
Operating assets (increased) decreased			
Trade and other receivables	(121.64)	(47.46)	(41.36)
Unbilled receivables	-	(27.70)	22.68
Inventories	(168.65)	37.97	(101.51)
Other non-current assets	1.08	0.31	(1.36)
Operating liabilities increased (decreased)			
Trade and other payables	103.20	(85.53)	271.40
Other non-current liabilities	0.02	(0.09)	(0.09)
Cash provided (paid) by operating activities	145.90	305.37	532.33
Interest paid	(29.13)	(9.38)	(5.30)
Income tax paid	(32.24)	(59.85)	(68.97)
Net cash from (used in) operating activities	84.53	236.14	458.06
Cash Flows from Investing Activities:			
Restricted deposits at financial institution (increased) decreased	(30.32)	32.46	26.23
Cash received from short-term loans to related party	102.25	68.00	92.00
Cash payment for short-term loans to related party	(249.00)	-	(55.00)
Cash payment for land deposit	-	(3.00)	-
Cash payment for investment in subsidiary	-	(1.00)	-
Cash received from capital paying-back on investments in subsidiaries	-	15.00	-
Cash payment for acquisition of property, plant and equipment	(105.83)	(119.12)	(43.86)
Cash received from disposal of property, plant and equipment	0.43	1.76	2.00
Cash payment for acquisition of intangible asset	(3.54)	(4.32)	(4.02)
Net cash (used in) investing activities	286.00	10.22	17.35
Cash Flows from Financing Activities:			
Increase (decreased) in bank overdraft and short-term loans from financial institutions - net	(126.18)	(61.61)	(189.81)
Cash received from long-term loans from financial institutions	-	-	-
Cash repayments for long-term loans from financial institutions	(98.10)	(31.50)	(66.64)
Cash payments for liabilities under finance lease agreements	(9.22)	(6.77)	(4.53)
Cash received from increase common shares	555.00	-	-
Directly attributable expenses of the initial public offering	(18.30)	-	-
Dividend paid	(100.00)	(110.00)	(176.00)
Net cash from (used in) financing activities	203.20	(209.88)	(436.98)
Net cash and cash equivalents (increased) decreased	1.72	16.04	38.44
Cash and cash equivalents at the beginning of the years	35.90	37.62	53.66
Cash and cash equivalents at the end of the years	37.62	53.66	92.10

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2015	2016	2017
<u>Liquidity Ratio</u>				
Liquidity	(Times)	1.65	1.92	1.89
Quick Ratio	(Times)	0.67	0.84	0.88
Cash Flow Liquidity	(Times)	0.09	0.29	0.58
Trade Debtors' Circulation	(Times)	4.73	4.74	4.38
Mean Debt Collection Time	(Days)	77	77	83
Circulating Inventory	(Times)	3.26	3.24	3.15
Average Product Selling Time	(Days)	112	113	116
Creditors' Circulation	(Times)	3.42	3.71	3.15
Credit Term Debt Payment Time	(Days)	107	98	116
Cash Cycle	(Days)	83	91	83
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	23.03	25.91	24.15
Profit from Operating Activities	(%)	12.07	13.62	11.42
Cash per Profit	(%)	50.94	82.51	175.85
Net Profit	(%)	8.82	10.62	9.04
Return on Equity Shareholders' Returns (ROE)	(%)	22.76	21.64	16.44
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	14.41	16.38	13.16
Returns from Fixed Assets	(%)	45.07	52.03	44.04
Asset Circulation	(Times)	1.21	1.21	1.16
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.80	0.58	0.56
Interest Payment Ability	(Times)	9.94	39.49	60.11
Obligation Payment Ability (cash basis)	(Times)	0.27	0.88	1.55
Dividend Payment	(%)	51.86	60.46	73.02

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current assets						
Cash and cash equivalents	53.34	2.36	77.80	3.46	125.56	5.36
Temporary investment	18.00	0.80	-	-	-	-
Trade and other receivables - net	566.13	25.07	582.88	25.91	637.17	27.20
Unbilled receivables	-	-	56.75	2.52	60.15	2.57
Materials from the decommissioning a power plant - net	220.93	9.79	131.50	5.84	58.46	2.50
Inventories - net	642.96	28.48	598.16	26.58	678.81	28.98
Non-current assets held for sale	-	-	8.38	0.37	-	-
Total current assets	1,501.36	66.50	1,455.47	64.68	1,560.16	66.61
Non-current Assets						
Restricted deposits at financial institutions	127.02	5.63	94.56	4.20	68.32	2.92
Deposit of land	-	-	3.00	0.13	-	-
Retention	-	-	5.83	0.26	5.01	0.21
Investment property - net	2.30	0.10	2.08	0.09	1.87	0.08
Property, plant and equipment - net	604.04	26.75	668.02	29.68	677.73	28.94
Intangible assets - net	4.34	0.19	6.67	0.30	8.31	0.35
Deferred tax assets	16.83	0.75	14.16	0.63	18.92	0.81
Other non-current assets	1.88	0.08	0.58	0.03	1.95	0.08
Total non-current assets	756.40	33.50	794.90	35.32	782.11	33.39
Total assets	2,257.77	100.00	2,250.37	100.00	2,342.26	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	251.42	11.14	189.82	8.44	0.01	0.00
Trade and other payables	587.72	26.03	501.83	22.30	776.58	33.15
Current portion of liabilities under financial lease agreements	6.24	0.28	4.54	0.20	0.69	0.03
Current portion of long-term loans from financial institutions	26.20	1.16	26.20	1.16	10.72	0.46
Accrued income tax	23.54	1.04	34.27	1.52	27.21	1.16
Total current liabilities	895.12	39.65	756.66	33.62	815.21	34.80
Non-Current Liabilities						
Liabilities under financial lease agreements - net	6.01	0.27	0.94	0.04	0.25	0.01
Long-term loans from financial institutions - net	91.24	4.04	59.74	2.65	8.58	0.37
Provision for long-term employee benefit	6.02	0.27	12.04	0.54	16.42	0.70
Deferred tax liabilities	3.01	0.13	-	-	-	-
Non-current liabilities	0.27	0.01	0.18	0.01	2.15	0.09
Total non-current liabilities	106.56	4.72	72.90	3.24	27.40	1.17
Total liabilities	1,001.68	44.37	829.56	36.86	842.61	35.97
Shareholders' Equity						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		550.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	24.36	550.00	24.45	550.00	23.48
Premiums on ordinary shares	386.70	17.13	386.70	17.18	386.70	16.51
Discount on purchase of investments in subsidiaries - net	1.98	0.09	1.98	0.09	1.98	0.09
Retained earnings						
Appropriated						
Legal reserve	50.61	2.24	55.00	2.44	55.00	2.35
Unappropriated	267.23	11.84	437.98	19.46	513.92	21.94
Total shareholders' s equity attributable to owners of parent	1,256.52	55.65	1,431.67	63.62	1,507.61	64.37
Non-controlling interests	(0.43)	(0.02)	(10.85)	(0.48)	(7.95)	(0.34)
Total shareholders' equity	1,256.09	55.63	1,420.81	63.14	1,499.65	64.03
Total liabilities and shareholders' equity	2,257.77	100.00	2,250.37	100.00	2,342.26	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,549.60	99.47	2,799.63	99.48	2,808.26	99.67
Other income	13.57	0.53	14.58	0.52	9.33	0.33
Total revenues	2,563.17	100.00	2,814.21	100.00	2,817.59	100.00
Expenses						
Costs of sales and service	1,979.80	77.24	2,095.93	74.48	2,152.16	76.39
Selling expenses	178.54	6.97	220.86	7.85	199.55	7.08
Administrative expenses	124.63	4.86	140.23	4.98	146.04	5.18
Total expenses	2,282.97	89.07	2,457.02	87.31	2,497.75	88.65
Profit before finance costs and income tax	280.20	10.93	357.20	12.69	319.84	11.35
Finance costs	28.83	1.12	9.37	0.33	5.04	0.18
Profit before income tax	251.37	9.81	347.82	12.36	314.80	11.17
Income tax expenses	45.63	1.78	71.02	2.52	58.51	2.07
Profit for the years	205.74	8.03	276.81	9.84	256.29	9.10
Total comprehensive income for the years -Equity holders of the Company	206.75	8.07	288.23	10.24	253.38	8.99
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.37		0.50		0.46	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.45		0.52		0.46	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit : Million Baht)	2015	2016	2017
Cash Flows from Operating Activities:			
Profit before income tax	251.37	347.82	314.80
Adjustments to reconcile profit before income tax to cash			
Provided by (used in) operating activities			
Depreciation and amortization	44.50	44.86	51.76
Reversal of allowance for doubtful accounts	(6.56)	(6.52)	(3.12)
Allowance for inventories devaluation	9.19	14.34	20.86
(Gain) Loss from disposal of investment property	(0.40)	-	-
(Gain) Loss from disposal of asset	0.22	(1.07)	(1.12)
(Gain) Loss from disposal of non-current assets held for sale	-	-	(0.02)
(Gain) Loss from disposal of investment in subsidiary	1.19	-	-
Loss from disposal of intangible asset	-	0.02	0.00
Loss of land expropriation	-	0.18	-
Provision for long-term employee benefits	1.00	2.16	2.56
Interest expenses	28.83	9.37	5.03
Profit from operating activities before changes in operating assets and liabilities	329.34	411.16	390.75
Operating assets (increased) decreased			
Trade and other receivables	(40.93)	(45.10)	(49.01)
Unbilled receivables	-	(27.71)	(3.40)
Materials from the decommissioning a power plant	(225.08)	81.92	73.04
Inventories	(166.63)	37.97	(101.51)
Other non-current assets	1.08	1.31	(1.36)
Operating liabilities increased (decreased)			
Trade and other payables	100.64	(83.90)	269.19
Other non-current liabilities	0.02	(0.09)	1.97
Cash provided (paid) by operating activities	(1.56)	375.57	579.67
Interest paid	(29.12)	(9.38)	(5.30)
Income tax paid	(32.60)	(59.85)	(69.98)
Net cash from (used in) operating activities	(63.29)	306.34	504.39
Cash Flows from Investing Activities			
Temporary investments decrease	-	18.00	-
Restricted deposits at financial institutions (increased) decreased	(30.32)	32.46	26.24
Cash payment for land deposit	-	(3.00)	-
Decrease in cash and cash equivalents of liquidated subsidiary	(0.46)	-	-
Cash payment for acquisition of property, plant and equipment	(108.39)	(118.80)	(43.86)
Cash received from disposal of investment property	1.82	-	-
Cash received from disposal of property, plant and equipment	0.50	2.66	2.00
Cash payment for acquisition of intangible asset	(3.53)	(4.32)	(4.02)
Net cash used in investing activities	(140.38)	(73.00)	(19.64)
Cash Flows from Financing Activities:			
Increased (decreased) in bank overdraft and short-term loans from financial institutions - net	(126.18)	(61.61)	(189.81)
Cash payment for long-term loans from financial institutions	(98.11)	(31.50)	(66.64)
Cash payments for liabilities under finance lease agreements	(9.22)	(6.77)	(4.53)
Cash received from increase common shares	555.00	-	-
Directly attributable expenses of the initial public offering	(18.30)	-	-
Dividend paid	(100.00)	(110.00)	(176.00)
Non-controlling interest increase	-	1.00	-
Net cash from (used in) financing activities	203.19	(208.88)	(436.98)
Net cash and cash equivalents (increased) decreased	(0.47)	24.46	47.77
Cash and cash equivalents at the beginning of the years	53.81	53.34	77.79
Cash and cash equivalents at the end of the years	53.34	77.80	125.56

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2015	2016	2017
Liquidity Ratio				
Liquidity	(Times)	1.68	1.92	1.91
Quick Ratio	(Times)	0.71	0.96	1.01
Cash Flow Liquidity	(Times)	(0.07)	0.37	0.64
Trade Debtors' Circulation	(Times)	4.70	4.64	4.40
Mean Debt Collection Time	(Days)	78	79	83
Circulating Inventory	(Times)	3.52	3.38	3.37
Average Product Selling Time	(Days)	104	108	108
Creditors' Circulation	(Times)	3.70	3.85	3.37
Credit Term Debt Payment Time	(Days)	99	95	108
Cash Cycle	(Days)	83	92	83
Profit Making Ability Ratios				
Gross Profit	(%)	22.35	25.14	23.36
Profit from Operating Activities	(%)	10.46	12.76	11.39
Cash per Profit	(%)	(0.58)	105.14	181.24
Net Profit	(%)	8.07	10.24	8.99
Return on Equity Shareholders' Returns (ROE)	(%)	22.13	21.44	17.24
Performance Effectiveness Ratios				
Returns from Assets (ROA)	(%)	14.06	15.84	13.92
Returns from Fixed Assets	(%)	45.71	51.84	47.13
Asset Circulation	(Times)	1.29	1.25	1.23
Financial Policy Analysis Ratios				
Debt per Shareholders' Equity (D/E)	(Times)	0.80	0.58	0.56
Interest Payment Ability	(Times)	9.72	38.11	63.51
Obligation Payment Ability (cash basis)	(Times)	(0.20)	1.19	1.71
Dividend Payment	(%)	53.47	63.58	68.67

Management's Discussion and Analysis of Business Operation

1. Overall Past Performance

The company's main business involves electrical power and electrical equipment that controls and distributes electricity to consumers for usage with other electrical appliances. Electrical switchboard, automation system, energy conservation and management system, related system engineering, comprehensive after sales services, as well as other electrical equipment are all important to various groups of electrical users whether they be industrial complex, power plant, residence, commercial buildings, office buildings, telecommunications, hospitals, and public utilities.

Currently, the company's products can be categorized as follows: 1) products that are manufactured and distributed by the company under the brand "Asefa." They can be modified in terms of the designs and internal equipment according to the customers' needs. In addition, there are also switchboards that the company are licensed by Schneider Electric Industries S.A. and Socomec S.A.. They are type-tested switchboards that are manufactured according to the design and use equipment as specified by the licensors. Apart from switchboards, the company also produces and distributes metal trunking to support wiring inside buildings and large projects, and luminaires under the brand Alumar. 2) Products that the company purchase for further sales, including other related electrical equipment used in electrical distribution. 3) Other related engineering services and after sales services. 4) Power plant demolition project that gains profits by selling scrap metals and equipment that are retrieved from the demolition of the Bangpakong combined-cycle thermal power plant project 1 and 2 that are under management of the joint venture Asefa Suntech ("Joint Venture").

According to the Office of the National Economic and Social Development Board (NESDB), Gross Domestic Product (GDP) of 2017 stayed at 3.9%, up from 2016, on the back of increased private investment from 0.5% to 1.7%. Public investment, however, shrunk from 9.5% to - 1.2%.

The NESDB estimates GDP in 2018 to range between 3.6 - 4.6% on the strengths of rising private and public investments compared to 2017.

Considering the economic trend in 2018 that will see the growth in GDP continuing from 2017, the private and public investments are likely to increase and enlarge the growth in other business sectors, increasing the demands for the company's service and products. The profits and growth of the company depend on the economic expansion and public and private investments.

The public and private investment projects that benefit the company are the projects that support renewable energy and energy conservation such as rooftop solar cells, public utility renovation project such as undergrounding, infrastructure construction investment such as skytrain and airports, Eastern Economic Corridor (EEC) project, as well as the national development according to Thailand 4.0 policy. It is believed that the industries that are related to the company's business will continue to grow this year.

In 2015, the economic climate improved as the political backdrop of the country had become clearer and the economic stimulus package and government promotional policy as well as monetary policy used to stimulate the economy have been effective in building the investor confidence domestically and overseas. As a result, the investment in the public and private sectors soared. Meanwhile, the growth in manufacturing and service sectors has driven up the demands for electrical power, which are great supporting factors for the company's businesses. Net income of the company and subsidiaries totaled 2,563.17 billion baht, a 50.4% rise or an increase of 858.98 million baht. Net profits totaled 206.75 million baht, a 81.92% increase or a rise of 93.10 baht compared to the same period in 2014.

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 251.04 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.

In 2017, the Company and its subsidiaries earned the total revenue of 2,817.59 million baht, having increased by 3.38 million baht (or 0.12%), with the net profit of 253.38 million baht, having decreased by 34.85 million baht (or 12.08%), the net profit margin decreased from 10.24% to 8.99%, compared to the same period of 2015.

In 2017, the overview of the industry related to the company's business continues to slow cause by a higher level of competition and price as well as slightly increased of raw materials cost; additionally, the utilization rate of the company is not high and it increased fixed cost. The company and its subsidiaries have paid attention to manage production cost more efficiently, focus on controlling expense and financial cost management in accord with the situation is ongoing.

2. Analysis of Operating Results

2.1 Revenues

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 9.79%), when compared to the same period in 2015. The revenue significantly increased in the sale of products manufactured and distributed by the Company amounting 349.01 million baht or by 21.32%. The supplied & distributed products income increased by 64.25 million baht or 17.41%, due to the expansion of investment on other 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.

In 2017, the Company and its subsidiaries earned the total revenue of 2,817.59 million baht, having increased by 3.38 million baht (or 0.12%), when compared to the same period in 2016. The revenue from manufacturing and distributing switchboards designed and developed by the Company, having decreased 238.21 million baht (or 11.99%), the revenue from products distributed by the Company, having decreased 7.65 million baht (or 1.76%) whereas the revenue from services having increased 256.68 million baht (or 86.72%) because the Company have been working on amount of project engineering. On the other hand, the revenue from the Bangpakong power plant demolition project decreased 2.18 million baht (or 2.65%) and the other revenues decreased 5.25 million baht (or 35.99%).

Product Group	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from sales						
Products manufactured and distributed by the Company	1,637.40	63.88	1,986.41	70.58	1,748.20	62.05
Products distributed by the Company	370.52	14.46	435.04	15.46	427.39	15.17
Total revenues from sales	2,007.92	78.34	2,421.46	86.04	2,175.59	77.22
2. Revenues from services	364.86	14.23	295.98	10.52	552.65	19.61
3. Revenue from power plant demolition	176.82	6.90	82.19	2.92	80.01	2.84
4. Other incomes	13.57	0.53	14.58	0.52	9.33	0.33
Total revenues	2,563.17	100.00	2,814.21	100.00	2,817.59	100.00

The Company and its subsidiaries' total revenues in 2015 consist of sales, service revenues, the Bangpakong power plant demolition revenue and other incomes, calculated in percentage as 78.34%, 14.23%, 6.90% and 0.53 of the total revenues respectively. In 2016, the total revenues consist of sales and service revenues and revenue from the Bangpakong power plant demolition and other incomes, calculated in percentage as 86.04%, 10.52%, 2.92% and 0.52% of the total revenues.

In 2017, the Company and its subsidiaries' earned the revenues from sales, services revenues, the Bangpakong power plant demolition revenue and other incomes, in the percentages of 77.22%, 19.61%, 2.84% and 0.33% respectively.

Revenues from sales

Sales revenue during 2015-2017 composed the revenue from products manufactured and distributed by the Company, and the revenue from products distributed by Company. 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 81.55% and 18.45% of total sales revenue 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 435.05 million baht, or 82.03% and 17.97% of total sales revenue respectively.

In 2017, 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 1,748.20 million baht and 427.39 million baht, or 80.36% and 19.64% of total sales revenue respectively.

Product Group	Operated by	2015		2016		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	Asefa	1,085.37	54.06	1,156.74	47.77	1,025.85	47.15
Licensed Products	Asefa	428.70	21.35	686.93	28.37	596.40	27.42
Other products	Asefa	123.32	6.14	142.74	5.89	125.96	5.79
Total revenue from products manufactured and distributed by the Company		1,637.40	81.55	1,986.41	82.03	1,748.20	80.36
Products distributed by the Company	Asefa, VRT	80.90	4.03	81.92	3.38	88.22	4.05
Electrical and control products	Asefa	254.68	12.68	310.44	12.82	289.62	13.31
Electrical power distribution products	Asefa, LTM	12.98	0.65	5.46	0.23	8.23	0.38
Lighting and equipment	Asefa	-	-	30.66	1.27	21.82	1.00
Mineral Insulated Cable	Asefa, LTM,	21.97	1.09	6.57	0.27	19.51	0.90
Other products	VRT						
Total revenue from products distributed by the Company		370.52	18.45	435.05	17.97	427.39	19.64
Total revenue from sales		2,007.92	100.00	2,421.46	100.00	2,175.59	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 81.55%, 82.03%, and 80.36% of the total sales revenues from 2015 to 2017 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 54.06%, 47.77% and 47.15% of the total sales revenue from 2015 to 2017 respectively.

In 2016, the revenue from sales of products manufactured and distributed by the Company had the growth rates of 21.31% where as in 2017 the growth rate had decreased to 11.99%. The main reason for the decline is due to industry which it related to ASEFA was deteriorated and highly competitive pricing.

Products distributed by the Company

From 2015-2017, the Company and its subsidiaries earned the revenues from the product distributed by the Company in the amount of 370.52 million baht, 435.05 million baht and 427.39 million baht respectively, or calculated in percentage as 18.45%, 17.97% and 19.64% of the total sales revenues. The products as the Company distributed consists of electrical and control equipment, equipment used in electrical distribution system, lighting equipment, mineral-insulated cables, and other products.

In 2017, the Company and its subsidiaries earned the revenue from distributed in the amount of 427.39 million baht which it was decreased 7.66 million baht compared to 2016. The growth rate had decreased by the percentage of 1.76%. The main reason for the decline is due to industry which it related to ASEFA was deteriorated and highly competitive pricing.

Revenue from services

Product Group	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	302.56	82.92	215.73	72.89	451.98	81.78
After sales services	62.30	17.08	80.24	27.11	100.67	18.22
Total revenue from services	364.86	100.00	295.98	100.00	552.65	100.00

The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 364.86 million baht in 2015, 295.98 in 2016 which it was decreased 68.88 million baht, calculated in percentage as 18.88%. In 2017, The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 552.65 million baht which it was increased 256.67 million baht, calculated in percentage as 86.72%. The increase was due to the Company and its subsidiaries were getting more engineering services from various projects in the past year, the revenue consists of integrated engineering services and after sales services; for examples, Underground Cable Project, ASEAN Dental Center, Udon Thani Cancer Hospital, Irrigation Hospital and Suvannabhum Airport as well as expanding the market for after sales service.100.00

Revenue from power plant demolition

Product Group	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from power plant demolition	176.82	100.00	82.19	100.00	80.01	100.00

In 2016, The Company and its subsidiaries earned the revenue from the Bangpakong power plant demolition project 82.19 million baht, decreased by 94.63 million baht (or 53.52%) when compared to the same period in 2015, 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.

In 2017, The Company and its subsidiaries earned the revenue from the Bangpakong power plant demolition project 80.01 million baht, decreased by 2.18 million baht (or 2.65%) when compared to the same period in 2016. During 2017 the joint venture, the subsidiary has stopped selling temporarily because the co-trader has been ordered by the court for absolute receivership. According to the bankruptcy case on 20 June 2017, the Company has filed a petition to the court to continue business on 23 August 2017 which is in the process of consideration by the official receiver and expected the results after February 2018

Other incomes

From 2015-2017, The Company and its subsidiaries earned the revenue from other incomes in the amount of 13.57 million baht, 14.58 million baht and 9.33 million baht respectively; the growth rates were calculated to 0.53%, 0.52% and 0.33% of the total revenues. In 2017, the other incomes of the Company and its subsidiaries received consists of the return of doubtful accounts in the amount of 3.12 million baht, the rental income in the amount of 1.62 million baht, the profit from interest in the amount of 0.67 million baht and the profit from foreign exchange profit and profit on disposal of property in the amount of 0.57 million baht.

2.2 Cost of Sales and Expenses

Cost and Expenses	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	1,979.80	77.24	2,095.93	74.48	2,152.16	76.38
Selling expenses	178.54	6.97	220.86	7.85	199.55	7.08
Administrative expenses	124.63	4.86	140.23	4.98	146.04	5.18
Finance cost	28.83	1.12	9.37	0.33	5.04	0.18
Total Expenses	2,311.80	90.19	2,466.39	87.64	2,502.79	88.83
Total revenue	2,563.17	100.00	2,814.21	100.00	2,817.59	100.00

The major of expense of the Company and its subsidiaries include cost of sales and service, selling expenses, administrative expenses, and finance cost. During 2015 to 2017, the Company and its subsidiaries had the expenses at 2,311.80 million baht, 2,466.39 million baht and 2,502.79 million baht respectively, or estimated at 90.19%, 87.64% and 88.83% of the total revenues.

Cost of sales and service

Product Group	2015		2016		2017	
	Million Baht	GP (%)	Million Baht	GP (%)	Million Baht	GP (%)
Cost of sales - Products manufactured and distributed by the Company	1,240.70	24.23	1,469.38	26.03	1,315.91	24.73
Cost of sales - Products distributed by the Company	278.62	24.80	323.47	25.65	324.66	24.04
Cost of sales - Service	306.95	15.87	220.49	25.50	438.07	20.73
Cost of sales - power plant demolition	153.54	13.17	82.59	(0.48)	73.52	8.12
Cost of sales and service	1,979.80	22.35	2,095.93	25.14	2,152.16	23.36

During 2015 to 2016, the Company and its subsidiaries had the cost of sales and services at the amount of 1,979.80 million baht and 2,095.93 million baht, calculated in percentage as 77.24% and 74.48% of the total revenues; the cost of sales and services in 2016 rose by 116.13 million baht, or at 5.87% compared to 2015, which was proportionate to the increase of production and sales.

In 2017, the cost of sales and service was at 2,152.16 million baht, having increased by 56.23 million baht, or 2.68%, which was proportionate to the increase of production and sales. Due to the cost of some raw materials have increased slightly whereas the utilization rate of the company was not high to effect to the fixed cost per unit had increased.

Gross Margin

During 2015 to 2016, the Company and its subsidiaries had the gross margin at 569.80 million baht and 703.70 million baht, calculated in percentage as 22.35% and 25.14% respectively.

In 2017, the Company and its subsidiaries had the gross margin at 656.10 million baht, having decreased by 47.60 million baht, or 6.76%, or calculated by the gross margin ratio at 6.76%, having decreased by 1.78% compared to the same period last year. Due to the scope of the company's work, the project may have some uncertainty in obtaining the job, price of some raw materials increased and the utilization rate of the company was not high to effect to the fixed cost per unit had increased.

Selling expenses

During 2015 to 2017, the Company and its subsidiaries had the selling expense in the amount of 178.54 million baht and 220.86 million baht, calculated in percentage as 6.97% and 7.85% of the total revenue. In 2016, the selling expense increased by 42.32 million baht, or 23.70%, compared to same period of 2015 because the Company has expanded its market and increased sales volume. Therefore, the marketing and sales employee had been recruited to support the expansion of the company which it was increased the cost for human resources and the cost of promotion.

In 2016, the Company and its subsidiaries had the selling expense in the amount of 199.55 million baht, having decreased by 21.30 million baht, or 9.65% compared to same period of 2015 because the Company has controlled over promotion expenses and consistent with the sales of the company.

Administrative expenses

During 2015 to 2016, the Company and its subsidiaries had the administrative expenses in the amount of 124.63 million baht and 140.23 million baht, calculated in percentage as 4.86% and 4.98% of the total revenue. In 2016, the administrative expenses increased by 15.60 million baht, or 12.52%, compared to same period of 2015 because the Company had been recruited the employee to support the expansion of the company which it was increased the cost for human resources.

In 2017, the Company and its subsidiaries had the administrative expenses in the amount of 146.04 million baht or calculated in percentage as 5.18% of the total revenues, having increased by 5.82 million baht, or 4.15% compared to same period of 2016 because the allowance for obsolete inventories was increased. Due to the slowdown in the industry and the turnover rate has been slowing down.

Finance cost

During 2015 to 2016, the Company and its subsidiaries had the financial cost in the amount of 28.83 million baht and 9.37 million baht, having decreased by 19.46 million bath, calculated in percentage as 67.49%, compared to the same period of 2015 because an increase in net working capital. Therefore, the repayment of short-term and long-term loans to financial institutions has been made.

In 2017, the Company and its subsidiaries had financial cost in the amount of 5.04 million baht, having decreased by 4.34 million baht, or 46.26% compared to same period of 2016 because as the Company has excess working capital from operation, the repayment from short-term and long-term loans to financial institutions has been increased.

2.3 Net Profit

During 2015 to 2016, the Company and its subsidiaries had earned the net profit in the amount of 206.75 million baht and 288.23 million baht respectively, calculated in percentage as 8.07% and 10.24%. The increase in the net profit in 2016 was 81.48 million baht, calculated in percentage as 39.41%, having increased by 2.17% compared to same period of 2015 was due to the raise sales number driven mainly by the domestic economic conditions and political situation have improved and driven by investment in government infrastructure, resulting in domestic spending on both consumption and investment by the public and private sectors. This is an important part in driving the economy to grow. In addition, the company manages production costs, project cost and cost control are more effective.

In 2017, the Company and its subsidiaries had earned the net profit in the amount of 253.38 million baht, having decreased 34.85 million baht, calculated in percentage as 12.09%, with the net profit ratio of 8.99%, having decreased 1.25% compared to same period of 2016. In 2017, overview of the industry related to the company's business continues to slow. Market conditions have increased price competition. The price of some raw materials has increased slightly. The utilization rate of the company is not high to effect to the fixed cost per unit had increased. However, the Company and its subsidiaries had been considered to the management of production costs to be more effective including selling and administrative expenses, financial costs to accord with the situation is ongoing.

3. Financial Position

Consolidated Financial Statement	2015 (Million Baht)	2016 (Million Baht)	2017 (Million Baht)
Current assets	1,501.37	1,455.47	1,560.15
Non — current assets	756.40	794.90	782.11
Total assets	2,257.77	2,250.37	2,342.26
Liabilities	1,001.68	829.56	842.61
Shareholders' equity	1,256.09	1,420.81	1,499.65
Total Liabilities and shareholders' equity	2,257.77	2,250.37	2,342.26

3.1 Asset

During 2015 to 2017, the Company and its subsidiaries had the total assets in the amount of 2,257.77 million baht, 2,250.37 million baht and 2,342.26 million baht respectively, with the growth ratio at 30.74%, (0.33%) and 4.08%. The major asset of the Company and its subsidiaries include trade accounts receivable and other receivables. The materials from the demolition of the power plant, inventories, property, and equipment as below;

Trade receivables

In 2015 to 2017, there were trade receivables before allowance of doubtful accounts for 557.48 million baht, 559.34 million baht and 584.90 million baht respectively, calculated in percentage as 24.69%, 24.83% and 24.97% of the total assets respectively.

The Company and its subsidiaries offer the repayment period for customers around 30-90 days. In the past, the Company and its subsidiaries have an average repayment period at 78 days in 2015, 79 days in 2016 and 83 days in 2017.

Period	As at 31 Dec, 2015		As at 31 Dec, 2016		As at 31 Dec, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade receivables						
Current	319.95	57.39	366.79	65.65	395.97	67.70
Over due						
Not over 3 month	149.98	26.90	139.36	24.95	122.92	21.02
Over 3 month - Not over 6 month	1.02	0.18	1.96	0.35	7.80	1.33
Over 6 month — Not over 12 month	3.72	0.67	2.87	0.51	3.04	0.52
Over 12 months	53.77	9.65	47.69	8.54	55.17	9.43
Unbilled receivables	29.04	5.21	-	-	-	-
Total Trade receivables	557.48	100.00	558.67	100.00	584.90	100.00
Less Allowance for doubtful accounts	55.08		48.56		45.43	
Total trade receivables - net	502.40		510.78		539.47	

From the table above, the Company and its subsidiaries had the ratio of overdue trade receivables, from 2015-2017, at 57.39%, 65.65% and 67.70% 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 26.90%, 24.95% and 21.02% respectively. In 2016, the Company and its subsidiaries had trade receivables overdue over 12 months in less amount from 53.77 million baht in 2015 to 47.69 million baht in 2016, 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 2017, the ratio of the current trade receivables had increased from 65.65% to 67.70%, and the ratio of trade receivables overdue more than 3 months had increased from 9.40 to 11.28% because some debtors with financial problems that are in the process of repayment.

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 at 31 Dec, 2015		As at 31 Dec, 2016		As at 31 Dec, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	30.85	4.60	31.91	5.04	48.94	6.66
Work in process	95.45	14.22	105.35	16.64	78.18	10.64
Raw material	504.00	75.09	452.88	71.52	565.91	77.03
Supplies	26.13	3.89	34.40	5.43	34.69	4.72
Goods under installation	14.47	2.15	7.78	1.23	5.02	0.68
Goods in transit	0.31	0.05	0.92	0.14	2.01	0.27
Total inventories	671.21	100.00	633.24	100.00	734.75	100.00
Less allowance for devaluations	28.25		35.08		(55.94)	
Total inventories - net	642.96		598.16		678.81	

The Company and its subsidiaries had the net inventory at the end of 2015 to 2017 at the amount of 642.96 million baht, 598.16 million baht and 678.81 million baht respectively, which consists of raw materials, work in progress and finished goods.

In 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.

At the end of 2017, the Company and its subsidiaries had inventories in the amount of 734.75 million baht. The majority of which was raw materials, calculated in percentage as 77.03% of all total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

The net inventories in 2017, was in the amount of 678.81 million baht, increased by 80.65 million baht, or 13.48% compared to 2016. The main cause increased because the impact of slowing industrial conditions has resulted in slower turnover.

Materials from the decommissioning a power plant

Inventory	As at 31 Dec, 2015	As at 31 Dec, 2016	As at 31 Dec, 2017
	Million Baht	Million Baht	Million Baht
Materials from the decommissioning a power plant	225.08	143.16	70.12
Less allowance for devaluations	4.15	11.66	11.66
Materials from the decommissioning a power plant - net	220.93	131.50	58.46

At the end of 2015 to 2017, the Company and its subsidiaries had the net materials from decommissioning power plants in the amount of 220.93 million baht, 131.50 million baht and 58.46 million baht respectively, because during the year the Company had continually sold materials from the decommissioned power plants.

At the end of 2017, the Company and its subsidiaries had the net materials from decommissioning power plants in the amount of 58.46 million baht, 73.04 million baht, calculated in percentage as 55.54%, compared to the same period in 2016. It was continuously declined for the sale of demolition materials during the year 2017.

The Company and its subsidiaries has the policy on the provision criteria of obsolete products, 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 604.04 million baht in 2015, 668.02 million baht in 2016 and 677.73 million baht in 2017, calculated by the ratio of the total assets as 26.75%, 29.64% and 28.93% respectively.

In 2015, the Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 604.04 million baht, having increased 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 lands, buildings and equipment in the amount of 668.02 million baht, having increased 63.99 million baht or 10.59% compared to 2015, because the Company had invested more in lands, building construction, and equipment to increase the Company's manufacturing capacity.

In 2017, the Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 677.73 million baht, having increased 9.70 million baht or 1.45% compared to 2016, because the Company had invested more in lands and equipment to increase the Company's manufacturing capacity.

3.2 Liquidity

Cash flow

During 2015 to 2016, the Company and its subsidiaries had cash flow from its operating activities in the amount of (63.29) million baht and 306.34 million baht respectively. In 2016, the Company and its subsidiaries had a cash flow from more activity and most of it came from higher operating profit.

During 2015 to 2016, the Company and its subsidiaries had cash flow from its operating activities in the amount of (140.38) million baht and (73.00) million baht respectively. In 2016, the Company and its subsidiaries had invested for fixed assets in the amount of 118.80 million baht; for examples, construction investment, purchase of machinery and equipment to increase the production capacity of the company.

During 2015 to 2016, the Company and its subsidiaries had cash flow from its operating activities in the amount of 203.19 million baht and (208.88) million baht respectively. In 2016, the Company and its subsidiaries paid the loans from financial institutions and overdrafts were 93.11 million baht and dividend payment was 110.00 million baht.

In 2017, the Company and its subsidiaries had cash flow from its operating activities in the amount of 504.39 million baht, having increased 198.06 million baht, compared to the same period in 2016 because the management of creditors has improved to extend the repayment period. According to cash flow used in investing activities was (19.64) million baht, decreasing from the previous year. As a result of the decrease in fixed asset investment, the company also paid cash from financing activities and bank overdrafts in the amount of 256.44 million baht and dividend payment of 176 million baht. The company and its subsidiaries had cash flow from financing activities in the amount of (436.98) million baht.

(Unit: Million Baht)	2015	2016	2017
Net cash from (used in) operating activities	(63.29)	306.34	504.39
Net cash used in investing activities	(140.38)	(73.00)	(19.64)
Net cash from (used in) financing activities	203.19	(208.88)	(436.98)
Net cash and cash equivalents (increased) decreased	(0.47)	24.46	47.77

Liquidity Ratio

The Company and its subsidiaries had the liquidity ratio at the end of 2015 to 2017 at the amount of 1.68, 1.92 and 1.91 respectively, and had the quick ratio at 0.71, 0.96 and 1.01 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 57.54%, 50.13% and 47.26% respectively.

The Company and its subsidiaries had cash cycle equal to 83 days in 2015, 92 days in 2016 and 83 days in 2017. The increase in cash cycle in 2016 was due to the Company and its subsidiaries extend to sell products and repayment period faster from 2015.

In 2017, the Company and its subsidiaries had the average time of debt collecting around 83 days, time and selling around 108 days, time of debt payment around 108 days, and cash cycle 83 days, showing that the Company has been attentive in controlling and following up on debt collection, sales, and payment.

Ratios	2015	2016	2017
Liquidity (Times)	1.68	1.92	1.91
Quick Ratio (Times)	0.71	0.96	1.01
Mean Debt Collection Time (Days)	78	79	83
Average Product Selling Time (Days)	104	108	108
Credit Term Debt Payment Time (Days)	99	95	108
Cash Cycle (Days)	83	92	83

3.3 Sources of Capital

Liabilities

The Company and its subsidiaries had debts amount of 1,001.67 million baht in 2015, 832.67 million baht in 2016 and 842.61 million baht in 2017. 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 89.36% in 2015, 90.87% in 2016 and 96.75% in 2017. The company and its subsidiaries current liabilities were from trade payables and short term loans from financial institutes, calculated into percentage as 58.67% and 25.10% in of total liabilities at the end of 2015, 60.49% and 22.88% of total liabilities at the end of 2016

For the year 2016, the majority of the Company's liabilities of the Company and its subsidiaries are trade accounts payable and other payables, accounting for 92.16% of total liabilities

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 decreased 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 2015, because the Company had paid the long-term loan to a financial institution by using the Company's working capital.

At the end of 2017, the Company's non-current liabilities decreased by 45.50 million baht, or 62.42% when compared to the same period in 2016 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 1.02% having decreased from 2016, 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 1,256.09 million baht in 2015, 1,420.81 million bath in 2016 and 1,499.65 million baht in 2017.

In 2016, the shareholder's equity increased from 2015 with growth rate at 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.

The value of shareholders increased in 2017 from 2016 by the growth rate of 78.84 million baht or 5.54% when compared to 31 December 2016. Due to the operating profit was at 254.84 million baht and dividend payment was 176 million baht in 2017.

Capital Structure Viability

The Company and its subsidiaries had the ratio of debts to equity at 0.80 at the end of 2015, and 0.58 at the end of 2016 and 0.56 at the end of 2017. 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 2013, while the company was not much familiar to manage. If the joint venture could not sell disposed materials and equipment at the expected price, the Company's operation would be affected.

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

As of December 31, 2017, the Company has sold the materials in the amount of 80.01 million baht and the remaining material from the net power plant dismantlement, pending sale of 58.46 million baht. During the year, joint venture and subsidiary have stopped selling temporarily. Due to the co-trader has been ordered by the court for absolute receivership. On June 20, 2017, the Company filed a petition with the court to continue its business operation on August 23, 2017. The petition was in the process of being considered by the official receiver.

ASEFA PUBLIC COMPANY LIMITED AND ITS
SUBSIDIARIES FINANCIAL STATEMENTS AND
AUDITOR'S REPORT FOR THE YEAR ENDED
DECEMBER 31, 2017

Independent Auditor's Report

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

Opinion

I have audited the consolidated and separate financial statements of Asefa Public Company Limited and its subsidiaries, and of Asefa Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Asefa Public Company Limited and its subsidiaries, and of Asefa Public Company Limited, respectively, as at December 31, 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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. 10, the Company has allowance for inventories as of December 31, 2017 in the amount of Baht 55.94 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.

Revenue from construction services

Risk

The Group has revenues from construction services for the year ended December 31, 2017 in the amount of Baht 256.46 million. The Group recognized revenues based on the stage of completion of contracts which is assessed with reference to the proportion of contract costs incurred for the work performed as at the statement of financial position date, relative to the estimated total costs of the contract at completion. The recognition of revenues, therefore, relies on estimates on the stage of completion of each contract. Profit or loss on contracts is a key risk for the audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenues recognized in the year ended December 31, 2017.

Auditor's Response

My audit procedures included sampling selecting those contracts that could have a significant impact on the Company's financial and performed the following procedures:

- I verified the appropriateness of Management's estimated total construction cost by verification with reliable sources of external and internal audit evidence.
- I verified the actual cost with the purchase documents
- I tested the stage of completion.
- I compared the stage of completion with calculations from the Company's engineers.

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

Risk

As described in Note to Financial Statements No. 9, the Company has material from the decommissioning of power plants, net from the allowance for diminution of inventories as of December 31, 2017, amounting to Baht 58.46 million. The material is stated at its net realizable value, which fluctuates based on the price of steel and copper. In addition, the physical of 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 date. I also compared the selling prices for unsold inventories after the year ended date with the market price of steel and copper at the year-end date. For these unsold inventories, I observed the physical materials on January 9, 2018 and verify the reconciliation of the quantity at the beginning of the year and sale quantity during the year up to January 9, 2018. The inventory at the beginning of the year was measured by the independent specialist on February 8, 2017.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report. My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information 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 correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 cause significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Yuttapong Chuamuangpan)
Certified Public Accountant
Registration Number 9445

ANS Audit Co., Ltd.
Bangkok, February 20, 2018.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	6	125,563,607	17,795,471	92,099,419	53,661,878
Trade and other receivables - net	5, 7	637,168,542	582,876,317	627,864,051	581,996,286
Unbilled receivables	8	60,154,085	56,753,407	34,066,570	56,753,407
Short-term loan to related party - net	5	-	-	106,988,938	152,500,000
Materials from the decommissioning power plant - net	9	58,460,945	131,499,467	-	-
Inventories - net	10	678,808,028	598,160,105	678,808,028	598,160,105
Non-current assets held for sale		-	8,380,800	-	8,380,800
Total current assets		1,560,155,207	1,455,465,567	1,539,827,006	1,451,452,476
Non-current assets					
Restricted deposits at financial institutions	11	68,320,686	94,558,815	68,320,686	94,558,815
Deposit of land		-	3,000,000	-	3,000,000
Retention		5,014,504	5,825,635	5,014,504	5,825,635
Investments in subsidiaries - net	12	-	-	16,849,339	16,849,339
Investment property - net	13	1,872,193	2,083,396	1,872,193	2,083,396
Property, plant and equipment - net	14, 17, 20	677,727,418	668,024,646	677,278,061	667,219,953
Intangible assets - net	15	8,308,690	6,670,364	8,308,690	6,670,364
Deferred tax assets - net	16	18,918,951	14,156,897	18,307,378	13,391,220
Other non-current assets		1,944,128	580,218	1,944,128	580,218
Total non-current assets		782,106,570	794,899,971	797,894,979	810,178,940
Total assets		2,342,261,777	2,250,365,538	2,337,721,985	2,261,631,416

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, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	9,340	189,817,535	9,340	189,817,535
Trade and other payables	5, 18	776,582,388	501,829,575	776,381,093	499,417,178
Current portion of liabilities					
under financial lease agreements	19	695,945	4,542,345	695,945	4,542,345
Current portion of long-term					
loans from financial institutions	20	10,716,000	26,196,000	10,716,000	26,196,000
Accrued income tax		27,209,183	34,271,367	26,498,037	34,271,367
Total current liabilities		815,212,856	756,656,822	814,300,415	754,244,425
Non-current liabilities					
Liabilities under financial lease agreements - net	19	249,579	938,122	249,579	938,122
Long-term loans from financial institutions - net	20	8,581,065	59,737,833	8,581,065	59,737,833
Provision for long-term employee benefit	21	16,415,614	12,044,679	16,415,614	12,044,679
Non-current liabilities		2,152,657	180,340	91,000	180,340
Total non-current liabilities		27,398,915	72,900,974	25,337,258	72,900,974
Total liabilities		842,611,771	829,557,796	839,637,673	827,145,399

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, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
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
Premiums on ordinary shares					
Discount on purchase of investments in subsidiaries - net	12	1,981,036	1,981,036	-	-
Retained earnings					
Appropriated					
		55,000,000	55,000,000	55,000,000	55,000,000
Legal reserve	22				
Unappropriated		513,923,990	437,982,233	506,381,402	442,783,107
Total shareholders' equity attributable to owners of parent		1,507,607,936	1,431,666,179	1,498,084,312	1,434,486,017
Non-controlling interests		(7,957,930)	(10,858,437)	-	-
Total shareholders' equity		1,499,650,006	1,420,807,742	1,498,084,312	1,434,486,017
Total liabilities and shareholders' equity		2,342,261,777	2,250,365,538	2,337,721,985	2,261,631,416

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, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
	3, 5, 25				
Revenues from sales and service		2,808,255,660	2,799,625,782	2,650,097,382	2,717,431,314
Costs of sales and service		(2,152,157,300)	(2,095,929,337)	(2,010,220,794)	(2,013,343,262)
Gross profit		656,098,360	703,696,445	639,876,588	704,088,052
Other income		9,333,500	14,581,119	16,073,959	24,401,895
Profit before expenses		665,431,860	718,277,564	655,950,547	728,489,947
Expenses					
Selling expenses		(199,551,835)	(220,855,814)	(199,501,835)	(219,266,568)
Administrative expenses		(146,044,843)	(140,226,080)	(153,725,288)	(139,116,320)
Total expenses		(345,596,678)	(361,081,894)	(353,227,123)	(358,382,888)
Profit before finance costs and income tax		319,835,182	357,195,670	302,723,424	370,107,059
Finance costs		(5,035,753)	(9,371,916)	(5,035,753)	(9,371,916)
Profit before income tax		314,799,429	347,823,754	297,687,671	360,735,143
Income tax expenses	16	(58,514,259)	(71,018,625)	(56,646,470)	(69,634,269)
Profit for the years		256,285,170	276,805,129	241,041,201	291,100,874
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net from tax		(1,442,906)	(3,088,432)	(1,442,906)	(3,088,432)
Total comprehensive income for the years		254,842,264	273,716,697	239,598,295	288,012,442
Profit (loss) attributable to					
Equity holders of the Company		253,384,663	288,230,624	241,041,201	291,100,874
Non-controlling interests		2,900,507	(11,425,495)	-	-
		256,285,170	276,805,129	241,041,201	291,100,874
Total comprehensive income (loss) attributable to					
Equity holders of the Company		251,941,757	285,142,192	239,598,295	288,012,442
Non-controlling interests		2,900,507	(11,425,495)	-	-
		254,842,264	273,716,697	239,598,295	288,012,442
Basic earnings per share					
Equity holders of the Company		0.46	0.52	0.44	0.53
Weighted average number of issued and fully paid-up					
ordinary shares (shares)		550,000,000	550,000,000	550,000,000	550,000,000

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, 2017

Unit : Baht

Consolidated financial statements									
					Retained earnings				
	Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Discount on investments	Appropriated Legal Reserve	Unappropriated	Total shareholders' equity attributable to owners of parent	Non-controlling interest	Total
Balance as at January 1, 2016		550,000,000	386,702,910	1,981,036	50,605,545	267,234,496	1,256,523,987	(432,942)	1,256,091,045
Legal reserve	22	-	-	-	4,394,455	(4,394,455)	-	-	-
Dividend paid	23	-	-	-	-	(110,000,000)	(110,000,000)	-	(110,000,000)
Non-controlling interests increased	12	-	-	-	-	-	-	1,000,000	1,000,000
Total comprehensive income (loss) for the year		-	-	-	-	285,142,192	285,142,192	(11,425,495)	273,716,697
Balance as at December 31, 2016		550,000,000	386,702,910	1,981,036	55,000,000	437,982,233	1,431,666,179	(10,858,437)	1,420,807,742
Dividend paid	23	-	-	-	-	(176,000,000)	(176,000,000)	-	(176,000,000)
Total comprehensive income for the year		-	-	-	-	251,941,757	251,941,757	2,900,507	254,842,264
Balance as at December 31, 2017		550,000,000	386,702,910	1,981,036	55,000,000	513,923,990	1,507,607,936	(7,957,930)	1,499,650,006

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, 2017

Unit : Baht						
Separate financial statements						
Retained earnings						
Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Appropriated Legal Reserve	Unappropriated	Total	
Balance as at January 1, 2016	550,000,000	386,702,910	50,605,545	269,165,120	1,256,473,575	
Legal reserve	22	-	-	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	
Dividend paid	23	-	-	-	(176,000,000)	(176,000,000)
Total comprehensive income for the year	-	-	-	239,598,295	239,598,295	
Balance as at December 31, 2017	550,000,000	386,702,910	55,000,000	506,381,402	1,498,084,312	

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, 2017

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash Flows from Operating Activities:				
Profit before income tax	314,799,429	347,823,754	297,687,671	360,735,143
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	51,757,822	44,863,967	51,402,486	44,395,498
Reversal of allowance for doubtful accounts	(3,123,736)	(6,522,216)	(2,353,214)	(4,748,216)
Allowance for short-term loans to related party	-	-	8,511,062	8,500,000
Allowance for inventories devaluation	20,858,600	14,341,607	20,858,600	6,829,449
Allowance for impairment of investments in subsidiary	-	-	-	1,000,000
Gain from disposal of asset	(1,124,375)	(1,072,395)	(1,124,375)	(558,024)
Gain from disposal of non-current assets held for sale	(15,908)	-	(15,908)	-
Loss from disposal of intangible asset	7	16,526	7	-
Loss of land expropriation	-	181,114	-	181,114
Provision for long-term employee benefits	2,567,302	2,164,649	2,567,302	2,164,649
Interest expenses	5,035,753	9,371,916	5,035,753	9,371,916
Profit from operating activities before changes in operating assets and liabilities	390,754,894	411,168,922	382,569,384	427,871,529
Operating assets (increased) decreased				
Trade and other receivables	(49,012,458)	(45,096,238)	(41,358,520)	(47,456,037)
Unbilled receivables	(3,400,678)	(27,705,511)	22,686,837	(27,705,511)
Materials from the decommissioning power plant	73,038,522	81,919,350	-	-
Inventories	(101,506,523)	37,972,707	(101,506,523)	37,972,707
Other non-current assets	(1,363,910)	1,306,068	(1,363,910)	306,711
Operating liabilities increased (decreased)				
Trade and other payables	269,185,015	(83,902,490)	271,396,117	(85,525,459)
Other non-current liabilities	1,972,317	(89,980)	(89,340)	(89,980)
Cash provided by operating activities	579,667,179	375,572,828	532,334,045	305,373,960
Interest paid	(5,295,610)	(9,383,440)	(5,295,610)	(9,383,440)
Income tax paid	(69,977,770)	(59,853,137)	(68,975,231)	(59,853,137)
Net cash from operating activities	504,393,799	306,336,251	458,063,204	236,137,383

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, 2017

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash Flows from Investing Activities:				
Temporary investments decrease	-	18,000,000	-	-
Restricted deposits at financial institutions decreased	26,238,129	32,459,372	26,238,129	32,459,372
Cash received from short-term loans to related party	-	-	92,000,000	68,000,000
Cash payment for short-term loans to related party	-	-	(55,000,000)	-
Cash payment for land deposit	-	(3,000,000)	-	(3,000,000)
Cash payment for investment in subsidiary	-	-	-	(1,000,000)
Cash received from capital paying-back on investments in subsidiary	-	-	-	15,000,000
Cash payment for acquisition of property, plant and equipment	(43,863,651)	(118,797,753)	(43,863,651)	(119,121,294)
Cash received from disposal of property, plant and equipment	2,004,005	2,662,403	2,004,005	1,768,433
Cash payment for acquisition of intangible asset	(4,024,240)	(4,323,461)	(4,024,240)	(4,323,461)
Net cash from (used in) investing activities	(19,645,757)	(72,999,439)	17,354,243	(10,216,950)
Cash Flows from Financing Activities:				
Decrease in bank overdraft and short-term loans				
from financial institutions - net	(189,808,195)	(61,606,887)	(189,808,195)	(61,606,887)
Cash payments for long-term loans from financial institutions	(66,636,768)	(31,505,228)	(66,636,768)	(31,505,228)
Cash payments for liabilities under finance lease agreements	(4,534,943)	(6,769,583)	(4,534,943)	(6,769,583)
Dividend paid	(176,000,000)	(110,000,000)	(176,000,000)	(110,000,000)
Non-controlling interest increase	-	1,000,000	-	-
Net cash used in financing activities	(436,979,906)	(208,881,698)	(436,979,906)	(209,881,698)
Net cash and cash equivalents increased	47,768,136	24,455,114	38,437,541	16,038,735
Cash and cash equivalents at the beginning of the years	77,795,471	53,340,357	53,661,878	37,623,143
Cash and cash equivalents at the end of the years	125,563,607	77,795,471	92,099,419	53,661,878
Supplemental Disclosures of Cash Flows Information				
Increase (Decrease) in accounts payables for purchase of fixed assets	12,113,255	(1,978,069)	12,113,255	(1,978,069)
Assets increased from a land deposit	3,000,000	-	3,000,000	-
Assets increased from transfer of non-current assets held for sale	766,208	-	766,208	-

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, 2017

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, Khokkrabue, Muang Samutsakhon, Samutsakhon and owns 3 branch.

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 Financial Reporting Standards ("TFRS") 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	
		2017	2016
Varitek 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 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	50
Asefa & UMI Joint Venture	Contractor for improvement and enhancement of the efficiency of the central air-conditioning system on Building 3 of the Head office of Provincial Electricity Authority of Thailand.	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, Asefa & VARS Joint Venture and Asefa & UMI 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 its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 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 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 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenues and expenses

Revenues and expenses are recognized on an accrual basis.

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

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

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

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

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

Investments property

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

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

Property, plant and equipment - net

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

Types of assets	Years
Buildings and improvements	5, 10, 20, 30
Leasehold improvements	Over the period of lease agreement
Machinery	5, 10, 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 less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line method based on the term of agreements.

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

Finance lease

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

Operating lease

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

Employee benefits

Short-term benefits

The 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.

Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

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
Varitak Co., Ltd.	Subsidiary by common shareholders and directors
Enginar Co., Ltd.	Related companies by certain common shareholders and directors
Asefa Suntech Joint Venture	Joint venture which is a subsidiary by common management
Asefa & VARS Joint Venture	Joint venture which is a subsidiary by common management
Asefa & UMI Joint Venture	Joint venture which is a subsidiary by common management

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	
	2017	2016	2017	2016
Varitek Co., Ltd.				
Purchase of inventories	-	-	-	4,651
Purchase of fixed assets	-	-	-	321,727
Enginar Co., Ltd.				
Sales of inventories	871,900	885,270	871,900	885,270
Purchase of inventories	27,849,775	7,201,225	27,849,775	7,201,225
Asefa Suntech Joint Venture				
Interest income	-	-	5,175,959	10,580,055
Management revenue	-	-	1,560,000	1,560,000
Purchase of fixed assets	-	-	-	96,700
Purchase of inventories	-	-	103,140	80,000
Other expenses	-	-	-	12,200
Asefa & VARS Joint Venture				
Interest income	-	-	879,041	-

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	
	2017	2016	2017	2016
Trade receivable - related parties				
Enginar Co., Ltd.	-	668,857	-	668,857
Asefa Suntech Joint Venture	-	-	289,289	139,100
Total trade receivable - related parties	-	668,857	289,289	807,957
Accrued interest income				
Asefa Suntech Joint Venture	-	-	743,699	1,754,768
Short-term loans to related parties - net				
Asefa Suntech Joint Venture	-	-	89,000,000	161,000,000
Asefa & VARS Joint Venture	-	-	35,000,000	-
Total short-term loans to related parties				
Less allowance for doubtful accounts	-	-	124,000,000	161,000,000
Total short-term loans to related parties - net	-	-	(17,011,062)	(8,500,000)
Trade payable - related parties				
Enginar Co., Ltd.	2,650,149	1,602,486	2,650,149	1,602,486

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	
	2017	2016	2017	2016
Asefa Suntech Joint Venture				
Beginning balance at the years	-	-	161,000,000	229,000,000
Decrease during the years	-	-	(72,000,000)	(68,000,000)
Ending balance at the years	-	-	89,000,000	161,000,000
Less allowance for doubtful accounts	-	-	(17,011,062)	(8,500,000)
Ending balance at the years - net	-	-	71,988,938	152,500,000
Asefa & VARS Joint Venture				
Beginning balance at the years	-	-	-	-
Increase during the years	-	-	55,000,000	-
Decrease during the years	-	-	(20,000,000)	-
Ending balance at the years	-	-	35,000,000	-

As at December 31, 2017 and 2016, short-term loans to related party bear interest rate of 5% per annum.

Management compensation

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Short-term benefits	18,103,260	20,128,590
Post-employment benefits	265,813	279,503
Total management compensation	18,369,073	20,408,093

6. CASH AND CASH EQUIVALENTS

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	522,667	1,066,718	379,376	245,502
Cash at banks - saving accounts	76,169,325	60,352,106	43,093,801	37,301,185
Cash at banks - current accounts	48,833,095	15,995,595	48,587,722	15,734,139
Cheque due	38,520	381,052	38,520	381,052
Total cash and				
cash equivalents	125,563,607	77,795,471	92,099,419	53,661,878

7. TRADE AND OTHER RECEIVABLES - NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivables - related parties	-	668,857	289,289	807,957
Trade receivables - other companies				
Returned cheque	13,770,247	14,096,767	7,772,550	7,832,550
Post-dated cheque	63,356,539	62,064,038	62,647,291	61,154,790
Trade receivables - other	507,778,274	482,507,730	505,781,185	480,186,641
Total trade receivables - other	584,905,060	558,668,535	576,201,026	549,173,981
Total trade receivables	584,905,060	559,337,392	576,490,315	549,981,938
Less Allowance for doubtful accounts				
Beginning balance	(48,557,720)	(55,079,936)	(39,122,014)	(43,870,230)
Increase during the years	(2,365,637)	(1,234,971)	(2,365,637)	(1,234,971)
Decrease during the years	5,489,373	7,757,187	4,718,851	5,983,187
Ending balance	(45,433,984)	(48,557,720)	(36,768,800)	(39,122,014)
Total trade receivables - net	539,471,076	510,779,672	539,721,515	510,859,924
Other receivables				
Retention receivables	49,839,183	36,368,630	49,839,183	36,368,630
Advance payments	8,016,875	10,023,202	8,016,875	10,023,202
Deposit receivables	26,408,339	7,882,632	20,662,478	7,882,632
Advance payment for goods	1,648,536	1,362,808	1,648,536	1,362,808
Prepaid other expenses	5,010,794	4,590,300	4,970,964	4,502,280
Accrued interest income	512,884	531,027	1,256,583	2,285,795
Undued input tax	925,977	8,120,205	920,584	8,118,105
Revenue Department receivable	4,204,796	2,405,075	-	-
Other	1,130,082	812,766	827,333	592,910
Total other receivables	97,697,466	72,096,645	88,142,536	71,136,362
Total trade and other receivables	637,168,542	582,876,317	627,864,051	581,996,286

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
- related companies				
Current	-	400,822	-	400,822
Over due				
Not over 3 months	-	268,035	289,289	407,135
Total trade receivables				
- related companies	-	668,857	289,289	807,957
Trade receivables				
- other companies				
Current	395,971,321	366,790,116	395,971,321	366,790,116
Over due				
Not over 3 months	122,920,043	139,364,285	122,920,043	139,364,285
Over 3-6 months	7,804,001	1,961,307	7,804,001	1,961,307
Over 6-12 months	3,042,271	2,867,350	3,042,271	2,828,500
Over 12 months	55,167,424	47,685,477	46,463,390	38,229,773
Total trade receivables				
- other companies	584,905,060	558,668,535	576,201,026	549,173,981

8. 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 financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenue recognition from percentage				
of completion method	376,541,466	208,413,936	298,397,472	208,413,936
Unbilled receivables				
Project value as per contract	362,567,440	199,423,645	246,407,627	199,423,645
Revenue on percentage of completion basis	256,461,303	149,805,089	178,317,308	149,805,089
Less Value of total billed	(196,307,218)	(93,051,682)	(144,250,738)	(93,051,682)
Unbilled receivables	60,154,085	56,753,407	34,066,570	56,753,407
Retention receivable as per contracts	7,697,004	3,512,502	7,697,004	18,931,545
Revenue from contract received in advance				
Project value as per contract	273,321,713	-	273,321,713	-
Value of total billed	19,319,088	-	19,319,088	-
Less revenue on percentage of completion basis	(7,009,539)	-	(7,009,539)	-
Revenue from contract received in advance	12,309,549	-	12,309,549	-

9. 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	
	2017	2016	2017	2016
Cost of materials from the decommissioning power plant	378,479,959	378,901,625	-	-
Less cost of materials from decommissioning transferred to cost of sales	(308,359,075)	(235,742,219)	-	-
Less allowance for devaluations	(11,659,939)	(11,659,939)	-	-
Materials from the decommissioning power plant - net	58,460,945	131,499,467	-	-

During the year ended December 31, 2017, a subsidiary of the Company, in the form of a joint venture, stopped its operation because of a Bankruptcy Court order freezing the assets of the joint venture partner in a bankruptcy case on June 20, 2017. On August 23, 2017, the Company filed a petition with the Bankruptcy Court allowing the subsidiary to operate normally. However the petition is in the process of the official receiver which is expected to be announced after February 2018.

10. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Finished goods	48,938,563	31,912,915
Work in process	78,183,769	105,350,436
Raw material	565,904,832	452,883,404
Supplies	34,693,677	34,404,688
Goods in transit	2,006,835	915,779
Goods under installation	5,023,288	7,777,219
Total inventories	734,750,964	633,244,441
Less allowance for devaluations	(55,942,936)	(35,084,336)
Total inventories - net	678,808,028	598,160,105

11. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Fixed Deposits		
UOB Bank PCL.	25,000,000	25,000,000
Kasikorn Bank PCL.	28,000,000	54,358,870
Bank of Ayudhya PCL.	15,320,686	15,199,945
Total restricted deposits at financial institutions	68,320,686	94,558,815

As at December 31, 2017 and 2016, the above fixed deposits of the Group have interest rate of 0.80% - 1.10% per annum and 0.80% - 1.20% 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.

12. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2017 and 2016 consisted of:

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

*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 in amount of Baht 1.98 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.

*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 Sun Tech Engineering Co., Ltd. to establish the Asefa Suntech Joint Venture, a joint investment for the acquisition of the power project and its demolition at a sharing ratio of 50:50 with an initial investment of Baht 2 million.

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 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 of 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 September 7, 2017, the Company entered into an agreement with UMI Engineering Co., Ltd to establish the Asefa & UMI Joint Venture, for bidding the contract as the contractor for improvement and enhancement of efficiency of the central air-conditioning system on Building 3 of the Head office of Provincial Electricity Authority of Thailand with the sharing ratio of 50:50 and with an initial investment of Baht 1 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	
	2017	2016	2017	2016	2017	2016	2017	2016
As at December 31								
Current assets	20,194	19,401	64,354	140,035	46,657	2,004	131,205	161,440
Non-current assets	812	966	990	1,481	-	-	1,802	2,447
Current liabilities	(90)	(70)	(90,109)	(165,173)	(35,746)	(64)	(128,017)	(165,307)
Non-current liabilities	-	-	-	-	(2,062)	-	-	-
Non-controlling interests	-	-	(12,382)	(11,828)	4,424	970	(7,958)	(10,858)
For the year ended December 31								
Revenues	843	2,468	80,130	82,392	78,163	-	159,136	84,860
Net loss for the year attributable to non-controlling interests	-	-	(554)	(11,396)	3,454	(30)	2,900	(11,426)
Net cash provided by (used in)								
Operating activities	816	874	69,464	69,609	(23,949)	-	46,331	70,483
Investing activities	-	18,595	-	339	-	-	-	18,934
Financing activities	-	(15,000)	(72,000)	(68,000)	35,000	2,000	(37,000)	(81,000)
Cash and cash equivalents increase (decrease) - net	816	4,469	(2,536)	1,948	11,051	2,000	9,331	8,417

13. INVESTMENT PROPERTIES — NET

Investment properties as at December 31, 2017, consisted of:

	Unit : Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2017	Movements during the year		As at December 31, 2017
		Additions/Transfer	Decrease	
Condominium				
Cost	4,559,345	-	-	4,559,345
Less Accumulated depreciation	2,475,949	211,203	-	2,687,152
Book value - net	<u>2,083,396</u>			<u>1,872,193</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 0.44 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.

14. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment at December 31, 2017, consisted of:

	Unit : Baht								
	Consolidated financial statements								
	Land	Building and Improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Building under construction	Machinery under installation	Total
Cost :									
Balance as at January 1, 2017	261,729,987	329,824,619	146,393,428	108,065,903	36,095,365	41,610,988	1,552,056	-	925,272,346
Add purchase during the year	31,684,958	220,348	27,900	6,928,149	2,085,030	1,355,306	16,687,685	753,737	59,743,113
Transferred in/out during the year	-	-	15,960,216	657,027	127,426	-	(15,990,932)	(753,737)	-
Less disposal during the year	-	-	(253,134)	(2,958,030)	(73,676)	(1,661,548)	-	-	(4,946,388)
Balance as at December 31, 2017	293,414,945	330,044,967	162,128,410	112,693,049	38,234,145	41,304,746	2,248,809	-	980,069,071
Accumulated depreciation :									
Balance as at January 1, 2017	-	63,069,612	76,456,589	70,137,669	21,282,068	26,301,762	-	-	257,247,700
Add depreciation during the year	-	16,351,034	10,099,253	13,060,511	5,183,688	4,466,225	-	-	49,160,711
Less disposal during the year	-	-	(253,132)	(2,095,817)	(64,161)	(1,653,648)	-	-	(4,066,758)
Balance as at December 31, 2017	-	79,420,646	86,302,710	81,102,363	26,401,594	29,114,339	-	-	302,341,653
Net book value :									
Net book value - net Beginning 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
Net book value - net Ending of year	293,414,945	250,624,321	75,825,700	31,590,686	11,832,551	12,190,407	2,248,809	-	677,727,418

Unit : Baht

Separate financial statement

	Land	Building and improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Building under construction	Machinery under installation	Total
Cost :									
Balance as at January 1, 2017	261,729,987	329,824,619	146,393,428	106,880,456	35,234,696	40,337,257	1,552,056	-	921,952,499
Add purchase during the year	31,684,958	220,348	27,900	6,928,149	2,085,030	1,355,306	16,687,685	753,737	59,743,113
Transferred in/out during the year	-	-	15,960,216	657,027	127,426	-	(15,990,932)	(753,737)	-
Less disposal during the year	-	-	(253,134)	(2,958,030)	(73,676)	(1,661,548)	-	-	(4,946,388)
Balance as at December 31, 2017	293,414,945	330,044,967	162,128,410	111,507,602	37,373,476	40,031,015	2,248,809	-	976,749,224
Accumulated depreciation :									
Balance as at January 1, 2017	-	63,069,612	76,456,590	69,546,584	20,980,950	24,678,810	-	-	254,732,546
Add depreciation during the year	-	16,351,034	10,099,253	12,743,187	5,010,494	4,601,407	-	-	48,805,375
Less disposal during the year	-	-	(253,132)	(2,095,817)	(64,161)	(1,653,648)	-	-	(4,066,758)
Balance as at December 31, 2017	-	79,420,646	86,302,711	80,193,954	25,927,283	27,626,569	-	-	299,471,163
Net book value :									
Net book value - net Beginning 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
Net book value - net Ending of year	293,414,945	250,624,321	75,825,699	31,313,648	11,446,193	12,404,446	2,248,809	-	677,278,061

Depreciation for the year ended December 31, 2017 and 2016 amounted to Baht 49.16 million and Baht 42.68 million, respectively for the consolidated financial statements, and amounted to Baht 48.81 million and Baht 42.22 million for the separate financial statements, respectively.

As at December 31, 2017 and 2016, the Group's and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 138.34 million and Baht 130.86 million.

As at December 31, 2017 and 2016, Part of the Company's land and buildings have been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Notes 17 and 20).

15. INTANGIBLE ASSETS — NET

Intangible assets as at December 31, 2017, consisted of:

Unit : Baht				
Consolidated and Separate financial statements				
	As at January 1, 2017	Movements during the year		As at December 31, 2017
		Additions /Transfer	Movements during the year	
Cost				
License fee	1,773,086	-	-	1,773,086
Computer software	11,461,118	4,024,240	9,690	15,475,668
Total	13,234,204	4,024,240	9,690	17,248,754
Accumulated amortization				
License fee	295,598	591,029	-	886,627
Computer software	6,268,242	1,794,878	9,683	8,053,437
Total	6,563,840	2,385,907	9,683	8,940,064
Intangible assets - net	6,670,364			8,308,690

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.

16. DEFERRED TAX ASSETS - NET

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

	Unit : Baht		
	Consolidated financial statement		
	Movements increase (decrease)		
	As at January 1, 2017	Profit or loss	Other comprehensive income
			As at December 31, 2017
Deferred tax assets			
Trade and other receivables	7,889,477	(624,747)	-
Allowance for inventories devaluation	6,968,553	4,171,720	-
Provision for long-term employee benefits	2,408,935	513,461	360,727
Total deferred tax assets	17,266,965	4,060,434	360,727
Deferred tax liabilities			
Property, plant and equipment (depreciation)	3,110,068	(340,893)	-
Total deferred tax liabilities	3,110,068	(340,893)	-
Deferred tax assets - net	14,156,897	4,401,327	360,727

As at December 31, 2017 and 2016, three subsidiaries have unutilized tax loss carried forward of Baht 26.13 million and Baht 25.57 million, respectively. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

Unit : Baht			
Separate financial statement			
	Movements increase (decrease)		
	As at January 1, 2017	Profit or loss	Other comprehensive income
			As at December 31, 2017
Deferred tax assets			
Trade and other receivables	6,923,799	(470,642)	-
Allowance for inventories devaluation	6,968,553	4,171,720	-
Investments in subsidiaries	200,000	-	-
Provision for long-term employee benefits	2,408,936	513,460	360,727
Total deferred tax assets	16,501,288	4,214,538	360,727
Deferred tax liabilities			
Property, plant and equipment (depreciation)	3,110,068	(340,893)	-
Total deferred tax liabilities	3,110,068	(340,893)	-
Deferred tax assets - net	13,391,220	4,555,431	360,727

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before income tax	314,799,429	347,823,754	297,687,671	360,735,143
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	62,959,886	69,564,751	59,537,534	72,147,029
Non-deductible expenses by the Revenue Code	144,352	2,495,106	1,906,305	209,724
Double expenses by the Revenue Code	(4,810,725)	(4,422,484)	(4,797,369)	(4,422,484)
Unutilized tax loss carry forward	220,746	3,381,252	-	-
Income tax expenses	58,514,259	71,018,625	56,646,470	69,634,269
The effective tax rate	18.59%	20.42%	19.03%	19.30%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2017 and 2016.

17. 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	
	2017	2016
Bank overdrafts	9,340	-
Promissory note	-	80,000,000
Trust receipts	-	109,817,535
Total bank overdraft and short-term		
loan from financial institutions	9,340	189,817,535

As at December 31, 2017 and 2016, 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 amounted to Baht 2,316 million and Baht 1,473 million, respectively. 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 14), restricted deposits at financial institutions (Note 11). The Company and subsidiaries must comply with certain conditions and restrictions stipulated in the agreements.

18. TRADE AND OTHER PAYABLES

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related companies	2,650,149	1,602,486	2,650,149	1,602,486
Trade payables - others	631,917,007	361,193,687	631,917,007	361,168,747
Total trade payables	634,567,156	362,796,173	634,567,156	362,771,233
Other trade payables				
Advances received for goods	41,162,707	28,169,686	41,162,707	27,936,041
Revenue from contract received				
in advance	12,309,549	-	12,309,549	-
Accrued royalty expenses	7,129,230	10,675,555	7,129,230	10,675,555
Accrued commission expenses	15,662,885	24,939,122	15,662,885	24,939,122
Accrued plate expenses	2,811,709	1,665,790	2,811,709	1,665,790
Accrued sub-contractors expenses	12,458,828	8,374,892	12,458,828	8,374,892
Accrued employee special				
incentives expenses	-	12,136,838	-	12,136,838
Accrued staff welfare expenses	5,402,967	6,565,746	5,402,967	6,565,746
Withholding tax payables	4,036,257	4,973,936	4,030,884	4,973,936
Revenue Department payable	5,025,782	5,107,939	5,025,782	3,339,904
Retention payables	8,447,109	11,243,902	8,447,109	11,243,902
Payable for purchase of fixed assets	13,862,774	1,749,519	13,862,774	1,749,519
Accrued other expenses	13,705,435	23,430,477	13,509,513	23,044,700
Total other payables	142,015,232	139,033,402	141,813,937	136,645,945
Total trade and other payables	776,582,388	501,829,575	776,381,093	499,417,178

19. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Due within 1 year		
Minimum payments	726,690	4,659,874
Deferred interest	(30,745)	(117,529)
Present value of minimum payment	695,945	4,542,345
Due over 1 year not exceeding 5 years		
Minimum payments	252,691	972,167
Deferred interest	(3,112)	(34,045)
Present value of minimum payment	249,579	938,122
Net book value of asset under		
financial lease	1,832,092	14,551,092

As at December 31, 2017 and 2016, the Group has machinery and vehicles with certain companies under financial lease agreements for periods of 3-5 years. These bear interest rate of 4.95% - 6.86% per annum.

20. 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	
	2017	2016
Long-term loans	19,297,065	85,933,833
Less Current portion	(10,716,000)	(26,196,000)
Total long-term loans from		
financial institutions - net	8,581,065	59,737,833

These credit facilities are secured by mortgage of the Company's land and building (Note 14). 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 2014, the Company also drawdown 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. On May 30, 2017, the Company already made the repayment of the principal in full amount of this agreement.

In April 2013, the Company entered a long-term loan agreement with a financial institution for purchase 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.

21. 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	
	2017	2016
Provision for long-term employee benefits		
beginning of the years	12,044,679	6,019,490
Included in profit or loss:		
Current service costs	555,207	374,610
Cost of interest		
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	554,934	2,201,287
Experience adjustments	1,248,699	1,659,253
Provision for long-term employee benefits		
ending of the years	16,415,614	12,044,679

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Current service costs	2,012,095	1,790,039
Actuarial defined employee benefit plans	555,207	374,610
Total employee benefits expenses	2,567,302	2,164,649

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Costs of sales	1,824,431	1,562,107
Selling expenses	477,058	323,039
Administrative expenses	265,813	279,503
Total employee benefits expenses	2,567,302	2,164,649

Principal actuarial assumptions at the valuation date are as follow:

	Percentage	
	Consolidated and Separate financial statements	
	2017	2016
Discount rate		
Monthly salary	3.50	3.21
Daily salary	3.51	3.21
Future monthly salary increase rate	7.00	8.00
Future daily salary increase rate	7.00	8.00
Mortality rate	100% of Thai Mortality	100% of Thai Mortality
	Ordinary Tables of 2008	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 2017 are summarised below:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	15,506,381	17,400,700
Salary increase rate	17,443,738	15,458,440
Turnover rate	15,269,121	17,664,622

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2017	2016
Over 1 and up to 5 years	6,101,383	3,940,737
Over 5 and up to 10 years	8,764,417	7,102,066
Over 10 years	9,296,840	7,486,293

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 Annual General Meeting of Shareholders for the year 2017 held on April 25, 2017 has resolved to pay a dividend from a net profit for the year 2016, amounting to Baht 176 million to shareholders of 550 million shares at the rate of Baht 0.32 per share. Dividends were paid to shareholders on May 25, 2017.

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.

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	
	2017	2016	2017	2016
Changes in finished goods and				
work in process (increase) decrease	12.89	(4.26)	12.89	(4.26)
Changes in materials from the				
decommissioning power plant decrease	71.41	81.92	-	-
Raw materials and consumable materials used	1,451.00	1,513.91	1,450.83	1,513.78
Director and employee's benefits expenses	443.61	454.65	443.61	454.65
Sales promotion expenses	60.95	82.07	60.90	82.07
Service fees for installation subcontracts	175.31	139.65	175.31	139.65
Rental and service expenses	37.30	34.76	36.61	31.90
Depreciation and amortization	51.76	44.86	51.40	44.40
Vehicles and travel expenses	50.31	37.59	50.30	37.55
Allowance for inventory devaluation	20.86	14.34	20.86	6.83
Allowance of short-term loans to related party	-	-	8.51	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:

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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 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 follows.

Unit : Thousand Baht					
Consolidated financial statements as at December 31, 2017					
Description	Notes	Floating interest rate	Fixed interest rates	No interest rate	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	76,207	-	49,355	125,563
Trade and other receivables	7	-	-	637,169	637,169
Unbilled receivables	8			60,154	60,154
Restricted deposits at financial institutions	11	-	68,321	-	68,321
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans					
from financial institutions	17	9	-	-	9
Trade and other payables	18	-	-	776,582	776,582
Liabilities under financial lease agreements	19	-	946	-	946
Long-term loans from financial institutions	20	19,297	-	-	19,297

Unit : Thousand Baht

Consolidated financial statements as at December 31, 2016					
Description	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	-	-	582,876	582,876
Unbilled receivables	8	-	-	56,753	56,753
Restricted deposits at financial institutions	11	-	94,559	-	94,559
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans					
from financial institutions	17	189,818	-	-	189,818
Trade and other payables	18	-	-	501,830	501,830
Liabilities under financial lease agreements	19	-	5,480	-	5,480
Long-term loans from financial institutions	20	85,934	-	-	85,934

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 as follows.

Unit : Thousand Baht

Consolidated financial statements as at December 31, 2017					
Description	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Restricted deposits at financial institutions	11	68,321	-	68,321	0.80-1.10 %
<u>Financial liabilities</u>					
Liabilities under financial lease agreements	19	696	250	946	4.95-6.86%

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>					
Restricted deposits at financial institutions	11	94,559	-	94,559	0.80-1.20%
<u>Financial liabilities</u>					
Liabilities under financial lease agreements	19	4,542	938	5,480	4.95-6.86%

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, 2017 and 2016, the Company contributed to the fund amounting to Baht 13.03 million and Baht 11.73 million, respectively.

28. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at December 31, 2017 and 2016, the Group had the following commitments and contingent liabilities as follows:

28.1 As at December 31, 2017 and 2016, 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	
	2017	2016	2017	2016
Due within 1 year	6.87	1.11	6.87	1.11
Due over 1 year not exceeding 5 years	3.90	1.73	3.90	1.73
Due over 5 year	0.91	0.87	0.91	0.87
Total	11.68	3.71	11.68	3.71

28.2 As at December 31, 2017 and 2016, the Group is contingently liable for bank guarantees issued by the banks amounting to Baht 224.49 million and Baht 144.72 million, respectively.

28.3 As at December 31, 2017 and 2016, the Group has a contractual obligation to pay the remaining capital amount of Baht 0.45 million and Baht 0.22 million, respectively.

28.4 As at December 31, 2017 and 2016, the Company has the commitment from trade receivables, which have been sold with recourse to financial institution at a discount totaling of Baht 31.60 million and Baht 25.78 million, respectively.

28.5 As at December 31, 2017, the Group has the commitment from the contract as the contractor for improvement the underground cable power distribution systems in the external area around the Pimai and Sukhothai Historical Parks (Nakhon Ratchasima Province and Sukhothai Province) totaling of Baht 29.22 million.

29. RECLASSIFICATION OF ACCOUNTS

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2016 to conform to the presentation of the financial statements of current year.

	Unit: Million Baht					
	Consolidated Financial Statement			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
Trade and other	639.63	(56.75)	582.88	638.75	(56.75)	582.00
receivables - net	-	56.75	56.75	-	56.75	56.75
Unbilled receivables						
Deferred tax assets - net	-	14.16	14.16	-	13.39	13.39
Deferred tax assets	17.27	(17.27)	-	16.50	(16.50)	-
Deferred tax liabilities	(3.11)	3.11	-	(3.11)	3.11	-

30. EVENT AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 1/2018, held on February 20, 2018, resolved to pay a dividend from its operating result for the year ended December 31, 2017 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.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued on February 20, 2018.

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