



ASEFA PUBLIC COMPANY LIMITED

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ANNUAL REPORT 2018





ASEFA PUBLIC COMPANY LIMITED

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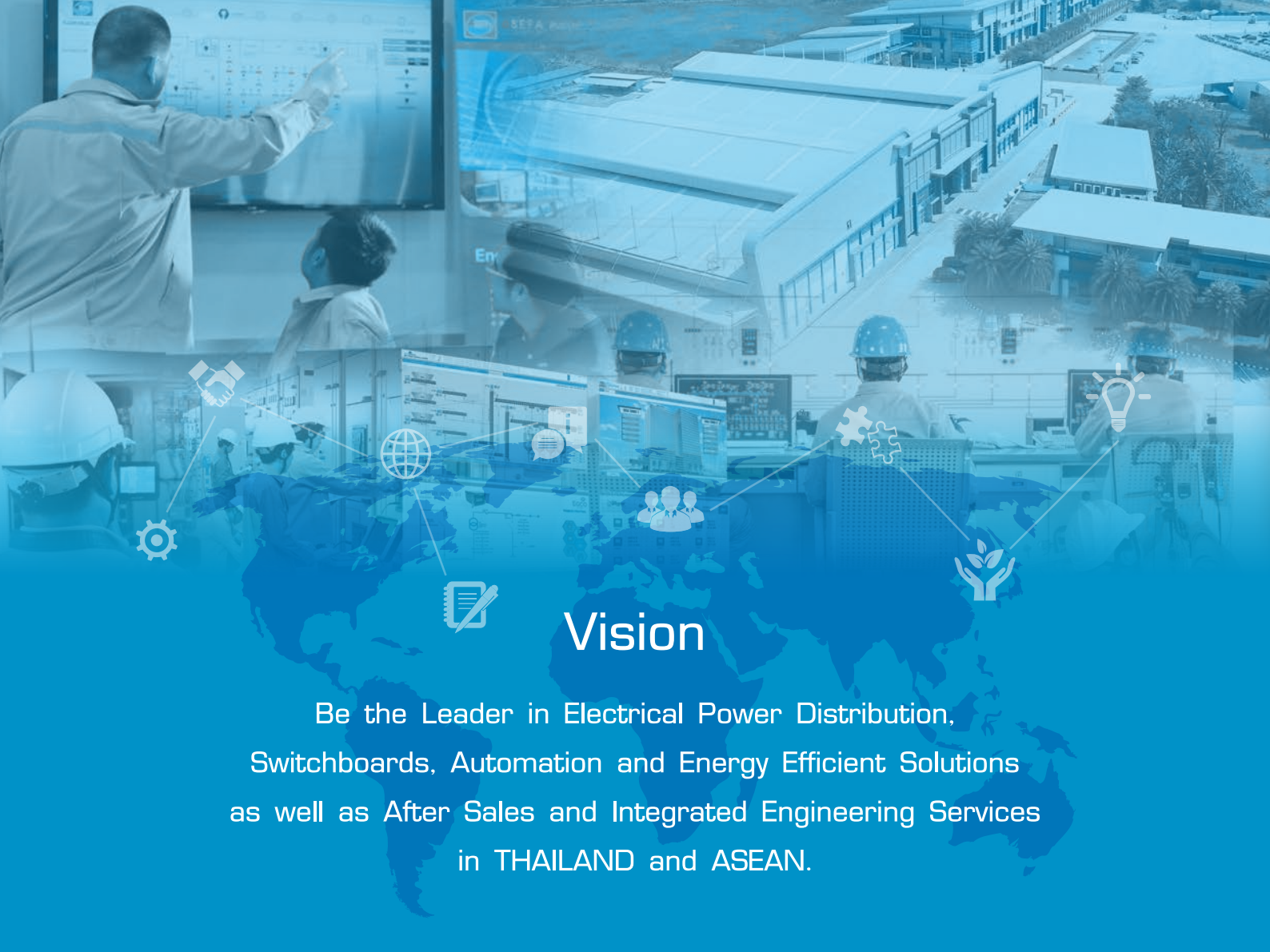
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Vision

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

Financial Highlight

For the Fiscal year ended December 31 st	Consolidated Financial Statements			Separate Financial Statements		
	2018	2017	2016	2018	2017	2016
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	2.91	2.72	2.58	2.89	2.72	2.60
Earning per share (Baht) *	0.52	0.46	0.52	0.49	0.44	0.53
Operating (Unit: million baht)						
Revenues from sales and service	3,020.77	2,808.26	2,799.63	2,931.24	2,650.10	2,717.43
Total income	3,036.10	2,817.59	2,814.21	2,947.93	2,666.17	2,741.83
Net profit (Equity holders of the Company)	285.07	253.38	288.23	271.09	241.04	291.10
Balance Sheet (Unit: million baht)						
Current assets	1,775.01	1,560.16	1,455.47	1,731.09	1,539.83	1,451.45
Total assets	2,547.38	2,342.26	2,250.37	2,520.15	2,337.72	2,261.63
Current liabilities	922.07	815.21	756.66	906.94	814.30	754.24
Total liabilities	945.01	842.61	829.56	929.52	839.64	827.15
Paid-up capital	550.00	550.00	550.00	550.00	550.00	550.00
Shareholders' equity (Equity holders of the Company)	1,614.14	1,507.61	1,431.67	1,590.63	1,498.08	1,434.49
Financial Ratio						
Returns on shareholders' equity (ROE) (%)	18.26	17.24	21.44	17.55	16.44	21.64
Returns on fixed assets (%)	52.11	47.13	51.84	49.63	44.04	52.03
Returns on assets (ROA) (%)	14.40	13.92	15.84	14.05	13.16	16.38
Gross profit margin (%)	23.68	23.36	25.14	24.14	24.15	25.91
Net profit margin (%)	9.39	8.99	10.24	9.20	9.04	10.62
Current assets ratio to items of current liabilities (time)	1.93	1.91	1.92	1.91	1.89	1.92
Liquidity ratio to liabilities (time)	1.12	1.01	0.96	1.07	0.93	0.92
Debt ratio to shareholders' equity (D/E) (time)	0.59	0.56	0.58	0.58	0.56	0.58

Note :

* In year 2018 the use of the weighting average ordinary share numbers of 550,000,000 shares.

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.

Message from the Board of Directors



Mr. Phaiboon Ungkanakornkul
Managing Director



Mr. Soracit Phungsuk
Chairman

According to Thailand's economic overview in 2018, Gross Domestic Product (GDP) stayed at 4.1%, up from 2017, on the back of increased private investment from 2.9% to 3.9%. Public investment from (1.2%) to 3.3%. The main factor is from the private and public expenses in both consumption and investment which encourage the company's business growth.

In 2018, the company and its subsidiaries earned, more than last year, the total revenue of 3,020.77 million baht, having increased by 212 million baht or 7.57%. Most of the revenue comes from the company's manufacturing products, at the same time, the service business continues to expand as the company planned. Furthermore, in the second half of 2018, the company earned the revenue from the massive electrical projects. Due to the increased revenue, the company and its subsidiaries earned the net profit of 285.07 million, having increased by 12.51%, compared to the same period last year which earned the net profit of 253.39 million baht. Thus, the net profit margin increase from 8.99% to 9.39%, compare to the same period of 2016. The company has followed the plan by focusing on the market expansion and products development by introducing our products and services as the solution, the maintenance, and the integrated energy management. In term of the market expansion, it includes the market of renewable energy and energy conservation, smart control system, and automatic control system as the revenue from the abovementioned products and services has been continuously grown.

Recently, the business is coming to be the Digital Economy which uses the technology to be a force and play a role as a common thing that helps the work process be effective in order to support market strategies. Moreover, the innovation development using technology is the significant development method that causes the lower cost yet more effective results in the competition in order to respond to customers promptly and variously. The company focuses on abovementioned matters and prepares the backup plan by using new technologies to improve work process and human resource, as well as, assigning the enterprise risk management team to evaluate, plan, and manage the company's risks covering every aspects for the company sustainability.

Considering the economic trend in 2019, the electrical power business has extended continually since 2018 according to the national economic growth. There were government and private sectors investment projects such as public utility and infrastructure, Eastern Economic Corridor (EEC) project, airport, and infrastructure construction investment for the upcoming technology such as data center, telecommunication, 5G, as well as the investment in massive commercial building projects, public and private hospitals, and renewable energy. It is believed that they will be the factor to help the company's business growth this year.

On behalf of the Board of the company, I would like to thank all stakeholders, 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 economy, society, and environment to be beneficial for everyone and for the sustainable growth.

Company's General and Important Information

Company's name	ASEFA Public Company Limited	
Company's initial	ASEFA	
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	
Par value	Ordinary shares at 1 baht per share	
Locations	5 Moo1 Rama II Road, Khok-krabue, Mueang Samutsakhon, Samutsakhon 74000	
	Telephone 0 2686 7777	Fax. 0 2686 7788
Website	www.asefa.co.th	
Investor Relation	Telephone 0 2686 7788 ext. 1700	E-mail: pichai-p@asefa.co.th
Company secretary	Telephone 0 2686 7788 ext. 1104, 1700	E-mail: asefa@asefa.co.th
Subsidiaries	<ol style="list-style-type: none"> 1. Varitek Company Limited 2. ASEFA Suntech Joint Venture 3. Asefa and VARS Joint Venture 4. Asefa and UMI Joint Venture 	

Reference

Securities Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone: 0 2009 9000 Call center 0 2009 9999 Fax.: 0 2009 9991 www.set.or.th/tsd	
Auditor	Mr. Atipong Atipongsakul CPA License No. 3500 Mr. Yuttapong Chuamuangpan CPA License No. 9445 Mr. Vichai Ruchitanont CPA License No. 4054 Mr. Sathien Vongsnan CPA License No. 3495 Ms. Kultida Pasurakul CPA License No. 5946 ANS Audit Company Limited. 100/72, 16 th Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand Telephone 0 2645 0109 Fax. 0 2645 0110	

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 Klomchitharoen, 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.

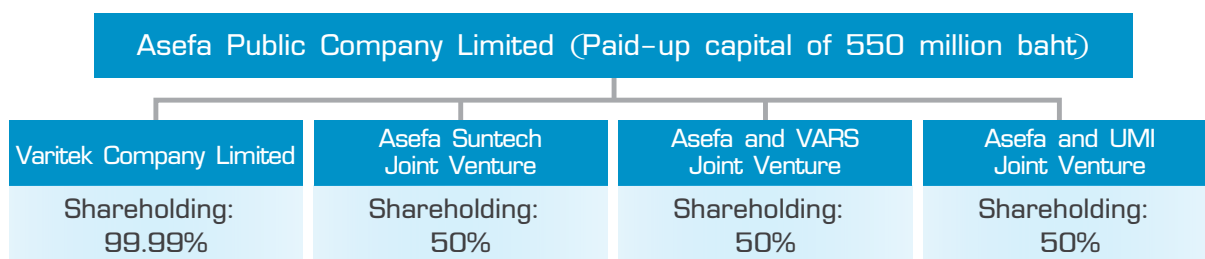
Because of our commitment to provide satisfying services to the customers, the Company has thus published the slogan—alongside the logo—“The Meaning of Service Minded,” and our commitment policy is as follows:



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 is a manufacturer, supplier, and service provider for the electrical power distribution, automation and smart control system, as well as products for energy conservation, renewable energy, etc.

1. Manufacturing Products

- 1.1 ASEFA Modular Switchboard
- 1.2 Licensed Type Tested Switchboard
- 1.3 Metal Trunking & Ladder
- 1.4 Prefabricated Mobile Unit
- 1.5 Luminaire

2. Supplied and Distributed Products

- 2.1 Electrical and Control
- 2.2 Electrical Power Distribution
- 2.3 Lighting and Equipment
- 2.4 Energy Conservation and Renewable Energy
- 2.5 Cable & Accessories
- 2.6 Others

3. System Integration

- 3.1 Building Automation
- 3.2 Chiller Management
- 3.3 Industrial Automation
- 3.4 Lighting Control and Management
- 3.5 Energy Management
- 3.6 Power Quality Improvement

4. Engineering Service Provider

- 4.1 Electrical Power Distribution
- 4.2 Renewable Energy
- 4.3 Energy Conservation
- 4.4 Automation and Smart Control
- 4.5 Data Center
- 4.6 Others

5. After Sales Services

- 5.1 Customer Services Center
- 5.2 Modification and Upgrade
- 5.3 Preventive Maintenance and Corrective Maintenance
- 5.4 Spare Part Management
- 5.5 Electrical System Audit and Certify
- 5.6 Monitoring and Online Service

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 Bangpakpung 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 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.

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 operate 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.

Transition and milestone development

Transition and milestone development 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 Suksawat with the utility space of 3,869 sq.m., which was able to support more demands from the market.

2001

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

2003

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

2004

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



2005

- Added 20.00 million Baht registered capital to the previous 30.00 million Baht capital --- 50.00 million Baht in total --- by issuing 200,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
- Obtained license from Schneider Electric Industries S.A., France, in manufacturing medium-pressure type-tested switchboards, NEX 17.5kV and NEX 24kV, 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 Khok-Krabue District (near the railroad crossing), Mueang Samutsakhon, Samutsakhon Province, an added attachment to the two plots previously purchased by the company as a business plan for future expansion.

2017

- On March 15, 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 June 27, 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 September 7, 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 December 21, 2017 Entering into an AQ Consortium agreement with Quintus Advanced Products with the purpose to modify the airport runway lighting system at Buriram Airport.



Transition and Milestone Development in

2018



Partner Investment

- Entering into a consortium agreement with Impulsion Company Limited with the purpose to enter into the design contract, engineering calculation, supply, install, test, and commissioning to 22kV Floating Solar Power Plant Project System 22kV Capacity 2.0 MWp/AC at Ratchaburi Electricity Generating Company Limited.
- Entering into an AS consortium agreement with Sinkaew Pronmalai Oomsap Limited Partnership together prepared proposal and completed quotation for the PEA's project to improve the distribution system of underground cable in various projects.
- Entering into a SE consortium agreement with Schneider Electric CPCS (Thailand) Company Limited with purpose to enter into the construction contract of the project "The Cloud Internet Data Tower B Project at CS Loxinfo Public Company Limited.
- Entering into an AA consortium agreement with Adisa Company Limited aimed at construction and modification of electrical system at building T13, T14 of Post Engineer Department, Royal Thai Armed Forces Headquarters



Products and Services

- Received Audit Certificate Licensed Partner "Blokset TTA Low Voltage Type Tested Switchboard" under license from Schneider Electric
- Granted the right as a distribution for solar panel (PV Module) from Shanghai JA Solar Technology Co.,Ltd
- Introduced products and services as the solution, the maintenance, and the integrated energy management
- The market expansion which includes the market of renewable energy and energy conservation, smart control system, and automatic control system



Management

- Assigned the enterprise risk management team to evaluate, plan, and manage the company's risks overing every aspects for the company sustainability.



Awards

- Outstanding Award for National Occupational Skill Standard from Department of Skill Development, Ministry of Labor
- Received Certificate of Thai Labor Standard (TLS 8001-2553) at basic level from Department of Labor Protection and Welfare, Ministry of Labor
- Outstanding Award for Safety, Occupational Health and Environment in Workplace 2018 in National Level, 2nd year, Gold Level by Ministry of Labor
- Outstanding Award for Model Organization for labor skill development promotion 2018, 2nd year by Ministry of Labor
- Received Certificate of Green Industry Level 2 (Green Activity) from Ministry of Industry
- Outstanding Award for "Healthy Organization" by Thai Health Promotion Foundation



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 2016-2018 is shown as follows.

Products	Operator	2018		2017		2016	
		MB	%	MB	%	MB	%
Manufacturing Products							
• Switchboards designed and developed by the Company	Asefa	1,162.73	38.30	1,025.85	36.41	1,156.74	41.11
• Licensed Products	Asefa	675.98	22.26	596.40	21.17	686.93	24.41
• Other	Asefa	130.08	4.29	125.95	4.47	142.74	5.07
Total Manufacturing Product Revenue		1,968.79	64.85	1,748.20	62.05	1,986.41	70.59
Supplied and Distributed Products							
• Electrical and control products	Asefa, VRT	63.66	2.10	88.22	3.13	81.92	2.91
• Electrical power distribution products	Asefa	271.70	8.95	289.62	10.28	310.44	11.03
• Lighting Equipment	Asefa	12.35	0.41	8.23	0.29	5.46	0.19
• Mineral Insulated Cable	Asefa	3.99	0.13	21.82	0.78	30.66	1.09
• Other	Asefa, VRT	40.65	1.33	19.51	0.69	6.57	0.23
Total Supplied and Distributed Products Revenue		392.35	12.92	427.39	15.17	435.05	15.45
Services							
• Integrated engineering services	Asefa, JV	547.97	18.05	451.98	16.04	215.73	7.67
• After sales services	Asefa	111.66	3.68	100.67	3.57	80.24	2.85
Total Service Revenue		659.63	21.73	552.65	19.61	295.98	10.52
Power plant demolition	JV	-	-	80.01	2.84	82.19	2.92
Other incomes*	Asefa, JV VRT	15.33	0.50	9.33	0.33	14.58	0.52
Grand Total		3,036.10	100.00	2,817.59	100.00	2,814.21	100.00

Note: *Other sources of income in 2018, consists of profit from the sale of assets 4.05 million baht, rental income 3.61 million baht, project management fee 3.30 million baht and foreign exchange profit 0.50 million baht etc.



WHAT WE DO

The company's business is based on the production, distribution and installation of Electrical Power Distribution products, having Medium and Low Voltage Switchboard and Control Board as the main merchandise. The company procures and sells equipment required mainly for the electrical system, ranging from the power source to the end-point of electrical equipment or appliance. The company's product features and services can be categorized as follows:

OUR PRODUCTS AND SERVICES



Manufacturing Products

The company's products mainly switchboard is the electrical equipment distributing medium-to-low voltage, licensed and guaranteed by recognized standard. Other metal sheet and steel fabricate are also ours.



Supplied and Distributed Products

The company sources the products from leading manufacturers and distributors and offers the customers complete one-stop service as well as supporting urgent request with stored products.



System Integration

The company specializes in designing and implementing Automation Controls Systems. We employ a proven array of project management, hardware design, software programming and commissioning services.



Engineering Service Provider

The company provides services in designing, sourcing, installing, and consulting by the teams of professional engineers along with modern technology of tools.



After Sales Services

The company provides various processes and activity to make sure that customers are satisfied with our products and services.



Manufacturing Products



ASEFA Modular Switchboard



Licensed Type Tested Switchboard



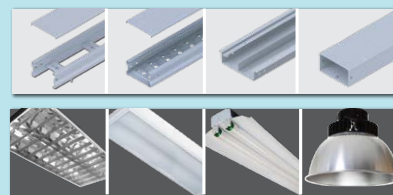
Metal Trunking & Ladder



Prefabricated Mobile Unit



Luminaire



Supplied and Distributed Products



Electrical and Control



Electrical Power Distribution



Lighting and Equipment



Energy Conservation and Renewable Energy



Cable & Accessories



Others



System Integration



Building Automation



Lighting Control and Management



Chiller Management



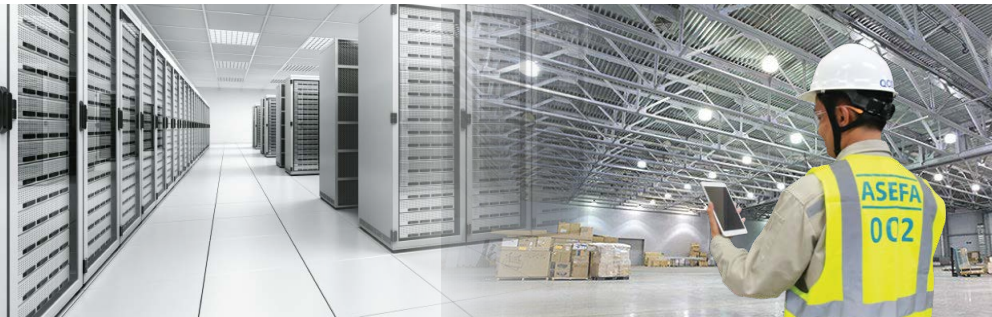
Energy Management



Industrial Automation



Power Quality Improvement



Engineering Service Provider



Electrical Power Distribution



Automation and Smart Control



Renewable Energy



Data Center



Energy Conservation



Others



After Sales Services



Customer Services Center



Spare Part Management



Modification and Upgrade



Electrical System Audit and Certify



Preventive Maintenance and Corrective Maintenance

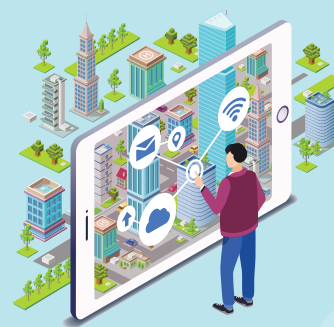


Monitoring and Online Service

Industrial Trend and Competition

Industry conditions

The electrical power plays an important role in the national business and economic development. The demand for electricity in Thailand tends to rise as the increase of the economic growth. According to the Thailand Power Development Plan in 2018 (PDP 2018; draft), at the end of 2037, there will be the total of generating capacity at 77,211 MW which includes the generating capacity from the end of 2017 at 46,090 MW, the generating capacity from 2018-2037 at 56,431 MW. Moreover, there has been the power plant decommissioning between 2018-2037 at 25,310 MW, increase by 6,876 MW or 9.78% which is similar to the recently used plan: PDP 2015.



The comparison of the power development plan between PDP 2015 and PDP 2018

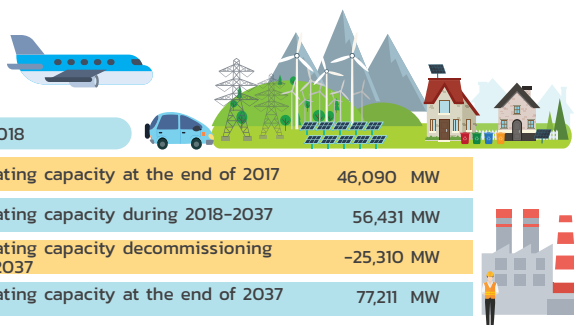
Power generation system for stability

PDP 2015

Generating capacity at the end of 2014	37,612 MW
Generating capacity during 2015-2036	57,459 MW
Generating capacity decommissioning during 2015-2036	-24,736 MW
Generating capacity at the end of 2036	70,335 MW

PDP 2018

Generating capacity at the end of 2017	46,090 MW
Generating capacity during 2018-2037	56,431 MW
Generating capacity decommissioning 2018-2037	-25,310 MW
Generating capacity at the end of 2037	77,211 MW



Generating capacity divided by power plant type

	PDP 2015	PDP 2018
Renewable energy power plant	21,648 MW	20,766 MW
Pumped-storage power plant	2,101 MW	500 MW
Cogeneration power plant	4,119 MW	2,112 MW
Combined heat power plant (IPP)	12,113 MW	13,156 MW
Coal/ Lignite power plant (IPP)	7,390 MW	1,740 MW
Supply from other countries	1,473 MW	5,857 MW
New power plant (IPP)	-	8,300 MW
Energy conservation plan	-	4,000 MW

Renewable energy power plant according to AEDP plan

	PDP 2015	PDP 2018
Biomass	5,570 MW	3,376 MW
Biogas	600 MW	546 MW
Solar energy	6,000 MW	10,000 MW
Wind	3,002 MW	1,485 MW
Garbage	500 MW	44 MW
Floating solar farm	-	-
Hydroelectric power plant	-	2,725 MW
Total	19,634.4 MW	18,176 MW

Source: Energy Policy and Planning Office, PDP 2018 (draft)

The national energy consumption in last year had gone up according to the increased national economy. Consider the economic trend in 2019, NESDB believes that GDP growth will reach 3.5-4.5, the investment from government and private sectors tends to be increased from 2018 by these significant factors which are (1) the expansion of household spending has been going well and helping the business expansion constantly (2) the increase in the investment from private sectors in relation to the increase in the capacity utilization rate and in the value of applying for investment promotion (3) the increase in the investment from government in relation to the progress of major infrastructure investment projects (4) the increase in the driving force from the tourism sector in relation to the adjustment to normal conditions of the amount and income from tourism sector and (5) changes in the trade direction, production, and international investment which will help reduce the impact of the global economic slowdown.

According to the plan of the development of electricity generation capacity and the increase in the business growth, the business related to the electrical power still having an opportunity to grow from the government and private sector investment such as government's mega-project investment, and government and private sector's infrastructure and public utility system improvement projects.

Economic trend in 2019				
	The actual information		2019 prediction	
	2017	2018	19/11/2018	18/02/2019
GDP growth (%)	4.0	4.1	3.5 – 4.5	3.5 – 4.5
Private sector consumption	3.0	4.6	4.2	4.2
Government consumption	0.1	1.8	2.2	2.2
Private sector investment	2.9	3.9	4.7	4.7
Government investment	-1.2	3.3	6.2	6.2
Export value (USD,%)	9.8	7.7	4.6	4.1
Inflation (%)	0.7	1.1	0.7 – 1.7	0.5 – 1.5
Current account balance (%GDP)	11.0	7.4	5.8	6.2

Source: Office of the National Economic and Social Development Council (NESDB), 18 February 2019

These abovementioned projects help the business expansion be better than last year which is a factor to support the company's business growth constantly since the income and company's growth mostly depend on the business expansion and the investment from government and business sectors.

The competitions

The company is the leader in electrical power distributor, power supply, power energy management system, engineering services, after sales services, equipment related to the energy conservation and renewable energy which are the growing industry and they can be sold partly or whole system. Currently, switchboards have been the main product of



the company which include switchboards designed and developed by the company, switchboards licensed by the international manufacturers such as Schneider Electric and Socomec. For the competition, there are both national manufacturers and international manufacturers who import goods for sales, however, the company still has the ability to compete and grow in this business field because of our readiness in our plant, machinery, personnel, and prompt service.



The company's business opportunity

The overall of the industry related to the company's business has been expanded consistently by having the investment from government and private sectors as a factor such as government's mega projects, public utility and infrastructure modification projects, Eastern Economic Corridor (EEC) project, airport expansion project, and infrastructure construction investment for the upcoming technology such as data center, telecommunication, 5G, as well as the investment in massive commercial building projects, public and private hospitals, and renewable energy.

Having products related to the electrical power distribution and power supply which are the peripheral equipment to switchboards, automatic control system, integrated after sales services supply, and new products and services supply related to the energy conservation and renewable energy, it is believed that they will grow together with the company's main business.

Upcoming projects

The company has followed the plan focusing on the investment and business expansion related to the company's core competency and mega trend. The company focuses on 3 aspects which are

- 1) Expand the business by making the investment with new partners in forms of joint venture, consortium, and expansion of the company's subsidiaries
- 2) Present new products and services related to smart control system, automatic control system, equipment related to the energy conservation and renewable energy, maintenance, and engineering system as the integrated solution
- 3) Extend new sales channels and plans to cover all types of customer and increase the company's income

The company's upcoming projects will increase the proficiency and ability in the competition and support the upcoming market expansion for national and international level.



Major Shareholders

The company has a registered capital of 550,000,000 baht and paid-up capital 550,000,000 baht, divided into 550,000,000 ordinary shares with a par value of 1 baht per share.

With the top 10 major shareholders structure of the company as of December 28, 2018, which is the closing date of the registration book, with the following details:

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	20,599,200	3.75
	1.4 Ms. Pornsuda Ungkanakornkul	182,200	0.03
	1.5 Ms. Aurapin Ungkanakornkul	140,000	0.03
	1.6 Mr. Praphan Ungkanakornkul	100,000	0.02
	Total shares held by Ungkanakornkul Group	221,021,400	40.19
2	Mr. Sa-Ngeam Klomchitcharoen	60,020,000	10.91
3	Mr. Pornchai Uraisin	59,436,000	10.81
4	Mr. Chairat Tangtivaja	58,780,000	10.69
5	FWD Life Insurance Public Company Limited	9,111,600	1.66
6	N.C.B. TRUST LIMITED-POHJOLA BANK PLC CLIENT A/C EUR	7,000,000	1.27
7	Ms. Uraiwan Sae Li	4,938,400	0.90
8	Thai NVDR Company Limited	4,893,230	0.89
9	Mr. Amnaj Ruksawad	3,100,000	0.56
10	Mr. Somkiat Mitsuntisuk	2,881,900	0.52
	Total	431,182,530	78.40

Source: The Thailand Securities Depository Co., Ltd.

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

Limitation of foreign shareholders

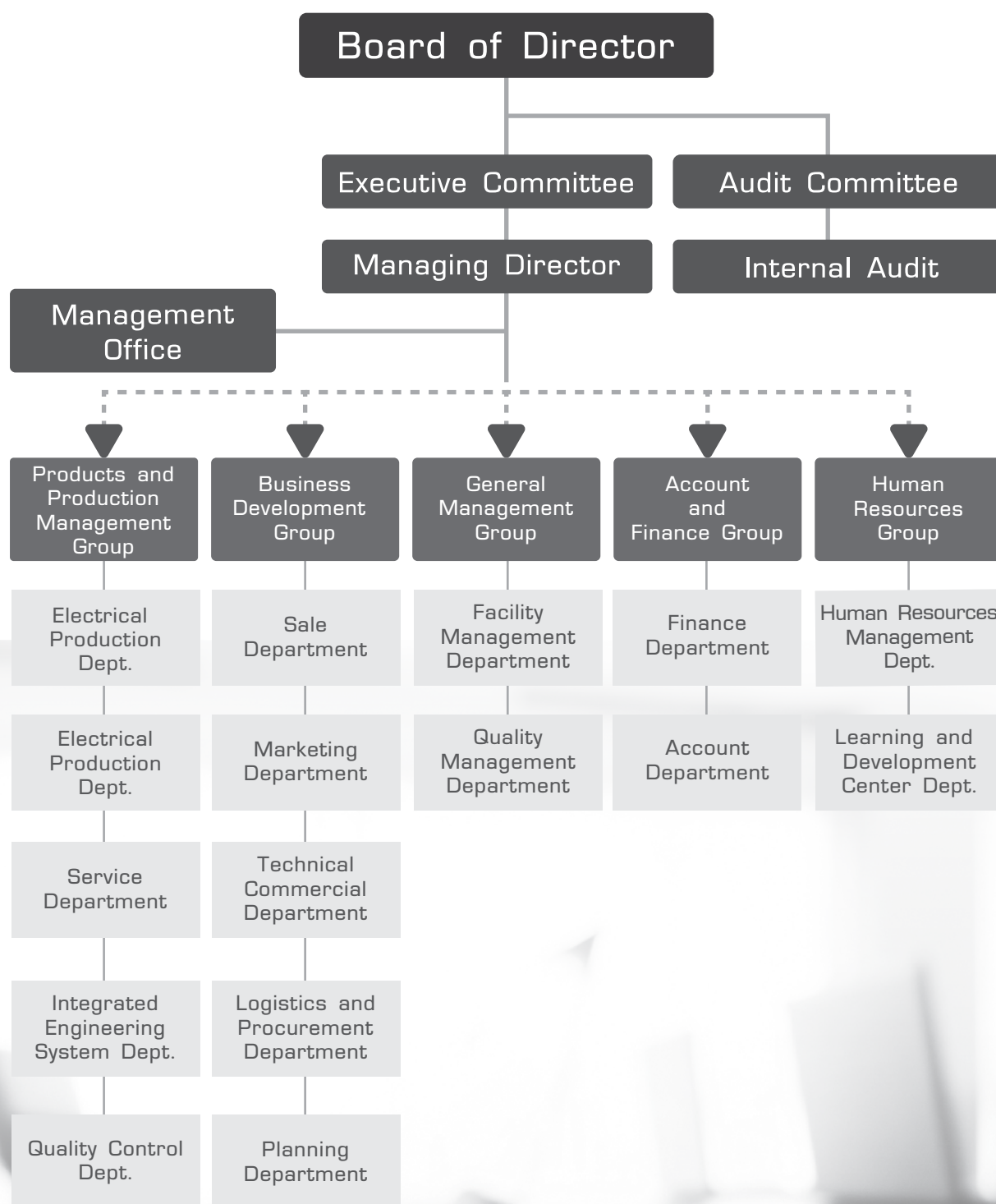
The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of December 28, 2018, the foreign shareholders held 1.37 percent of total shares.

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.



Organization Chart



The Board of Directors and Management

The Board of Directors



Mr. Soracit Phungsuk
Chairman /
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

The Board of Management and Chief Financial Officer (CFO)



Mr. Phaiboon Ungkanakornkul
Chief Executive Officer



Mr. Boontherd Thongsamrit
Executive Director



Mr. Uton Sraihong
Executive Director



Mr. Choosak Sukhathammoo
Executive Director



Mr. Wichai Soontornvutikul
Executive Director



Mr. Burin Phraemongkol
Executive Director



Mr. Sanya Chindaphan
Executive Director



Mr. Pichai Panchan
Executive Director



Mrs. Nanchalisa Rattanasittarn
Chief Financial Officer
(CFO)

The Board of Directors and Management



Mr. Soracit Phungsuk

Chairman / Chairman of the Audit Committee / Independent Director

Age (End of 2018) : 71

Qualifications and training history : > Bachelor of Electrical Engineering (Power), Far Eastern University, Philippines

> Directors Accreditation Program (DAP) 68/2008

Year of Director : 11 (Since 2007)

Ratio of the Company's Shares Held (28/12/18) : 0.11

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2007 - Present	Chairman / Independent Director	Asefa PLC.	• manufacturer and distributor of switchboards
2000 - Present	Chairman	Sunco Engineering Company Limited	• repairs large electrical equipment
2014 - 2015	Director	Fascio	• distributor of motors control



Mr. Phaiboon Ungkanakornkul

Director / Chairman of the Executive Board / Managing Director

Age (End of 2018) : 51

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)

> Smart Disclosure Program (SDP) 28/8/2015

> Role of the Chairman Program (RCP) 38/2016

> Session Fostering CEO Relations, Session Chairing Board Meetings 21/3/2018

> Boardroom Success through Financing & Investment (BFI) 27-28/8/2018

Year of Director : 21 (Since 1997)

Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• manufacturer and distributor of Switchboards
1997 - Present	Chairman / Chairman of the Executive Board / Managing Director	Asefa PLC.	• 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

Director

Age (End of 2018) : 53

Qualifications and training history : > Bachelor of Engineering (Electrical Engineering), King Mongkut's Institute of Technology Ladkrabang

> Directors Accreditation Program (DAP) 67/2007

Year of Director : 21 (Since 1997)

Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• manufacturer and distributor of switchboards
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. Sa-Ngeam Klomchitcharoen

Director

Age (End of 2018) : 52

Qualifications and training history : > Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi

> Directors Accreditation Program (DAP) 67/2007

Year of Director : 21 (Since 1997)

Ratio of the Company's Shares Held (28/12/18) : 10.91

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
1997 - Present	Director	Asefa PLC.	• manufacturer and distributor of switchboards
2005 - Present	Director	Fireman Corporation 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

Director

Age (End of 2018) : 55

Qualifications and training history : > Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi

> Directors Accreditation Program (DAP) 68/2008

Year of Director : 21 (Since 1997)

Ratio of the Company's Shares Held (28/12/18) : 10.81

Familial Relationship with the Directors : -

Work experience within the last 5 years

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



Asst. Prof. Prasit Pittayapat

Audit Committee Director / Independent Director

Age (End of 2018) : 77

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

Year of Director : 11 (Since 2007)

Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• 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

Audit Committee Director / Independent Director

Age (End of 2018) : 46

Qualifications and training history :
 > Master Degree of International Finance, Westminster University, United Kingdom
 > Bachelor of Finance, Assumption University
 > Directors Accreditation Program (DAP) 68/2008

Year of Director : 11 (Since 2007)

Ratio of the Company's Shares Held (28/12/18) : None

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2007 - Present	Audit Committee	Asefa PLC.	• manufacturer and distributor of switchboards
2012 - March 2018	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 Company Limited	• manages assets and funds



Mr. Boontherd Thongsumrit

Deputy Managing Director

Age (End of 2018) : 48

Qualifications and training history :
 > Bachelor of Industrial Technology, Mechanical Technology Program, Siam University

Year of Director : 4 (Since 2015)

Ratio of the Company's Shares Held (28/12/18) : 0.04

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2018 - Present	Deputy Managing Director / Department Manager, Electrical Production	Asefa PLC.	• manufacturer and distributor of switchboards
2017 - 2018	Department Manager, Technical Commercial Department / Department Manager, Electrical Production Department		
2015 - 2017	Department Assistant Managing Director		
2010 - 2015	Department Manager, Electrical Production Department	Asefa Company Limited	• manufacturer and distributor of switchboards



Mr. Utorn Srathong
Assistant Managing Director

Age (End of 2018) : 53
 Qualifications and training history : > M.B.A., Kasembundit University
 > Bachelor of Engineering (Industrial Engineering), King Mongkut's University of Technology North Bangkok
 Year of Director : 4 (Since 2015)
 Ratio of the Company's Shares Held (28/12/18) : 0.01
 Familial Relationship with the Directors : -

Work experience within the last 5 years

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



Mr. Choosak Sukhathammoo
Senior Department Manager, Sales Department

Age (End of 2018) : 52
 Qualifications and training history : > Bachelor of Marketing, Bangkok University
 Year of Director : 4 (Since 2015)
 Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• 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		



Mr. Wichai Soontornvutikul
Senior Department Manager

Age (End of 2018) : 52
 Qualifications and training history : > Bachelor of Economics, Thammasat University
 Year of Director : 6 month (Since July 2018)
 Ratio of the Company's Shares Held (28/12/18) : none
 Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2015 - Present	Senior Department Manager	Asefa PLC.	• manufacturer and distributor of switchboards
2011 - 2014	Advisor, Sales and Marketing Department	Advance Image Card Company Limited	• Greeting cards



Mr. Burin Phraemongkol

Senior Department Manager, Planning Department

Age (End of 2018) : 40

Qualifications and training history : > Bachelor of Business Administration (Industrial Management), University of the Thai Chamber of Commerce

Year of Director : 4 (Since 2015)

Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• manufacturer and distributor of switchboards
2010 - 2015	Department Manager, Planning Department	Asefa Company Limited	• manufacturer and distributor of switchboards



Mr. Pichai Panchan

Department Manager, Finance Department / Company Secretary

Age (End of 2018) : 46

Qualifications and training history : > M.B.A., Kasetsart University

> Bachelor of Accountancy, Dhurakij Pundit University

Year of Director : 6 month (Since July 2018)

Ratio of the Company's Shares Held (28/12/18) : -

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2015 - Present	Finance Department Manager/ Company Secretary	Asefa PLC.	• manufacturer and distributor of switchboards
2014 - 2015	Asst. Accounting Department Manager / Company Secretary	Asefa Company Limited	• manufacturer and distributor of switchboards
2013 - 2014	Senior Accounting Department Manager	Thaifoods Group Public Company Limited	• food and beverage
2010 - 2012	Finance and Accounting Department Manager	Carpet International Thailand Public Company Limited	• construction Material (carpet)



Mr. Sanya Chindaphan

Department Manager, Accounting Department / Chief Accountant

Age (End of 2018) : 39

Qualifications and training history : > Master Degree of Accounting, Mahanakorn University of Technology

> Bachelor of Accountancy, Southeast Asia University

Year of Director : 4 (Since 2015)

Ratio of the Company's Shares Held (28/12/18) : 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 PLC.	• manufacturer and distributor of switchboards
2012 - 2015	Devision Manager, Account Department	Asefa Company Limited	• manufacturer and distributor of switchboards
2007 - 2012	Account Devision Manager	Varitek Company Limited	• distributor of electrical equipment



Mrs. Nanchalisa Rattanasittarn

Chief Financial Officer (CFO)

Age (End of 2018) : 48

Qualifications and > M.B.A., Kasetsart University

training history : > Bachelor of Accountancy, Thammasat University

Year of Director : -

Ratio of the Company's Shares Held (28/12/18) : -

Familial Relationship with the Directors : -

Work experience within the last 5 years

Period	Position	Company's Title	Business Type
2018 - Present	Chief Financial Officer (CFO)	Asefa PLC.	• manufacturer and distributor of switchboards
2009 - 2018	Financial and accounting advisor (Independence advisor)	-	• advisory
2003 - 2008	Associate Director	KPMG Company Limited	• audit and advisory
1994 - 2003	Manager	SGV Na-Thalang Company Limited	• audit and advisory

Management structure

The Company's management structure of 7 members of the Board of Directors, with 2 sub-committees, 1) Audit Committee, 3 persons, 2) Executive Committee, 8 persons and executives, with names and scope of authority as follows

The Board of Directors

The Board of Directors as of December 31st, 2018, 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	April 24 th , 2018
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	April 24 th , 2018

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 person and non executive director 6 persons (including audit committee 3 persons) 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. 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)	
	2018	2017
1. Mr. Soracit Phungsuk	4/4	5/5
2. Mr. Phaiboon Ungkanakornkul	4/4	5/5
3. Mr. Chairat Tangtivaja	4/4	5/5
4. Mr. Sa-Ngeam Klomchitcharoen	4/4	5/5
5. Mr. Pornchai Uraisin	4/4	5/5
6. Asst. Prof. Prasit Pittayapat	4/4	5/5
7. Mr. Suphan Settapanich	4/4	5/5

The Audit Committee

The Audit Committee as of December 31st, 2018, 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	April 24 th , 2018

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 criteriaset 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)	
	2018	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

The Board of Management as of December 31st, 2018, there are 8 persons comprises of the following members:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Chief Executive Officer
2. Mr. Uton Srathong	Executive Director
3. Mr. Boontherd Thongsamrit	Executive Director
4. Mr. Burin Phraemongkol	Executive Director
5. Mr. Choosak Sukhathammoo	Executive Director
6. Mr. Sanya Chindaphan	Executive Director
7. Mr. Wichai Soontornvutikul	Executive Director
8. Mr. Pichai Panchan	Executive Director

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

Management

The Management as of December 31st, 2018, there are 13 persons comprises of the following members:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	Managing Director and Acting Human Resources Manager
2. Mr. Boontherd Thongsamrit	Deputy Managing Director — Production Dept.
3. Mr. Uton Srathong	Asst. Managing Director
4. Mr. Burin Phraemongkol	Senior Department Manager — Planning Dept.
5. Mr. Choosak Sukhathammoo	Senior Department Manager — Sales Dept.
6. Mr. Sanya Chindaphan	Department Manager — Account Dept.
7. Mr. Wichai Soontornvutikul	Senior Department Manager — Administrative Dept.
8. Mr. Pichai Panchan	Department Manager — Corporate Finance Dept and Company Secretary
9. Mrs. Nanchalisa Rattanasittarn	Chief Financial Officer (CFO)
10. Ms. Thatsanee Chowvasevakasad	Senior Department Manager — Marketing Dept.
11. Mr. Amphan Supawaha	Senior Department Manager — Sales Dept.
12. Ms. Padewrada Junda	Senior Department Manager — Marketing Dept.
13. Ms. Pornthip Ungkanakornkul	Department Manager — Operation Finance 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 person and non executive director 6 persons (including audit committee 3 persons) In addition, the board of directors also appointed committees to assist in the governance of the company as follows:

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

The Board of directors's policy sets that the Chairman and the Managing Director must not be the same person, to achieve clarity on the responsibilities between policy, governance and management. The company has divided the roles and responsibilities between the Board of Directors and the Executive Management.

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

The Board of Directors appoints the company secretary to response as the 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 minute 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 corporate governance to the director, audit committee, executive management and company secretary to provide continuous operational improvements, including the course of the Institute of Directors of Thailand (Thai Institute of Directors Association: IOD).

Committee

The management structure of the Company consists of the Board of Directors and another two sets of the committee - Audit Committee and Executive Management Committee. 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 by laws, 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 the Executive Committee

1. To consider and propose of goals, policies, business plans and annual budgets for consideration of approval by Board of Directors.
2. The Executive Committee must supervise compliance of the company's businesses with policies, work plans and budgets approved by Board of Directors, including assessment controlling and managing corporate risks.
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. The Executive Committee has the authority to appoint or employ consultants associated with corporate administration for maximum efficiency.
6. The Executive Committee must consider the company's profits and losses and propose interim dividend payments or annual dividends for approval from Board of Directors.
7. The Executive Committee has the authority to authorize any person or persons to operate under the control of The Executive Committee 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. The Executive Committee 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 The Executive Committee 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 Executive Committee 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 hereunder, to fill in the vacancy. The election shall take place at the subsequent Board of Directors' meeting unless the remaining term of the directorship is less than two months. The replacement director shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.
6. The Shareholders' meeting may resolve to remove any director from the office before the expiration of his/her term of office by rotation. The resolution of such case shall consist of not less than three-fourth votes of shareholders attending the meeting and entitle to vote, and the total number of shares altogether should not less than half of the total number of shares held by the shareholders attending the meeting.

Independent Directors' composition and appointment

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

Independent Directors' Qualification

1. Holding share of no more than 1 percent of the total voting shares of the company, parent company, subsidiary company, related company or juristic person of person who might have conflict of interest by including the shares held by the related persons.
2. Not a director or used to be a director who has a managing role, an employee, officer or consultant who receives the salary or authorized person of the company who has the influence on parent company, subsidiary company, related company, subsidiary company at the same level or juristic person who might have a conflict of interest unless such person has been released from such status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
3. Not a person who is related by blood or by legal registration as father, mother, spouse, siblings and child including the spouse of the child of the managing executive, major shareholders, authorized controlling persons or those nominated to be managing executives or authorized controlling persons of the company or subsidiary company.

4. Does not have or used to have the business relationship with the company, parent company, subsidiary company, related company or juristic person who might have the conflict of interest in the way that might obstruct independent decision making. The person is not or used to be a major shareholder, director who is not an independent director, or the management of those who have business relationship with the company, parent company, subsidiary company, related company or juristic person who might have a conflict of interest unless such person has been released from such status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
5. Is not or used to be the auditor of the company, subsidiary company, related company, or juristic person who might have a conflict of interest and not a major shareholders, director who is not an independent director, the management or audit partner of the company, parent company, subsidiary company, related company or juristic person who might have conflict of interest unless such person has been released from the status not less than 2 years before the application is submitted to Securities and Exchange Commission Thailand.
6. Is not or used to be professional service provider including legal consultant or financial consultant who receives the service fee more than 2 million baht per year from the company, parent company, subsidiary, related company or juristic person who might have a conflict of interest. In the case where the professional is a juristic person, this shall include major shareholders, director who are not an independent director, the management or managing executive partner of the service providing entity unless such person is no longer in the status for at least 2 years before the application is submitted to Securities and Exchange Commission Thailand.
7. Is not the appointed director who represents the directors of the company, major shareholders or the shareholders who are related to the major shareholders.
8. Does not possess any characters that prevent giving an independent opinion on the operation of the business.

The Audit Committee's composition and appointment

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

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

The Audit Committee holds a term of three years.

Supervision the operations of subsidiary and affiliated companies

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

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

The control of internal information

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

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

The assessment of the performance of the board of committee

The board of director determined the annual board self-assessment by adjusting the rule from Stock Exchange of Thailand and making 3 sets of the assessment which are 1) self-assessment of the entire board 2) self-assessment of the sub-committee which includes 2.1) audit committee 2.2) executive committee and 3) self-assessment of the board of committee and sub-committee individually. Those can be the frame for the examination of the board of director's performance that they has proceeded the defined good governance and/or follow the good practice for improving the board of committee's performance to match the policy and for reviewing the problem or obstacle from the previous year.

The procedures of the assessment of entire board of committee/ sub-committee/ individual are as follows:

- 1) The board of director is the assigned group of people to approve and review the assessment in order to make sure that it accurate, complete, and amenable to the regulations of the regulatory authorities and the rules of Stock Exchange of Thailand.
- 2) The company's secretary has to submit the assessment of the board of committee within the beginning of every December.
- 3) The board of committee has to complete the assessment and return to the company's secretary within the end of every December.
- 4) The company's secretary summarizes and analyzes the result of the assessment of the performance of the board of committee, after that, reports the result to the board of director.
- 5) The company's secretary conducts the plan by using the result and comments from the board of director in order to improve and support the board of committee to have more effective performance.

The result of the assessment of entire board of committee/ sub-committee/ individual in 2018

The board of committee / sub-committee	The result of the assessment of the entire board (percentage)	The result of the assessment of individual (percentage)
1. The board of director	85.84	84.74
2. The audit committee	80.42	87.88
3. The executive committee	79.79	81.25

The performance of the board of committee

The board of director has determined the company's annual goal and long-term goal by comparing the result of the assessment of the performance with the defined goal whether they has been conducted according to the operation plan or not. The representative of the board of committee will report the result of the assessment to the board of director and it will be used as the indicator to define the remuneration and incentive of committees as well as the improvement for the training to increase the board of committee's proficiency.

Remunerations

Remunerations for the Board of Directors and Management

Monetary Remuneration

Remunerations paid to the Board of Directors

At the Annual General Meeting of shareholder for year 2018, on April 24, 2018 resolved to determine the directors' remuneration for the year 2018 by paying the directors' remuneration on a monthly basis. The details are as follows:

Position	Monthly Compensation Year 2018 (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 2017 — 2018 are as follows:

Name	Number of meetings attended/Total number of meetings Year 2018	Compensation Year 2018 (Baht)	Number of meetings attended/Total number of meetings Year 2017	Compensation Year 2017 (Baht)
1. Mr. Soracit Phungsuk	4/4	360,000.00	5/5	360,000.00
2. Mr. Phaiboon Ungkanakornkul	4/4	240,000.00	5/5	240,000.00
3. Mr. Chairat Tangtivaja	4/4	240,000.00	5/5	240,000.00
4. Mr. Sa-Ngeam Klomchitcharoen	4/4	240,000.00	5/5	240,000.00
5. Mr. Pornchai Uraisin	4/4	240,000.00	5/5	240,000.00
6. Asst. Prof. Prasit Pittayapat	4/4	240,000.00	5/5	240,000.00
7. Mr. Suphan Settapanich	4/4	240,000.00	5/5	240,000.00
Total		1,800,000.00		1,800,000.00

Remuneration for the Board of Directors of the year 2018, a total of 1,800,000 baht, which is equal to the remuneration of 2017, apart from the above remuneration No other additional fees.

Management's Remunerations (Executive Committee)

In 2018 and 2017, the Company paid remuneration to the executive committee of 17.92 million baht and 16.30 million baht, respectively, increased by 1.62 million baht or 9.93 percent. Such remuneration including salaries, bonuses, Incentive, provident fund and other welfare.

Year	Number of Management (people)	Remuneration in cash (Baht)
2018	8	17,923,400
2017	6	16,303,260

Note: The Board of Directors Meeting No. 2/2561, as of May 11, 2018, the Board of Directors Resolved to approve the appointment of 2 additional executive directors 1) Mr. Wichai Soonthornwuttikul 2) Mr. Pichai Panchan

Other remunerations

-None-

Personnel

Number of employees

As of December 31, 2018 and December 31, 2017: The company has employees 1,173 and 1,150 employees, respectively. The list is detailed as bellows:

Division	Number of (people)	
	Year 2018	Year 2017
1. Management Office	18	15
2. Products and Production Management Group	700	683
3. Business Development Group	339	333
4. General Management Group	36	36
5. Account and Finance Group	34	31
6. Human Resources Group	46	52
Total	1,173	1,150

Employees' Remunerations

Monetary Remuneration

In 2018 and 2017, the company paid compensation to employees. (Excluding the Executive Committee) in the amount of 422.98 million baht and 405.73 million baht, respectively, increased by 17.25 million baht or 4.25 percent by compensation including salaries, bonuses, overtime, incentive, provident fund and other welfare.

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 compare is on 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.

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 2018, 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 2018, 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 2018, 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 2018 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 2018, 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. Atipong Atipongsakul, auditor with licensing number 3500, or Mr. Vichai Ruchitanont, auditor with licensing number 4054, Mr. Sathien Vongsnan, auditor with licensing number 3495, Ms. Kultida Pasurakul, auditor with licensing number 5946, and Ms. Patcharee Siriwongsin, auditor with licensing number 9037 of ANS Audit Co., Ltd. --- as the auditors of the Company and its subsidiaries in 2019, with the fees of 1,980,000 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 2018 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

Shareholding of the Board of Director and Management

Shareholding of the Board of Director, Spouse and underage children on December 28, 2018

Name	Ordinary shares		
	December 28, 2018	December 29, 2017	Change Increased/(Decreased)
1. Mr. Soracit Phungsuk	600,000	600,000	-none-
2. Mr. Phaiboon Ungkanakornkul	173,560,000	173,560,000	-none-
Spouse	26,440,000	26,440,000	-none-
3. Mr. Sa-Ngeam Klomchitcharoen	60,020,000	59,280,000	740,000
Spouse	170,000	70,000	100,000
4. Mr. Pornchai Uraisin	59,436,000	59,386,000	50,000
Spouse	60,000	30,000	30,000
5. Mr. Chairat Tangtivaja	58,780,000	58,780,000	-none-
6. Asst. Prof. Prasit Pittayapat	400,000	400,000	-none-
7. Mr. Suphan Settapanich	-none-	-none-	-none-

Shareholding of the Board of Management, Spouse and underage children on December 28, 2018 (According to the definition of the S.E.C)

Name	Ordinary shares		
	December 28, 2018	December 29, 2017	Change Increased/(Decreased)
1. Mr. Phaiboon Ungkanakornkul	173,560,000	173,560,000	-none-
Spouse	26,440,000	26,440,000	-none-
2. Mr. Boontherd Thongsamrit	220,000	220,000	-none-
3. Mr. Uton Srathong	55,000	220,000	(165,000)
4. Mr. Choosak Sukhathammoo	200,000	200,000	-none-
5. Mr. Burin Phraemongkol	190,000	190,000	-none-
6. Mr. Sanya Chindaphan	145,000	145,000	-none-
7. Mr. Wichai Soontornvutikul	48,400	9,500	38,900
8. Mr. Pichai Panchan	-none-	-none-	-none-
9. Mrs. Nanchalisa Rattanasittarn	-none-	-none-	-none-
10. Ms. Thatsane Chowvasevakasad	2,212,600	1,824,000	388,600
11. Mr. Amphan Supawaha	-none-	-none-	-none-
Spouse	100,000	100,000	-none-
12. Ms. Padewrada Junda	125,000	105,000	20,000
13. Ms. Pornthip Ungkanakornkul	20,599,200	20,549,200	50,000

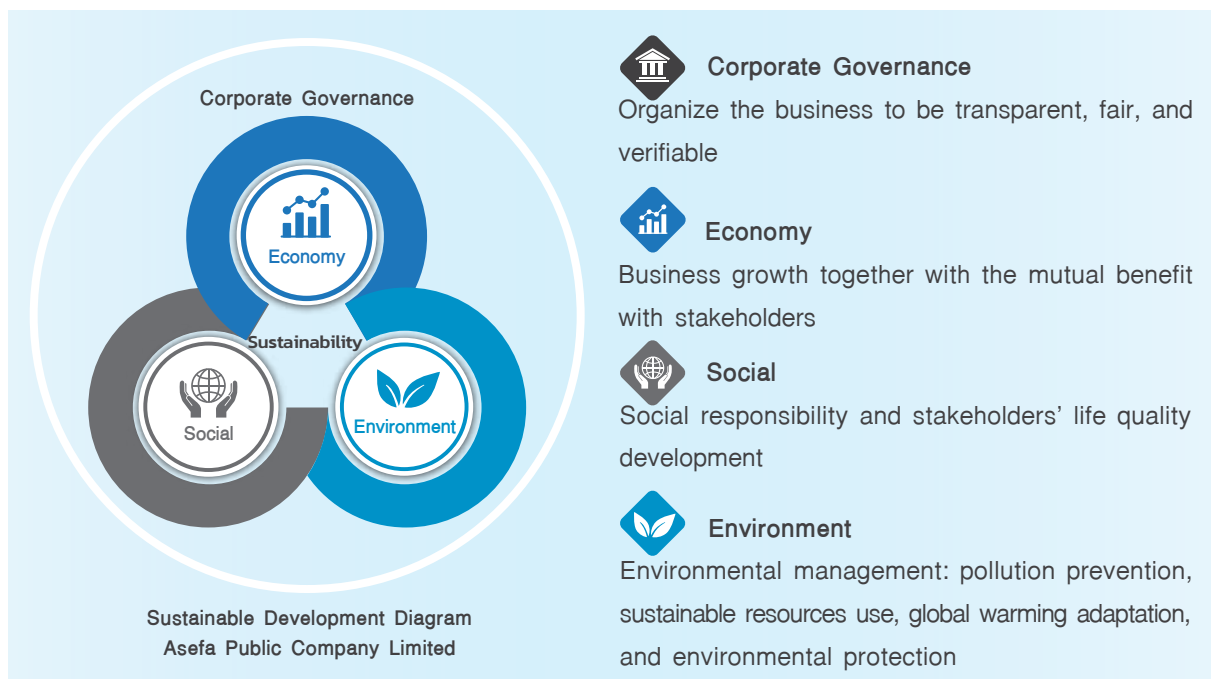
Sustainable Development



Asefa adheres to the responsibility to stakeholders for our well-balanced and sustainable benefit. Thus, we set the concept of sustainable development by following the international operation guideline which covers economic, social, and environmental aspects. All is under the good principles of corporate governance.

Sustainable Development Strategies

The company has continually practiced the sustainable development policy, focusing on the strategies illustrated by the concept below.



Our sustainable development strategies can be divided into three aspects: economic, social, and environment. The economic aspect focuses on business growth together with the mutual benefit with stakeholders. The social aspect focuses on social responsibility and life quality development. The last aspect is the environment which focuses on environmental management, prevention, and conservation including using the natural resource productively and maintaining a balanced ecosystem. These three aspects are under the principles of corporate governance which organize the management system to make the business administration be transparent, fair, and verifiable.

Major Aspects in Sustainability

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

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

Major Aspects in Sustainability Asefa Public Company Limited

Aspects of sustainability are divided into 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: shareholders, partner, creditor, and customer.

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.

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.

Sustainability Management Guideline

The company runs the business by the sustainability focusing on social and community activities along with environmental conservation and stakeholder consideration. Moreover, the company builds up organizational attitude and culture for staffs to be responsible to their communities and societies. The policies contain major principles as follows.



Governance



Risk Management



Environmental Management





Labor and Human Rights Management



Social Management

Topic	Guideline
01 Governance 	Policy <ul style="list-style-type: none"> • Determine the corporate governance policy by covering the key topics which are rights of shareholders, equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and board of committee responsibilities • Determine sustainable development / CSR policy • Determine Code of Conduct which concerns to the effects to the stakeholders
	Action <ul style="list-style-type: none"> • For the board of committee, there must not be more than 12 directors and 1/3 of those have to be the independent director. • Chairman and Chief Executive Officer (CEO) positions do not belong to one person. • Evaluate the board of committee performance at least once a year • Conduct channels and communication methods for board of committee and employees to recognize about Code of Conduct and follow this rule constantly • Set guideline and measure to support board of committee, board of directors, and employees for following the Code of Conduct • Set guideline and measure to monitor, follow up, and prevent the violation of Code of Conduct • Conduct the Cross Functional Team focusing on social responsibility and sustainability development • Conduct the CSR or sustainability development department in the corporate structure • Assign the related departments to take responsibility such as Corporate Communication or Human Resource

Topic	Guideline
02 Risk Management 	Policy <ul style="list-style-type: none"> • Determine the effective risk management policy which covers economic, social, and environmental issues • Set the risk management policy as one of the company's strategy, plan, and process determination • Determine the management approach which covers the effective supply chain according to international standards
	Action <ul style="list-style-type: none"> • Conduct the risk management procedure systemically and effectively according to international standards • Assign the person or department to respond to the corporate risk management • Analyze and evaluate the risks in economy, social, and environmental aspects • Conduct the approach / procedure/ method to manage the corporate risks which cover the supply chain • Transfer the knowledge and information about the corporate risks to raise awareness of employees and the person involved • Conduct the business continuity plan for business emergency events

Topic	Guideline
03 Environmental Management 	Policy <ul style="list-style-type: none"> • Determine the policy to show the intention in conducting business with environmental responsibility • Conduct plans and environmental management related to products and services and business operations such as energy, resource, and waste
	Action <ul style="list-style-type: none"> • Determine quantity goals in the environmental management • Assign the person to take responsibility on the environmental management • Conduct plans and procedures for the effective energy and resource reduction • Conduct the follow-up, evaluate, and measurement process for reducing the usage while increasing the efficiency of the environmental management constantly • Communicate and encourage employees and stakeholders in term of environmental management



Topic	Guideline
<div>04</div> <div>Labor and Human Rights Management</div> <div>  </div>	<div>Policy</div> <ul style="list-style-type: none"> • Determine the policy and guideline for employment, remuneration, welfare, and labor rights • Determine the policy and guideline for employee rights in term of involvement • Determine the policy and development plan for employee's potential • Determine the policy and guideline for employee's safety, occupational health, and quality of life
	<div>Action</div> <ul style="list-style-type: none"> • Conduct the procedure to prevent the human rights violations within the workplace • Conduct the complaint channel to report the human rights violations • Conduct the development plan for employee's potential and skills such as training • Conduct the employee's potential analysis and evaluation or performance at least once a year • Conduct the statistical data collection of employee's training for analyzing the benefit and making the training plan to match with the personal potential • Conduct the safety and occupational health knowledge dissemination and training and build awareness for employee constantly • Conduct plans and activities for promoting the safety, occupational health, and happy workplace • Conduct the statistics or hour record for employee's safety or health in order to improve the working environment
Topic	Guideline
<div>05</div> <div>Social management</div> <div>  </div>	<div>Policy</div> <ul style="list-style-type: none"> • Determine the policy and plan for taking responsibility to customers and consumers such as provide products and services information, protect customers' identification, and create the channel to contact with consumers • Determine the policy and plan for the community involvement related to sustainable development such as education and career development
	<div>Action</div> <ul style="list-style-type: none"> • Study and conduct the evaluation for the customer satisfaction towards products and services by setting quantitative target and analyzing the results for improving products and services constantly • Provide the information of products and services to consumer transparently by using the accessible channel • Conduct activities and projects for promoting the community or society involvement related to the business constantly • Conduct the assessment of the activities and projects for promoting the community or society involvement • Conduct guidelines and communication methods with stakeholders through the accessible channel • Conduct the reporting channel with the whistle-blower protection

Corporate Social Responsibility Policy for Sustainability

The company became aware of the corporate social responsibility which concerns to the business sustainability. The company pay attentions to all stakeholders morally and ethically. Moreover, the company firmly attached to the governance. We run the business with the honest, transparency, and fair. The company conduct the corporate social responsibility policy for sustainability to be the guideline for the board of committee, board of directors, and employees. There are 7 aspects as follows.

Good Corporate Governance	Fair Conduct	Anti-corruption
<p>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.</p> <p>The principles of good corporate governance consist of 5 min aspects:</p> <ul style="list-style-type: none"> • Shareholders' rights • Fair treatment towards shareholders • Roles of the involved parties • Disclosure and transparency • Responsibility of boards of directors 	<p>The company conducts the 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, partners, competitors, and government sectors.</p>	<p>The company has upheld the values of righteousness, transparency, 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.</p>
Respect of Human Rights	Fair Labor Treatment	
<p>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.</p>	<p>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.</p>	

Responsibility to Consumer

The company enforced a policy in which the consumers, who are the company's customer, 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 provide products and services with the highest quality



International standard

our manufacturing methods follow the international standards.



Ethics

our products and services comply with the customer's requirements and agreement

Social and Community Development

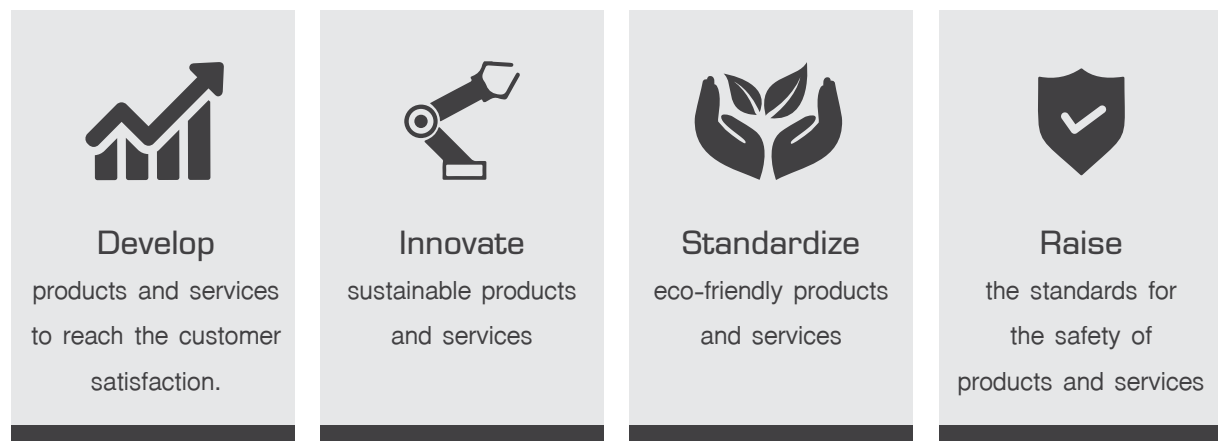
The company has continually supported social and community development, responding to the people's needs, elevating the living conditions of every individual in the society. Each year, the company organizes the corporate social responsibility (CSR) activities created by employees which apply to the company's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





Sustainable Business Growth

The sustainable business requires the development of new products and services to reach the customer satisfaction particularly by using the innovation and technology for the customer benefits including extend the selling channel both in Thailand and ASEAN. The guidelines of products and services development are as follows:



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 events for 12 years since 2007 in university level and 6 years since 2013 since diploma college level.

The topics of the seminars and trainings are

1. Basic principles of low-voltage switchboard design
2. The standards 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
6. Orientation on the basic equipment in the power distribution system and international standards related to new-generation engineers



8
Universities

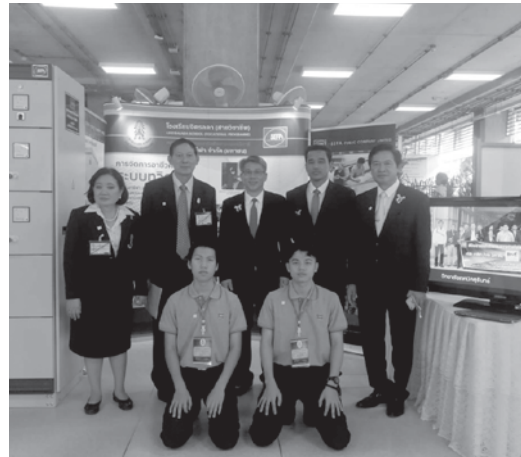
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Institutions in
diploma level



Moreover, the company had collaborated with government academic institutes in aspects of developing knowledge and skills of vocation students in order to produce more electrical technicians, and to support and maintain government's policy of bilateral cooperation that levitation 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 7 colleges agreed with the MOU in 2018: Phitsanulok Technical College, Sukhothai Technical College, Phichit Technical College, Udonthani Technical College, Khon Kaen Technical College, Lamphun Technical College and Ubon Ratchathani Technical College

Asefa Public Company Limited had a change to have an audience with Her Royal Highness Princess Maha Chakri Sirindhorn and attended the cooperation achievement exhibition of Royal Chitralada Projects at Chitralada Vocational school.



Project “Academic Seminar for Public”

The Company arranged Electrical Engineering seminars and trainings for public nationwide, and there were 12 events in 2018 had been held through the collaboration from government, organizations, and private sectors.

Seminar Topics in 2018

No.	Topic	Location
1.	Standard Requirements of The Basic Design, Form, and Examination for Switchboards	Asefa Public Company Limited
2.	High Performance Solution for Electrical Power Distribution & Equipment: Issues and Causes of Switchboard Damage and the Prevention and Solution	Avani Khon Kaen Hotel & Convention Centre
3.	High Performance Solution for Power Distribution & Equipment	Avani Khon Kaen Hotel & Convention Centre
4.	Raising Professional Standard of the Switchboard and Fire Pump Maintenance	SC Park Bangkok
5.	Raising Professional Standard of the Switchboard and Fire Pump Maintenance	Ayutthaya Grand Hotel
6.	NEW IEC STANDARDS: Low Voltage Switchboard and Design	Asefa Public Company Limited
7.	Raising Professional Standard of the Switchboard and Fire Pump Maintenance	Phanhin Regent Executive Residence, Chonburi
8.	Converting Overhead Line to Underground, Request for Electricity Connection, and Calculation for the Short Circuit Current of the Medium Voltage Electrical System	Asefa Public Company Limited
9.	Standard Switchboard and Comprehension of ITA/IEC Standard, Knowledge of the Cable and Lightning Protection System	Asefa Public Company Limited
10.	Preparation for the Underground Cable System of the Metropolitan Electricity Authority (MEA) and Provincial Electricity Authority (PEA)	Asefa Public Company Limited
11.	Problems of the Power Quality and Loss for Industrial Factory and Modern Building	Asefa Public Company Limited
12.	Electrical Distribution Equipment, Electrical Switchboard, Standard Preventive Maintenance, and Causes of Disconnecting Circuit	The Mall Ramkamhaeng Department Store

• Community Relation Activities

Project: Children' Dream Comes True	
Activity	Sport shirt and scholarship donation for children on Children's Day
Location	Wat Krasa Khao School, Samutsakhon
Project: Run for Heart	
Activity	Sport Club attended running charity 10 km. for donation to the Cardiac Center, Samutsakhon Hospital
Location	Porto Chino Department Store - Samutsakhon City Pillar Shrine
Project: Asefa supports Thai Farmer	
Activity	Bought the pineapple from 17 villages in Lampang for reselling to employees in the lower price
Location	Asefa Public Company Limited
Project: Asefa to Laos	
Activity	Handed over donations for flood victim in Attapeu and Champasak, Laos
Location	Asefa Public Company Limited
Project: Color Your Dreams	
Activity	Asefa's English Club co-worked with Language Institute, Thammasat University had done the volunteer project teaching and donating scholarship to the kindergarten and primary students.
Location	Wat Nong Ka-nam School, Phan Thong, Chon Buri





Project: Asefa Helps the Underprivileged Children 1/2018

Activity	Submit fund from selling gifts on Mother's day with the company's contribution to be the expense for lunch, Consumable goods donation
Location	Ban Tantawan Foundation for Children, Sam Phran, Nakhon Pathom

Project: Asefa's Community Restoration 1/201

Activity	Electrical system improvement, public utility and stationery donation
Location	Ban Nongplasiw School, Kanchanaburi

Project: Asefa to the Village

Activity	Learned the local life in form of CSR activities with team building and handed over donations
Location	Ban Dong Yen Community, U Thong, Suphan Buri

Project: Asefa's Community Restoration 2/2018

Activity	Asefa with Am Pang Subdistrict Administrative Organization had done landscape restoration and fixed the lights, fitness equipment, and bathroom.
Location	Phutthamonthon Samutsakhon, Am pang, Ban Phaeo, Samutsakhon

Project: Asefa Helps the Underprivileged Children 2/2018

Activity	Asefa with Department of Skill Development of Samutsakhon and Volunteer Technician Alumni Association donated the energy saving lamp and necessary things for foundation's activities.
Location	Ban Tantawan Foundation for Children, Sam Phran, Nakhon Pathom

Project: Asefa Supports Disabled People

Activity	Allowed disabled people to sell products for the employee and all income will be given to disabled people
Location	Asefa Public Company Limited

• Happy Workplace



Project: Walk Rally	
Activity	Learning to work as a team and cooperation with happiness to build organization awareness
Location	Asefa Public Company Limited
Project: Asefa Family Songkran Festival 2018	
Activity	Conserving Thai tradition, pouring water to show respect to elders and splashing water play
Location	Asefa Public Company Limited
Project: Sport Competitions and Health Promotion Activities	
Activity	<ul style="list-style-type: none"> • Football, Volleyball, Sepak-Takraw, Patanque matches for male teams and female teams • Yoga, Aerobics, and Zumba weekly classes
Location	Asefa Public Company Limited
Project: Asefa Family Doing Good Deed on Buddhist Lent Day	
Activity	Donation to present Lent Candle and volunteer activities
Location	Wat Thong Niam, Nong Khaem, Bangkok





Project: Asefa Blood Donation 1 st 2 nd and 3 rd	
Activity	Employee's blood Donation to Thai Red Cross
Location	Asefa Public Company Limited
Project: Annual Medical Check	
Activity	Annual medical check for employee by selecting programs which are suitable with work type and age
Location	Asefa Public Company Limited
Project: Asefa Activity Day	
Activity	<ul style="list-style-type: none"> • Safety, Occupational Health and Environment in Workplace • Big Cleaning Day • Bulletin Board Exhibition on Organizational Knowledge Management (KM) • External Agency Booth • Quiz Show • Activity Video Clip Contest
Location	Asefa Public Company Limited
Project: Happiness is around Asefa	
Activity	Staff New Year Celebration
Location	Asefa Public Company Limited

• **Personnel Training and Career Opportunities**

The company arranged seminars and trainings for employees and there were 165 events in 2018

In-company seminars & trainings	75		90	Public seminars & trainings
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The examples of topic of seminar and training in 2018 (In-company)

No.	Topic	Location
1.	Corporate Risk Management	Asefa Public Company Limited
2.	Art of Oneness Team	
3.	English for Business	
4.	Teamwork and Consciousness about Business Development	
5.	Kaizen	
6.	How to be a Professional Lecturer	

The examples of topic of seminar and training in 2018 (Public)

No.	Topic	Location
1.	Smart City and Data Center: Concepts, Designs, and Cases Study	Technology Media Company Limited (Headquarter)
2.	Solar Energy	Department of Alternative Energy Development and Efficiency
3.	Energy Innovations: The Opportunity of Thailand's Industrial Sector	The Federation of Thai Industries
4.	IO-Link, Sensor Technology, in Industrial work and Time-Saving Tool for Thailand 4.0	Technology Instruments Public Company Limited
5.	Thailand ESCO Fair 2018 "Move to Energy 4.0 with ESCO"	The Federation of Thai Industries
6.	How to Write a Sustainability Report	The Stock Exchange of Thailand


Environmental Management for Sustainability

Asefa recognizes the negative effects from a business operation which may influence to the environment, thus, the company 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 waste management process, the use and disposal of toxic chemicals.
- Sustainable use of resource 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 light bulbs 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 material 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	☑			☑

Green Factory Policy

Resulting from the awareness regarding global warming, the company has continuously proceeded green factory policy. Asefa seriously concerns about energy and environment, thus, the ideas of eco-friendly and energy saving are used. Although, there is the high investment value, it is worth to help the world.

Asefa developed the energy saving and eco-friendly building by aiming to the improve employees' lives quality to live in the good environment and happy workplace. We assigned the committee of the Asefa Green Factory to take responsibility in processing the system of ISO14001 and ISO50001 for energy management which is in progress.



At the same time, the company is using the energy saving devices innovation with buildings such as;

- Solar Floating
- Building Automation System (BAS)
- Variable Refrigerant Volume (VRV)
- T5 or Light Emitting Diode (LED)
- Power Monitoring System
- Water Auto Flush Valve
- Water Softener Reverse Osmosis and Ultraviolet System



Solar Floating



BAS



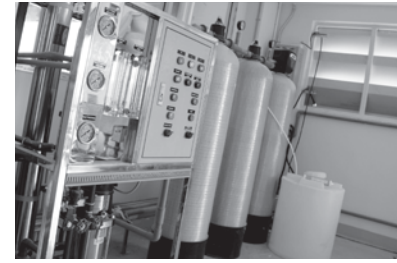
VRV



Power Monitoring System



Water Auto Flush Valve



Softener, Reverse Osmosis and Ultraviolet

Green factory includes other aspects in corporate environmental management such as;

- Reuse Reduce Recycle
- Working via Communication device instead of office working to reduce fuel cost such as using LINE application for business discussion
- Paperless office such as using database on the Intranet
- Tree planting and field construction
- No foam for food containers campaign, cooperated with Department of Health
- No plastic containers campaign



Other Company's Activities in 2018

• Sales and Marketing

- Visited by 46 Companies Customers and Partnerships at Asefa Public Company Limited
- Asia Warehousing Show 2018 Booth at Bangkok International Trade & Exhibition Centre: BITEC Bangna
- Launched Exhibition Booth in The Seminar in The Topic of "Power System Usage and Maintenance by Solar Cell in The Air Force Army" at Department of Civil Engineering of Royal Thai Air Force
- Attended The Event Blokset Evolution Launch 2018 The Official Launching of "Blokset TTA Low Voltage Type Tested Switchboard" under The License from Schneider Electric SA as ASEFA is an official licensee.
- Joined Energy Day 2nd by Smart Grid Technology Changes the World
- Attended TEMCA FORUM & EXHIBITION 2018 PATTAYA at Pattaya Exhibition and Convention Hall - PEACH, Royal Cliff Hotels Group, Pattaya
- Attended the Event "License Panel Builder Seminar and Innovation Summit Singapore 2018, held by Schneider Electric at Singapore
- Asia Cold Chain Show 2018 Booth at Bangkok International Trade & Exhibition Centre: BITEC Bangna

• Investor Relations

- Opportunity Day, Turnover Announcement for 4th Quarter of 2017 at The Stock Exchange of Thailand
- Opportunity Day, Turnover Announcement for 2nd Quarter of 2018 at The Stock Exchange of Thailand
- 2018 Annual Shareholders Meeting at Grand Mercure Bangkok Fortune, Bangkok



Awards and Certificates



- Outstanding Award for National Occupational Skill Standard from Department of Skill Development, Ministry of Labor
- Received Certificate of Thai Labor Standard (TLS 8001-2553) at basic level from Department of Labor Protection and Welfare, Ministry of Labor
- Outstanding Award for Safety, Occupational Health and Environment in Workplace 2018 in National Level, 2nd year, Gold Level by Ministry of Labor
- Outstanding Award for Model Organization for labor skill development promotion 2018, 2nd year by Ministry of Labor
- Received Certificate of Green Industry Level 2 (Green Activity) from Ministry of Industry
- Received Audit Certificate Licensed Partner “Blokset TTA Low Voltage Type Tested Switchboard” under license from Schneider Electric
- Outstanding Award for “Healthy Organization” from Thai Health Promotion Foundation

Internal Control

Asefa Public Company Limited values the importance of the Internal Control System which has been designed in accordance with the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to achieve the objectives relating to operations, reporting, and compliance.

During the Board of Directors' Meeting No. 1/2019 held on February 22nd, 2019, ASEFA's Internal Control System was evaluated based on the internal control assessment report prepared by the Management which follows the guidelines of the Securities and Exchange Commission (SEC), together with the result of the Audit Committee's internal control review. By evaluating the internal control system of the company in various aspects, 5 parts consisting of;

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

Board of Directors Considered that Internal control system of the company, there is sufficient and appropriate. 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, with the following summary.

1. Control Environment

The Company's organizational environment and structure favor implementation of the internal control system. This year, ASEFA made a change to the organizational structure, adding Legal and Corporate Compliance to centralize compliance with laws, regulations, and rules of assorted agencies in a clear and tangibly measured way to guide employees' work. Its business goals are deliberated by the Board in a clear and measurable way for use as concrete guidelines for employees. Employee incentives or compensation has undergone a critical analysis for sensibility. A proper organizational structure favors efficient business execution by the management. The management also consistently values business integrity and ethics.

In the area of corporate governance, the company has established a corporate governance structure consisting of the Board of Directors. And sub-committees such as the Executive Committee Audit Committee. Each committee has responsibility to shareholders regarding the business operations of the company and supervising the management to be in line with the goals for maximum benefits to shareholders, with the framework of good ethics and social responsibility, promote and monitor the progress of the process of developing good corporate governance and social responsibility continuously. Considering the improvement of the CG manual and the Code of Conducts, as well as providing guidelines and other suggestions necessary for continuous development.

The Board is independent from the Management and is responsible for supervising the overall operations of ASEFA as well as expressing views on the directions and strategy of ASEFA which will be used as guidelines to formulate business and operating plans. Furthermore, the Board regularly monitors the performance of ASEFA and its Sub-committees to ensure achievement of ASEFA's objectives and goals.

ASEFA's corporate structure has been grouped into business units and functions in a way to best support its business operations in an efficient manner and with good governance. This structure comes with a system of checks and balances which delegates duties and responsibilities appropriately. Furthermore, all employees acknowledge their roles, authorities, responsibilities and accountabilities.

In the field of anti-corruption, the company is in the process of preparing for joining the anti-corruption program, the Thai Private Sector Collective Action Coalition Against Corruption (Collective Anti-Corruption : CAC). The company has prepared and studied the practices Promoting employees to participate in training Communication for executives and employees to realize and understand the rules and procedures for continuous implementation.

2. Risk Assessment

In the year 2018, the company established a risk management policy as an important policy by appointing Enterprise Risk Management Working Group, contain with Management of each agency, the duty of evaluating the risk factor from the outside and inside factor affecting the target and business operation of the company and specify risk responsible person in various units and assign risk management of every executives and planning and specifying risk management measure with risk assessment that might affect the business operation and target of the company and arrange follow-up of risk managements of various units, by reporting to the Executive Committee And the Board of Directors every quarter.

3. Control Activities

The Board of Directors had appointed 2 sub-committee consisting of the Executive Committee and Audit Committee. The 2 groups of committee had performed the work under the scope or duty assigned under the monitoring of the executive. Moreover, the Audit Committee has considered and reviewed and approve the annual audit plan in order to cover every work operation process with high risk and to cover the anticipation of people related to the Company which makes the Company to be sure that the various agencies had sufficient control of the work operation on the finance, work operation, law and compliance, rule, regulation, and the anti-corruption. The Audit Committee has considered the important point and the problem found from an inspection by proposing the executive to revise and to have the report of the revision result and prevent measures. In case of entering into a transaction with business or relevant people which might lead to the conflict of interest between companies and the business or related people with the Company. The business that happens must go through the approving process according to the regulation of the company just like a normal business and related people to the making of item must consider that transaction is reasonable and according to the normal business by considering the highest benefit of the company and shareholders as it is an action without side people and legal. The business that would bring about the conflict of interest and the said people with interest would not have the right to vote and reveal the information according to the law.

The Company is determined to develop the production process in order to be accepted in the international standard and to focus on safety in the work and environment maintenance. The Company has separate section from the production line to perform of the duty of inspecting and following up to comply with rule and specification regularly. As for the business on finance, purchase and procurement, stipulated the staff and executive must comply the Authority Table and "Procurement Control Manual" specified in writing by clearly stated the criteria, condition and the power in approving to pay the money and entering in procurement contract in order to be careful and prevent fraud in money-related transaction.

4. Information and Communication

To propose the matter for the Board of Directors to consider, the Company has arranged important information so that the Board of Directors would use in the decision-making by making analytical report comparing the principle and reason along with documents and send the information for studying in advance for 7 days. There is secretary of the Company to provide recommendation on the regulation and various rules and supervise the business of the Board of Directors and coordinate so that there would be operation according to the resolution of the Board of Directors and the agency which is the center in making and storing documents including Director registry, Board of Directors Meeting appointment letter, minutes of the Meeting of the Board of director, shareholder meeting appointment letter and minutes of shareholder meeting orderly so that shareholders can verify the suitability in the work operation of directors. As for the storing of accounting record and various accounting, the Company would store it completely in every category for transparency and to be work operation information without notification from an auditor that there is a flaw in this matter.

The Audit Committee has considered along with an auditor, internal audit and related people in making the financial statement of the company in every quarter in order to make sure that the company has used accounting policy according to the general accounting principle and suitable with the business type of the company and to reveal suitable information according to the law.

5. Monitoring Activities

The Company has followed up on the work operation whether it is according to the target by having the Meeting of the Board of Directors in 2018 for the total of 4 times and Executive Committee 4 times in order to follow up the work operation in each level starting from the Board of Directors, the Executive Board of Directors and Executives in order to follow up the target and supervise the work operation according to the strategy, work plan and the project in the annual business plan that has been approved from the Board of Directors and to solve problems that might happen and to adjust the work plan so that it is consistent with the changed situation and when it is found that the work operation result is different from the specified target and specified the responsible people to present the report in order to review the work operation and analyze the including co-consider to approve the plan to solve problems and to continuous report. The Company has arranged regular internal control system audit. The executive would be responsible in supervision of the internal control system and there is Internal Audit Department to inspect and report the result independently to the Audit and Corporate Governance Committee.

The Audit Committee's Opinion about Internal Control

In 2018, Dharmniti Internal Audit Co.,Ltd., which is an Independent Internal Audit Firm, examined and tracked several management systems, which 4 quarters, including, compliance with safety laws, maintenance of buildings and utilities, payment control system, production cost control and delivery of products to customers, 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 2017-2018 as follows:

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.

In 2018, the Company's Auditor informed in the Board of Directors meeting session 1/2019 on February 22nd, 2019 that after examining financial statements for the year ended December 31st, 2018, 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 2018, the Audit Committee held a total of four meetings with the following key topics:

1. The Audit Committee has examined the quarterly financial statements and the financial statement for 2018 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 2018 discover no indication of fraud, risk issues and no errors in terms of key internal controls. Also consider approving the internal audit plan for 2019.

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 the appointment and propose the remuneration of the auditor for the year 2019 by proposing to the Board of Directors to appoint New auditors instead of Mr. Yuthapong Chuamuangpan Certified Public Accountant No.9445 because such person is an auditor of the Company for 5 years, and nominate 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 and/ or Ms. Patchree Siriwongsin CPA License No.9037 from ANS Audit Co.,Ltd as the company's accounting auditors, which compensation are stipulated 1,9800,000 Bath in total, and other direct expenses such as travel, allowances, stamps and other expenses. The office will charge as actually paid, by specifying the amount for each quarterly budget not more than 25,000 baht and financial statements for the year not exceeding 45,000 baht by showing separately from the audit fee. By the appointed auditor have no relationship or interest with the Company and its subsidiaries, executives, major shareholders or related persons In order to propose to the Annual General Meeting of Shareholders for approval.

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. Dharmniti Internal Audit Co., Ltd. has assigned Ms. Somjaree Kaewkhomdee to perform duty as Internal Audit Supervisor which has qualifications as follows:

Internal Audit	:	Dharmniti Internal Audit Co., Ltd. Ms. Somjaree Kaewkhomdee, Responsibility to Internal Audit
Education	:	Bachelor's degree in Humanities and Social Sciences, Accounting Burapa University
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.

Risk Management

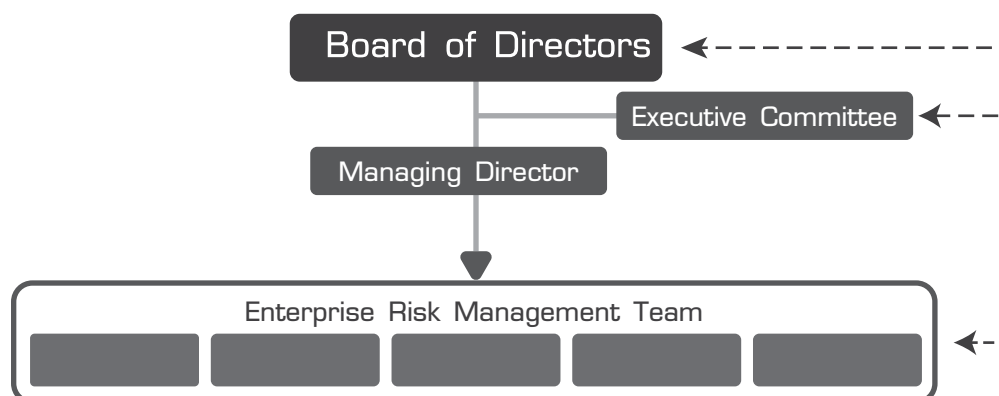
With the dramatic changes in the business environment, the risk management is essential for the company management as it will help the company handle the uncertain business systematically. The company has applied the international standard: COSO ERM to every level in the company in order to ensure that the company will achieve the short-term and long-term goals and follow the sustainable business development by making the company's risk management plan for every business group and department.

Asefa public company limited focuses on the risk management. In 2018, the company held the training in the above mentioned topic along with assigning the enterprise risk management team and manual in order to be a guideline to ensure that the company can handle uncertain situations effectively. The company has followed the international standard: COSO (The Committee of Sponsoring Organization of the Treadway Commission) and Corporate Governance Code and the determination of anti-corruption. The company's risk management guidelines are as below.

The company's risk management structure

The board of directors, management, and all departments get involved in the risk management. The company assigned the enterprise risk management team which includes department managers who will evaluate, plan, manage, and monitor the risk issues by reporting to managing director and executive management committee who are authorized by the board of directors. Those people will determine the work scope, follow up, suggest, and advise about the risk management. The risk management should be evaluated by the committee at least once a year. The committee has to report the assessment, plan, and management result to executive management committee and board of directors every quarter.

Management Structure



Risk management culture

The company focuses on building the risk management to be the company's culture in order to make the company move forward steadily and sustainable by following the guideline and policy of risk management including the progress tracking in both management level and operational level. Furthermore, the risk management should be communicated to gain more understanding by using the company's communication channels such as e-learning, newsletter, and training.

Risk management process

In 2018, the company analyzed the business environment both internal and external factors which affect the company's business including the price fluctuation of raw material and tool, business competition, economy, society, political, technology and innovation, corporate strategy, and other related matters in order to indicate risk factors to cover every important aspect and estimate the risk and effect of those factors as well as make a plan to establish trust in achieving the corporate's goal. The risks are as follows.

1. Risk from ineffective personnel management

As the human resource is the significant factor to make the company achieve its goal. The lack of management, engineer, and skilled labor who has expertise will affects the company's business. Thus, the company has focused on staff's efficacy and personnel management according to company's strategies to extent the business as well as varying market competition and environment both in the present and in the future. Hence, the company determined plans to support the risk management which are

- Improve and review the determination of manpower and qualification to match the strategy both in the present and in the future
- Improve the human resource management which includes the plan to support talented personnel (Talent Program), the plan to improve the ability of personnel (Competency Plan), and trainings in term of academic, technique, soft skill, as well as, applying the tool and technology to increase the work efficiency, and recruiting professionals to work in the human resource
- Conduct the change of management and enhance the company's culture constantly
- Improve annual personnel evaluation criteria to be more efficient and can be evaluated according to company's goal, strategy, and culture for conducting the effective personnel improvement plan
- Conduct the policy and process for the career path after completed the organization restructuring including promote those policy and process to the management and employees.

2. Risk from the business plan and strategy which are unrelated to the company's objective, vision, and mission

The determination of business plan and strategy plays an important role in the company's business since those plans can help the company achieve its goal. The company has considered and paid attention to the determination of the business plan to make it be effective and related to the company's vision, mission, goal, and objective. The plan will be explicit and competitive thinking as well as has the future analysis by having the high adaptability system in order to catch up all the changes, the effective work to achieve the goal, be able to handle all the changes for the company's survival and growth. Hence, the company determined plans to support the risk management which are

- Improve the annual business plan, strategy, and company's goal by determining the common strategy between CEO and senior managers for the comprehensive and engaging concept for both short term and long term including promoting strategies to management and employees in order to make them acknowledge those concepts in the same way and build the company's culture to achieve the goal and objective
- Improve the procedure of making the budget plan in the organization and all departments as well as determine to conduct the follow-up plan and report of the budget constantly
- Enhance the concept of developing the company's strategy to the executive management in order to use it for reviewing and making short-term and long-term strategies
- Conduct operational indicators which are challenging and matching with the company's goal and strategy in department and personnel level along with the tracking plan and evaluation constantly
- Follow up and analyze emerging risk and conduct the backup plan in case the significant strategies are not working via the system development which includes 1) Improve the tracking system and put forward processes of initiatives according the achievement strategic plan 2) Early warning system to track and analyze internal and external factors, which affect the company's strategy in term of the opportunity and risk in order to prepare the supporting plan

3. Risk from the unexpected income

In the unstable economy including the national and international market competition, the effect from unstable cost of the raw material and tool, the relying on the only one major supplier, the new technology, and the trade policy all are challenging factors to the company to achieve its goal. Hence, the company determined plans to support the risk management which are

- Determine to conduct the estimated sales plan to be related to the annual budget plan and indicators for the participatory operation at all levels and make a report for tracking
- Develop the sales system by using the technology to enhance the employee's ability and increase the accessible sales channel for customers

- Conduct the strategy plan in making partners (Width- supply chain and Depth- products and services made by professionals)
- Apply new technologies to the product and service development to match the customer's need as well as increase sales and marketing channels to cover all types of customer by studying and following environment constantly

4. Risk from the machinery, equipment, and technology which do not support operations

Nowadays, the business is coming to Digital Economy which uses the technology to be a force and plays a role as a common thing that helps the work process be effective in order to support market strategies. Moreover, the innovation development by using technology is the significant development method that causes the lower cost yet more effective results in the competition in order to respond to customers promptly and variously. The company can gain more risk if there is no sufficient risk management and technology to support the production. Currently, the risk related to machinery, equipment, and technology not only concerns the production but also be one of the significant risks in the business. Hence, the company determined plans to support the risk management which are

- Determine the strategy related to the machinery and equipment improvement as well as technology proactively in order to support new innovations and company's strategy
- Determine the plan and budget for the machinery, equipment, and technology improvement for both short term and long term by setting format, type, and lifetime in order to be agreeable with production strategy, goal, and plan
- Conduct the backup plan for technology usage and ERP system by recruiting the experienced consultant to make a long-term plan in order to support the company's business and future business expansion to achieve the company's objective and goal

5. Risk from the violation of law, regularity, and rules

As the business has been more various and complicated currently, the business law, regularity, and rules play an important role in the business, thus, the company has focused the effect from the damage or the risk from the violation of law, regularity, and rules. Hence, the company determined plans to support the risk management which are

- Assign the department to be a legal responsible department for managing all departments and personnel along with determining roles and duties for the effective legal work
- Determine the process to collect the law, regularity, and rules related to the company's business as well as promote law, regularity, and rules to all concerned constantly and currently
- Conduct trainings for management and employees in the topic of law, regularity, and rules or important topics or legal changes and rules related to the company's business constantly
- Determine to assign legal consultants or experts in order to enhance the efficiency in the organization and production levels

6. Risk from corruption

Asefa Public Company Limited has upheld to run to business with honesty, morality, and transparency by adhering with the responsibility of social and stakeholders according to the good governance and ethics. The risk management from corruption is one of the factors the help the company has the sustainable business as the defined goal. The board of management concerned about this matter, thus, the company determined plans to support the risk management which are

- Determine anti-corruption policy in order to let the committee, management, and employees follow and complete their jobs with honesty, morality, and transparency as well as avoid the action for exploitation. Moreover, there should be the clearly review about the punishment and the practice of decisive punishment in case of corruption in order to make everybody be aware of the corruption.
- Improve the work process by focusing on increasing the internal control system efficiency and making it be applicable as well as discussing with the internal auditors in order to make annual audit plan and specific audit
- Promote the company's culture by launching projects such as Lead by Example, Code of Conduct promotion and testing, and promoting the knowledge about corruption

7. Risk from the investment with new partners

The investment with new partners is one of company's plans to conduct the business growth and sustainability. As the company has invested with new partners constantly, the company determines the cautious process for investment (Stage Gate) which covers from the opportunity seeking to the investment approval by having management and experts to consider in significant topics. For large investment projects, the board of committee will consider to the adequacy of assessment for the risk to be the information concerned to the investment approval. Hence, the company determined plans to support the risk management which are

- Determine the systematic consideration process and assign the consultant or expert to evaluate, analyze, and study the possibility of the project to propose to the management and board of committee to consider
- Determine the process to track on the project's progress systematically which includes assigning steering committee for the large investment project and tracking the project's progress and the risk management to make sure that it has been operating as planned



Related Transaction

Relationship

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

Person With Potential Conflict of Interest	Type of Relationship																													
<p>Enginar Co., Ltd. (“ENG”)</p> <p>The distributor of electrical equipment, air conditioning and electrical installation.</p> <p>- 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.</p> <p>- Clipsal - Bus lighting System, Driver computerized lighting system.</p> <p>- Cirpark System, navigation system for parking</p> <p>- Room Control Unit System (RCU) Control temperature and lighting system in the room.</p>	<p>- Has Director together: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klom-chitcharoen</p> <p>- Shareholders together</p> <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>221,021,400</td><td>40.19</td><td>2,500</td><td>5.00</td></tr><tr><td>2. Mr. Sa-Ngeam Klomchitcharoen</td><td>60,020,000</td><td>10.91</td><td>22,000</td><td>44.00</td></tr><tr><td>3. Mr. Pornchai Uraisin</td><td>59,436,000</td><td>10.81</td><td>2,500</td><td>5.00</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> <p>* Total holding of the person concerned Ungkanakornkul's family</p> <p><u>Note</u></p> <p>Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen and Mr. Pornchai Uraisin confirmed to the Company that he will not engage in any business that has the same nature and not engage in competition company, also not be a partner, a shareholder or a director in other companies that has the same nature with the Company.</p>	Shareholders	ASEFA		ENG		share	%	share	%	1. Mr. Phaiboon Ungkanakornkul*	221,021,400	40.19	2,500	5.00	2. Mr. Sa-Ngeam Klomchitcharoen	60,020,000	10.91	22,000	44.00	3. Mr. Pornchai Uraisin	59,436,000	10.81	2,500	5.00	4. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00
Shareholders	ASEFA		ENG																											
	share	%	share	%																										
1. Mr. Phaiboon Ungkanakornkul*	221,021,400	40.19	2,500	5.00																										
2. Mr. Sa-Ngeam Klomchitcharoen	60,020,000	10.91	22,000	44.00																										
3. Mr. Pornchai Uraisin	59,436,000	10.81	2,500	5.00																										
4. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00																										
<p>Varitek Co., Ltd. (VAR)</p>	<p>- 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.</p>																													
<p>Asefa-Suntech Joint Venture</p>	<p>- 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.</p>																													

Person With Potential Conflict of Interest	Type of Relationship
Asefa and VARS Joint Venture	<ul style="list-style-type: none"> - A joint venture between the company and VARS Company Limited, 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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Being in charge of Director, Board of Management and Managing director positions. - Shareholder of 221,021,400 shares (Total holding of the person concerned.), percentage 40.19 of the number of shares sold of the Company at December 28th, 2018.
Mr. Sa-Ngeam Klomchitcharoen	<ul style="list-style-type: none"> - Being in charge of Director. - Shareholder 60,020,000 shares, percentage 10.91 of the number of shares sold of the Company at December 28th, 2018.
Mr. Chairat Tangtivaja	<ul style="list-style-type: none"> - Being in charge of Director. - Shareholder 58,780,000 shares, percentage 10.69 of the number of shares sold of the Company at December 28th, 2018.

Related Transaction Details

In 2017 - 2018, 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
		2017	2018	
Enginar Co., Ltd. ("ENG")	Goods sale	0.87	0.35	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	-	0.29	

(2) Other Revenue

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2017	2018	
Asefa Suntech Joint Venture	Management fee Income	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	0.29	-	
Asefa and VARS Joint Venture	Bank Guarantee (BG) Fee	-	0.66	The Company charges a bank guarantee fee from joint ventures due to the company has paid this expense in advance.

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2017	2018	
				The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.
Asefa and UMI Joint Venture	Bank Guarantee (BG) Fee	-	0.57	<p>The Company charges a bank guarantee fee from joint ventures due to the company has paid this expense in advance.</p> <p>The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.</p>

(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
		2017	2018	
Enginar Co., Ltd. ("ENG")	Buy Goods	27.85	18.38	<p>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.</p> <p>The Audit Committee has considered the issue and holds the view that management fee as compensation to employees is actual and reasonable.</p>
	Trade Accounts Payable	2.65	3.21	

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2017	2018	
Asefa Suntech Joint Venture	Buy property	-	-	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	0.10	-	
	Other expenses	-	-	

(4) Loans

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2017	2018	
Asefa Suntech Joint Venture	Balance, beginning of period	161.00	89.00	In 2014, the company has provided a loan to the Asefa Suntech Joint Venture to a turnover in the operation. In 2017 and 2018 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	72.00	-	
	<u>Allowance</u> during the period	17.01	29.54	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	71.99	59.46	
	Interest received	5.18	-	
	Accrued interest received	0.74	0.74	
Asefa and VARS Joint Venture	Balance, beginning of period	-	35.00	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	20.00	35.00	
	<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	0.35	
	Accrued interest received	-	-	

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2017	2018	
Asefa and UMI Joint Venture	Balance, beginning of period	-	-	In 2018, the company has provided a loan to the Asefa and UMI Joint Venture to a turno-ver 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	-	30.00	
	<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	-	10.00	
	Interest received	-	0.30	
	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
	2017	2018	
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 0.12	Outstanding balance -	
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 0.12	Outstanding balance -	

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.

Financial Status and Operational Results

1. Financial Status and Operational Results

Audit Report Summary

(A) 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.

(B) 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.

(C) 2018 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, 2018, 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	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	53.66	2.37	92.10	3.94	43.68	1.73
Trade and other receivable-net	582.00	25.74	627.86	26.86	772.59	30.66
Unbilled receivables	56.75	2.51	34.07	1.46	151.39	6.01
Short-term loan to related party-net	152.50	6.74	106.99	4.58	69.46	2.76
Short-term loan to other company	-	-	-	-	5.10	0.20
Inventories - net	598.16	26.41	678.81	29.03	688.87	27.53
Non-current assets held for sale	8.38	0.37	-	-	-	-
Total current assets	1,451.45	64.18	1,539.83	65.87	1,731.09	68.69
<u>Non-current Assets</u>						
Restricted deposits at financial institutions	94.56	4.18	68.32	2.92	68.44	2.72
Deposit of land	3.00	0.13	-	-	-	-
Retention	5.83	0.26	5.01	0.21	15.24	0.60
Investments in subsidiaries - net	16.85	0.75	16.85	0.72	17.35	0.69
Investment property - net	2.08	0.09	1.87	0.08	1.66	0.07
Property, plant and equipment - net	667.22	29.50	677.28	28.98	654.98	25.99
Intangible assets - net	6.67	0.29	8.31	0.36	8.02	0.32
Deferred tax assets	13.39	0.59	18.31	0.78	22.39	0.89
Other non-current assets	0.58	0.03	1.94	0.08	0.98	0.04
Total non-current assets	810.18	35.82	797.89	34.13	789.06	31.31
Total assets	2,261.63	100.00	2,337.72	100.00	2,520.15	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	189.82	8.39	0.01	0.00	240.00	9.52
Trade and other payables	499.42	22.08	776.38	33.22	620.10	24.61
Current portion of liabilities under financial lease agreements	4.54	0.20	0.69	0.03	0.25	0.01
Current portion of long-term loans from financial institutions	26.20	1.16	10.72	0.46	8.58	0.34
Accrued income tax	34.27	1.51	26.50	1.13	38.01	1.51
Total current liabilities	754.25	33.35	814.30	34.83	906.84	35.99
<u>Non-Current Liabilities</u>						
Liabilities under financial lease agreements - net	0.94	0.04	0.25	0.01	-	-
Long-term loans from financial institutions - net	59.74	2.64	8.58	0.37	-	-
Provision for long-term employee benefit	12.04	0.53	16.42	0.70	22.47	0.89
Total non-current liabilities	72.90	3.22	25.34	1.08	22.58	0.90
Total liabilities	827.15	36.57	839.64	35.92	929.52	36.88
<u>Shareholders' Equity</u>						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		500.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	24.32	550.00	23.53	550.00	21.82
Premiums on ordinary shares	386.70	17.10	386.70	16.54	386.70	15.34
Retained earnings						
Appropriated						
Legal reserve	55.00	2.43	55.00	2.35	55.00	2.18
Unappropriated	442.78	19.58	506.38	21.66	598.93	23.77
Total shareholders' equity	1,434.48	63.43	1,498.08	64.08	1,590.63	63.12
Total liabilities and shareholders' equity	2,264.74	100.00	2,337.72	100.00	2,520.15	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,717.43	99.11	2,650.09	99.40	2,931.24	99.43
Other income	24.40	0.89	16.07	0.60	16.69	0.57
Total revenues	2,741.83	100.00	2,666.16	100.00	2,947.93	100.00
Expenses						
Costs of sales and service	2,013.34	73.43	2,010.22	75.40	2,223.63	75.43
Selling expenses	219.27	8.00	199.50	7.48	223.54	7.58
Administrative expenses	139.12	5.07	153.72	5.77	159.59	5.41
Total expenses	2,371.73	86.50	2,363.44	88.65	2,606.76	88.43
Profit before finance costs and income tax	370.10	13.50	302.72	11.35	341.17	11.57
Finance costs	9.37	0.34	5.03	0.19	2.96	0.10
Profit before income tax	360.73	13.16	297.69	11.16	338.21	11.47
Income tax expenses	69.63	2.54	56.65	2.12	67.12	2.28
Profit for the years	291.10	10.62	241.04	9.04	271.09	9.20
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.53		0.44		0.49	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.53		0.44		0.49	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2016	2017	2018
Cash Flows from Operating Activities:			
Profit before income tax	360.74	297.69	338.21
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities			
Depreciation and amortization	44.40	51.40	52.62
Reversal of allowance for doubtful accounts	(4.75)	(2.35)	5.32
Allowance for short-term loans to related party	8.50	8.51	12.53
Allowance for inventories devaluation	6.83	20.86	7.20
Allowance for impairment of investments in subsidiary	1.00	-	-
(Gain) Loss from disposal of asset	(0.56)	(1.12)	(4.05)
(Gain) Loss from disposal of non-current assets held for sale	-	(0.02)	-
Loss from disposal of intangible asset	-	0.00	0.00
Loss of land expropriation	0.18	-	-
Provision for long-term employee benefits	2.16	2.57	2.88
Interest expenses	9.37	5.03	2.96
Profit from operating activities before changes in operating assets and liabilities	427.87	382.57	417.67
Operating assets (increased) decreased			
Trade and other receivables	(47.46)	(41.36)	(160.28)
Unbilled receivables	(27.70)	22.68	(117.33)
Inventories	37.97	(101.51)	(17.26)
Other non-current assets	0.31	(1.36)	0.97
Operating liabilities increased (decreased)			
Trade and other payables	(85.53)	271.40	(148.41)
Other non-current liabilities	(0.09)	(0.09)	0.02
Cash provided (paid) by operating activities	305.37	532.33	(24.62)
Interest paid	(9.38)	(5.30)	(2.93)
Income tax paid	(59.85)	(68.97)	(59.05)
Net cash from (used in) operating activities	236.14	458.06	(86.60)
Cash Flows from Investing Activities			
Restricted deposits at financial institution (increased) decreased	32.46	26.23	(0.12)
Cash received from short-term loans to related party	68.00	92.00	55.00
Cash payment for short-term loans to related party	-	(55.00)	(30.00)
Cash received from short-term loans to other company	-	-	7.19
Cash payment for short-term loans to other company	-	-	(12.28)
Cash payment for land deposit	(3.00)	-	-
Cash payment for investment in subsidiary	(1.00)	-	(0.50)
Cash received from capital paying-back on investments in subsidiaries	15.00	-	-
Cash payment for acquisition of property, plant and equipment	(119.12)	(43.86)	(35.50)
Cash received from disposal of property, plant and equipment	1.76	2.00	4.46
Cash payment for acquisition of intangible asset	(4.32)	(4.02)	(2.65)
Net cash (used in) investing activities	10.22	17.35	(14.40)
Cash Flows from Financing Activities:			
Increase (decreased) in bank overdraft and short-term loans from financial institutions - net	(61.61)	(189.81)	239.99
Cash repayments for long-term loans from financial institutions	(31.50)	(66.64)	(10.72)
Cash payments for liabilities under finance lease agreements	(6.77)	(4.53)	(0.69)
Dividend paid	(110.00)	(176.00)	(176.00)
Net cash from (used in) financing activities	(209.88)	(436.98)	52.58
Net cash and cash equivalents (increased) decreased	16.04	38.44	(48.42)
Cash and cash equivalents at the beginning of the years	37.62	53.66	92.10
Cash and cash equivalents at the end of the years	53.66	92.10	43.68

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2016	2017	2018
<u>Liquidity Ratio</u>				
Liquidity	(Times)	1.92	1.89	1.91
Quick Ratio	(Times)	0.84	0.88	1.07
Cash Flow Liquidity	(Times)	0.29	0.58	(0.10)
Trade Debtors' Circulation	(Times)	4.74	4.38	4.19
Mean Debt Collection Time	(Days)	77	83	87
Circulating Inventory	(Times)	3.24	3.15	3.25
Average Product Selling Time	(Days)	113	116	112
Creditors' Circulation	(Times)	3.71	3.15	3.18
Credit Term Debt Payment Time	(Days)	98	116	114
Cash Cycle	(Days)	91	83	85
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	25.91	24.15	24.14
Profit from Operating Activities	(%)	13.62	11.42	11.07
Cash per Profit	(%)	82.51	175.85	(7.59)
Net Profit	(%)	10.62	9.04	9.20
Return on Equity Shareholders' Returns (ROE)	(%)	21.64	16.44	17.55
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	16.38	13.16	14.05
Returns from Fixed Assets	(%)	52.03	44.04	49.63
Asset Circulation	(Times)	1.21	1.16	1.21
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.58	0.56	0.58
Interest Payment Ability	(Times)	39.49	60.11	115.14
Obligation Payment Ability (cash basis)	(Times)	0.88	1.55	(0.38)
Dividend Payment	(%)	60.46	73.02	64.92

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	77.80	3.46	125.56	5.36	85.67	3.36
Trade and other receivables - net	582.88	25.91	637.17	27.20	775.54	30.44
Unbilled receivables	56.75	2.52	60.15	2.57	168.17	6.60
Short-term loan to other company	-	-	-	-	5.10	0.20
Materials from the decommissioning a power plant - net	131.50	5.84	58.46	2.50	51.66	2.03
Inventories - net	598.16	26.58	678.81	28.98	688.87	27.04
Non-current assets held for sale	8.38	0.37	-	-	-	-
Total current assets	1,455.47	64.68	1,560.16	66.61	1,775.01	69.68
<u>Non-current Assets</u>						
Restricted deposits at financial institutions	94.56	4.20	68.32	2.92	68.44	2.69
Deposit of land	3.00	0.13	-	-	-	-
Retention	5.83	0.26	5.01	0.21	15.24	0.60
Investment property - net	2.08	0.09	1.87	0.08	1.66	0.07
Property, plant and equipment - net	668.02	29.68	677.73	28.94	655.11	25.72
Intangible assets - net	6.67	0.30	8.31	0.35	8.02	0.31
Deferred tax assets	14.16	0.63	18.92	0.81	22.92	0.90
Other non-current assets	0.58	0.03	1.95	0.08	0.98	0.04
Total non-current assets	794.90	35.32	782.11	33.39	772.37	30.32
Total assets	2,250.37	100.00	2,342.26	100.00	2,547.38	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	189.82	8.44	0.01	0.00	240.00	9.42
Trade and other payables	501.83	22.30	776.58	33.15	635.05	24.93
Current portion of liabilities under financial lease agreements	4.54	0.20	0.69	0.03	0.25	0.01
Current portion of long-term loans from financial institutions	26.20	1.16	10.72	0.46	8.58	0.34
Accrued income tax	34.27	1.52	27.21	1.16	38.19	1.50
Total current liabilities	756.66	33.62	815.21	34.80	922.07	36.20
<u>Non-Current Liabilities</u>						
Liabilities under financial lease agreements - net	0.94	0.04	0.25	0.01	-	-
Long-term loans from financial institutions - net	59.74	2.65	8.58	0.37	-	-
Provision for long-term employee benefit	12.04	0.53	16.42	0.07	22.47	0.88
Non-current liabilities	0.18	0.01	2.15	0.09	0.47	0.02
Total non-current liabilities	72.90	3.24	27.40	1.17	22.94	0.90
Total liabilities	829.56	36.86	842.61	35.97	945.01	37.10
<u>Shareholders' Equity</u>						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		500.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	24.45	500.00	23.48	550.00	21.59
Premiums on ordinary shares	386.70	17.18	386.70	16.51	386.70	15.18
Discount on purchase of investments in subsidiaries - net	1.98	0.09	1.98	0.09	1.98	0.08
Retained earnings						
Appropriated						
Legal reserve	55.00	2.44	55.00	2.35	55.00	2.16
Unappropriated	437.98	19.44	513.92	21.94	620.46	24.36
Total shareholders' equity attributable to owners of parent	1,431.67	63.53	1,507.61	64.37	1,614.14	63.36
Non-controlling interests	(10.85)	(0.48)	(7.95)	(0.34)	(11.77)	(0.46)
Total shareholders' equity	1,420.81	63.14	1,499.65	64.03	1,602.37	62.90
Total liabilities and shareholders' equity	2,250.37	100.00	2,342.26	100.00	2,547.38	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,799.63	99.48	2,808.26	99.67	3,020.77	99.50
Other income	14.58	0.52	9.33	0.33	15.33	0.50
Total revenues	2,814.21	100.00	2,817.59	100.00	3,036.10	100.00
Expenses						
Costs of sales and service	2,095.93	74.48	2,152.16	76.39	2,305.35	75.93
Selling expenses	220.86	7.85	199.55	7.08	223.54	7.36
Administrative expenses	140.23	4.98	146.04	5.18	155.15	5.11
Total expenses	2,457.02	87.31	2,497.75	88.65	2,684.04	88.40
Profit before finance costs and income tax	357.19	12.69	319.84	11.35	352.06	11.60
Finance costs	9.37	0.33	5.04	0.18	2.96	0.10
Profit before income tax	347.82	12.36	314.80	11.17	349.10	11.50
Income tax expenses	71.02	2.52	58.51	2.07	68.34	2.25
Profit for the years	276.80	9.84	256.29	9.10	280.76	9.25
Total comprehensive income for the years -Equity holders of the Company	288.23	10.24	253.38	8.99	285.07	9.39
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.50		0.46		0.52	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.52		0.46		0.52	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit : Million Baht)	2016	2017	2018
Cash Flows from Operating Activities:			
Profit before income tax	347.82	314.80	349.10
Adjustments to reconcile profit before income tax to cash			
Provided by (used in) operating activities			
Depreciation and amortization	44.86	51.76	52.94
Reversal of allowance for doubtful accounts	(6.52)	(3.12)	4.98
Allowance for Materials from the decommissioning power plant	-	-	6.80
Allowance for inventories devaluation	14.34	20.86	7.20
(Gain) from disposal of asset	(1.07)	(1.12)	(4.05)
(Gain) Loss from disposal of non-current assets held for sale	-	(0.02)	-
Loss from disposal of intangible asset	0.02	0.00	0.00
Loss of land expropriation	0.18	-	-
Provision for long-term employee benefits	2.16	2.56	2.88
Interest expenses	9.37	5.03	2.96
Profit from operating activities before changes in operating assets and liabilities	411.16	390.75	422.81
Operating assets (increased) decreased			
Trade and other receivables	(45.10)	(49.01)	(153.39)
Unbilled receivables	(27.71)	(3.40)	(108.01)
Materials from the decommissioning a power plant	81.92	73.04	-
Inventories	37.97	(101.51)	(17.26)
Other non-current assets	1.31	(1.36)	0.97
Operating liabilities increased (decreased)			
Trade and other payables	(83.90)	269.19	(133.65)
Other non-current liabilities	(0.09)	1.97	(1.68)
Cash provided (paid) by operating activities	375.57	579.67	9.59
Interest paid	(9.38)	(5.30)	(2.93)
Income tax paid	(59.85)	(69.98)	(60.73)
Net cash from (used in) operating activities	306.34	504.39	(54.07)
Cash Flows from Investing Activities			
Temporary investments decrease	18.00	-	-
Restricted deposits at financial institutions (increased) decreased	32.46	26.24	(0.12)
Cash received from short-term loans to other company	-	-	7.19
Cash payment for short-term loans to other company	-	-	(12.28)
Cash payment for land deposit	(3.00)	-	-
Cash payment for acquisition of property, plant and equipment	(118.80)	(43.86)	(35.50)
Cash received from disposal of property, plant and equipment	2.66	2.00	4.46
Cash payment for acquisition of intangible asset	(4.32)	(4.02)	(2.65)
Net cash used in investing activities	(73.00)	(19.64)	(38.90)
Cash Flows from Financing Activities:			
Increased (decreased) in bank overdraft and short-term loans from financial institutions - net	(61.61)	(189.81)	239.99
Cash payment for long-term loans from financial institutions	(31.50)	(66.64)	(10.72)
Cash payments for liabilities under finance lease agreements	(6.77)	(4.53)	(0.69)
Dividend paid	(110.00)	(176.00)	(176.00)
Non-controlling interest increase	1.00	-	0.50
Net cash from (used in) financing activities	(208.88)	(436.98)	53.08
Net cash and cash equivalents (increased) decreased	24.46	47.77	(39.89)
Cash and cash equivalents at the beginning of the years	53.34	77.79	125.56
Cash and cash equivalents at the end of the years	77.80	125.56	85.67

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2016	2017	2018
<u>Liquidity Ratio</u>				
Liquidity	(Times)	1.92	1.91	1.93
Quick Ratio	(Times)	0.96	1.01	1.12
Cash Flow Liquidity	(Times)	0.37	0.64	(0.06)
Trade Debtors' Circulation	(Times)	4.64	4.40	4.28
Mean Debt Collection Time	(Days)	79	83	85
Circulating Inventory	(Times)	3.38	3.37	3.37
Average Product Selling Time	(Days)	108	108	108
Creditors' Circulation	(Times)	3.85	3.37	3.27
Credit Term Debt Payment Time	(Days)	95	108	111
Cash Cycle	(Days)	92	83	82
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	25.14	23.36	23.68
Profit from Operating Activities	(%)	12.76	11.39	11.38
Cash per Profit	(%)	105.14	181.24	2.85
Net Profit	(%)	10.24	8.99	9.39
Return on Equity Shareholders' Returns (ROE)	(%)	21.44	17.24	18.26
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	15.84	13.92	14.40
Returns from Fixed Assets	(%)	51.84	47.13	52.11
Asset Circulation	(Times)	1.25	1.23	1.24
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.58	0.56	0.59
Interest Payment Ability	(Times)	38.11	63.51	118.82
Obligation Payment Ability (cash basis)	(Times)	1.19	1.71	(0.24)
Dividend Payment	(%)	63.58	68.67	62.69

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 including power energy management system, smart control system, automatic control system, renewable energy and energy conservation, related system engineering and comprehensive after sales service are all important to various groups of electrical users whether they are industrial complex, power plant, residence, commercial buildings, office buildings, telecommunications, hospitals, or public utilities. Therefore, national and international business growth, electrical energy consumption, the investment in the government and private sectors, and other business sectors' growth are related to the company's products and services.

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. which are type-tested switchboards manufactured according to the design and use equipment as specified by the licensors. Apart from switchboard, 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 such as electrical equipment and control and electrical distributors. 3) Other related engineering services and after sales services. Moreover, there are special projects which are power plant demolition projects that gain profits by selling scrap metals and equipment that are retrieved from the demolition of Bangpakong combined-cycle thermal power plant project 1 and 2 that are under management of the joint venture Asefa Suntech ("Joint Venture")

According to Thailand's economic overview in 2018, Gross Domestic Product (GDP) stayed at 4.1%, up from 2017, on the back of increased private investment from 2.9% to 3.9%. Public investment from 1.2% to 3.3%. The main factor is from the private and public expenses in both consumption and investment which encourage the company's business growth.

Considering the economic trend in 2019, the electrical power business has extended continually since 2018 according to the national economic growth. There were government and private sectors investment projects such as public utility and infrastructure, Eastern Economic Corridor (EEC) project, airport, and infrastructure construction investment for the upcoming technology such as data center, telecommunication, 5G, as well as the investment in massive commercial building projects, public and private hospitals, and renewable energy. It is believed that they will be the factor to help the company's business growth this year.

In 2016, Thai economy continued its positive trend from 2015, 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 of 2015.

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 decrease from 10.24% to 8.99%, compare to the same period of 2016. 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 increases 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.

In 2018, the company and its subsidiaries earned, more than last year, the total revenue of 3,020.77 million baht, having increased by 212 million baht (or 7.57%). Most of the revenue comes from the company's manufacturing products, at the same time, the service business continues to expand as the company planned. Furthermore, in the second half of 2018, the company earned the revenue from the massive electrical projects. Due to the increased revenue, the company and its subsidiaries earned the net profit of 285.07 million, having increased by 12.51 %, compared to the same period last year which earned the net profit of 253.39 million baht. Thus, the net profit margin increase from 8.99% to 9.39%, compare to the same period of 2016. The company has followed the plan by focusing on the market expansion and products development by introducing our products and services as the solution, the maintenance, and the integrated energy management. In terms of the market expansion, it includes the market of renewable energy and energy conservation, smart control system, and automatic control system as the revenue from abovementioned products and services has been continuously grown.

2. Analysis of Operating Results

2.1 Revenues

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 64.52 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%).

In 2018, the Company and its subsidiaries earned the total revenue of 3,036.10 million baht, having increased by 218.51 million baht or 7.76%, when compared to the same period in 2017. The revenue from manufacturing and distributing switchboards designed and developed by the Company, having increased 220.59 million baht or 12.62%, the revenue from products distributed by the Company, having decreased 35.04 million baht (or 8.20%) whereas the revenue from services having increased 106.98 million baht or 19.36% 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 80.01 million baht (or 100.00%) and the other revenues increased 6.01 million baht or 64.42%.

Product Group	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from sales						
- Products manufactured and distributed by the Company	1,986.41	70.58	1,748.20	62.05	1,968.79	64.85
- Products distributed by the Company	435.04	15.46	427.39	15.17	392.35	12.92
Total revenues from sales	2,421.46	86.04	2,175.59	77.22	2,361.14	77.77
2. Revenues from services	295.98	10.52	552.65	19.61	659.63	21.73
3. Revenue from power plant demolition	82.19	2.92	80.01	2.84	-	-
4. Other incomes	14.58	0.52	9.33	0.33	15.33	0.50
Total Revenues	2,814.21	100.00	2,817.59	100.00	3,036.10	100.00

The Company and its subsidiaries' total revenues in 2016 consist of sales, service revenues, the Bangpakong power plant demolition revenue and other incomes, calculated in percentage as 86.04%, 10.52%, 2.92% and 0.52% of the total revenues respectively. In 2017, the total revenues consist of sales and service revenues and revenue from the Bangpakong power plant demolition and other incomes, calculated in percentage as 77.22%, 19.61%, 2.84% and 0.33% of the total revenues.

In 2018, the Company and its subsidiaries' earned the revenues from sales, services revenues and other incomes, in the percentages of 77.77%, 21.73% and 0.50% respectively. The proportion of revenue from services increased from the previous year due to the company has expanded the related engineering system services.

Revenues from sales

Sales revenue during 2016-2018 composed the revenue from products manufactured and distributed by the Company, and the revenue from products distributed by Company. 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.

In 2018, 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 1,968.79 million baht and 392.35 million baht, or 83.38% and 16.62% of total sales revenue respectively.

Product Group	Operated by	2016		2017		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	Asefa	1,156.74	47.77	1,025.85	47.15	1,162.73	49.24
Licensed Products	Asefa	686.93	28.37	596.40	27.42	675.98	28.63
Other products	Asefa	142.74	5.89	125.96	5.79	130.08	5.51
Total revenue from products manufactured and distributed by the Company		1,986.41	82.03	1,748.20	80.36	1,968.79	83.38
Products distributed by the Company							
Electrical and control products	Asefa, VRT	81.92	3.38	88.22	4.05	63.66	2.70
Electrical power distribution products	Asefa	310.44	12.82	289.62	13.31	271.70	11.51
Lighting and equipment	Asefa, LTM	5.46	0.23	8.23	0.38	12.35	0.52
Mineral Insulated Cable	Asefa	30.66	1.27	21.82	1.00	3.99	0.17
Other products	Asefa,LTM,VRT	6.57	0.27	19.51	0.90	40.65	1.72
Total revenue from products distributed by the Company		435.05	17.97	427.39	19.64	392.35	16.62
Total revenue from sales		2,421.46	100.00	2,175.59	100.00	2,361.14	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 82.03%, 80.36%, and 83.38% of the total sales revenues from 2016 to 2018 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 47.77%, 47.15% and 49.24% of the total sales revenue from 2016 to 2018 respectively.

In 2017, the revenue from sales of products manufactured and distributed by the Company had the growth rates had decreased to (11.99%), where as in 2018 the growth rate had increased to 12.62%, due to the industry related to the business of the company improved in the second half of the year and increased revenue from sales and services from major projects

Products distributed by the Company

From 2016-2018, the Company and its subsidiaries earned the revenues from the product distributed by the Company in the amount of 435.05 million baht, 427.39 million baht and 392.35 million baht respectively, or calculated in percentage as 17.97%, 19.64% and 16.62% 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 2018, the Company and its subsidiaries earned the revenue from distributed in the amount of 392.35 million baht which it was decreased 35.04 million baht compared to 2017. The growth rate had decreased by the percentage of (8.20%). The reduction due to increasing price competition factors, the company therefore has a sales policy that reduces the amount of sales of less profitable products.

Revenue from services

Product Group	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	215.73	72.89	451.98	81.78	547.97	83.07
After sales services	80.24	27.11	100.67	18.22	111.66	16.93
Total revenue from services	295.98	100.00	552.65	100.00	659.63	100.00

The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 295.98 million baht in 2016, 552.65 in 2017 which it was increased 256.67 million baht, or 86.72%. In 2018, The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 659.63 million baht which it was increased from last year 106.98 million baht, or 19.36%. Revenues from related engineering services has increased, due to the implementation of the plan in terms of market expansion related to core competencies that focus on offering solutions and complete maintenance. Including expanding the market for renewable energy and energy conservation Smart grid system and automatic control system. Which resulted in increased sales in this service group

Revenue from power plant demolition

Product Type	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from power plant demolition	82.19	100.00	80.01	100.00	-	-

In 2017, The Company and its subsidiaries earned the revenue from the Bangpakong power plant demolition project 80.01million baht, decreased by 2.18 million baht (or 2.65%) when compared to the same period in 2016 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.

For the year 2018, the Company and its subsidiaries have no income from the demolition of power plants. During the year 2017, a joint venture subsidiary of the Company ceased operations because, the Bankruptcy Court ordered a freeze of the joint venture partner's assets. The company Filed a petition with the Official Receiver to regarding to the permission for continuing operation of subsidiary, which is in the process of consideration of the court.

Other incomes

From 2016-2018, The Company and its subsidiaries earned the revenue from other incomes in the amount of 14.58 million baht, 9.33 million baht and 15.34 million baht respectively; the growth rates were calculated to 0.52%, 0.33% and 0.50% of the total revenues. In 2018, the other incomes of the Company and its subsidiaries received consists of the gain from disposal of fixed asset in amount of 4.05 million baht, the rental and service income in amount of 3.61 million baht, the project management income in amount of 3.30 million baht and the profit from foreign exchange in amount of 0.50 million baht.

2.2 Cost of Sales and Expenses

Cost and Expenses	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	2,095.93	74.48	2,152.16	76.38	2,305.35	75.93
Selling expenses	220.86	7.85	199.55	7.08	224.15	7.38
Administrative expenses	140.23	4.98	146.04	5.18	155.49	5.12
Finance cost	9.37	0.33	5.04	0.18	2.96	0.10
Total Expenses	2,466.39	87.64	2,502.79	88.83	2,687.96	88.53
Total revenue	2,814.21	100.00	2,817.59	100.00	3,036.10	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 2016 to 2018, the Company and its subsidiaries had the expenses at 2,466.39 million baht, 2,502.79 million baht and 2,687.96 million baht respectively, or estimated at 87.64%, 88.83% and 88.53% of the total revenues.

Cost of sales and service

Product Group	2016		2017		2018	
	Million Baht	GP (%)	Million Baht	GP (%)	Million Baht	GP (%)
Cost of sales - Products manufactured and distributed by the Company	1,469.38	26.03	1,315.91	24.73	1,483.36	24.66
Cost of sales - Products distributed by the Company	323.47	25.65	324.66	24.04	287.53	26.71
Cost of sales - Service	220.49	25.50	438.07	20.73	534.46	18.98
Cost of sales - power plant demolition	82.59	(0.48)	73.52	8.12	-	-
Cost of sales and service	2,095.93	25.14	2,152.16	23.36	2,305.35	23.68

During 2016 to 2017, the Company and its subsidiaries had the cost of sales and services at the amount of 2,095.93 million baht and 2,152.16 million baht, calculated in percentage as 74.48% and 76.38% of the total revenues; the cost of sales and services in 2017 increased by 56.23 million baht, or at 2.68% compared to 2016, which was proportionate to the increase of production and sales.

In 2018, the cost of sales and service was at 2,305.35 million baht, having increased by 153.19 million baht, or 7.12%, calculated in percentage as 75.93% of the total revenues; which was proportionate to the increase of production and sales. With the increase in cost of sales and services in line with increased revenue.

Gross Margin

During 2016 to 2017, the Company and its subsidiaries had the gross margin at 703.70 million baht and 656.10 million baht, having decreased by 47.60 million baht, 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.

In 2018, the Company and its subsidiaries had the gross margin at 715.42 million baht, having increased by 59.32 million baht, or increased in percentage as 9.04%, by the gross margin ratio at 23.68%, having increased by 0.32%, which is close to the same period of the previous year. Since the increased of sales and utilization rates therefore resulting in a fixed cost per unit decreasing.

Selling expenses

During 2016 to 2017, the Company and its subsidiaries had the selling expense in the amount of 220.86 million baht and 199.55 million baht, calculated in percentage as 7.85% and 7.08% of the total revenue. In 2017, the selling expense decreased by 21.30 million baht, or 9.65%, compared to same period of 2016 because, the Company has controlled over promotion expenses and consistent with the sales of the company.

In 2018, the Company and its subsidiaries had the selling expense in the amount of 223.54 million baht, having increased by 23.98 million baht, or 12.02% compared to same period of 2017. For the increase in selling expenses, most of the expenses are sales personnel of 11.84 million baht and sales promotion expenses of 11.33 million baht due to motivation of marketing activities and keep relationship with a new partner to support business expansion and related industries.

Administrative expenses

During 2016 to 2017, the Company and its subsidiaries had the administrative expenses in the amount of 140.23 million baht and 146.04 million baht, calculated in percentage as 4.98% and 5.18% of the total revenue. In 2017, the administrative expenses 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.

In 2018, the Company and its subsidiaries had the administrative expenses in the amount of 155.15 million baht or calculated in percentage as 5.11% of the total revenues, having increased by 9.11 million baht, or 6.23% compared to same period of 2017. The increase in administrative expenses is mainly due to provision for doubtful accounts of 4.98 million baht due to debtors lack liquidity and provision for material allowance from the demolition of power plants in the amount of 6.80 million baht.

Finance cost

During 2016 to 2017, the Company and its subsidiaries had the financial cost in the amount of 9.37 million baht and 5.04 million baht, by decreased in amount of 4.34 million baht, calculated in percentage as 46.26%, compared to the 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.

In 2018, the Company and its subsidiaries had financial cost in the amount of 2.96 million baht, having decreased by 2.07 million baht, or 41.16% compared to same period of 2017 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 2016 to 2017, the Company and its subsidiaries had earned the net profit in the amount of 288.23 million baht and 253.38 million baht respectively, calculated in percentage as 10.24% and 8.99%. The decrease in the net profit in 2017 was 34.85 million baht, calculated in percentage as 12.09%, with 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.

In 2018, the Company and its subsidiaries had earned the net profit in the amount of 285.07 million baht, having increased 31.69 million baht, calculated in percentage as 12.51%, with the net profit ratio of 9.39%, having increased 0.40% compared to same period of 2017. In 2018, overview of the industry related to the company's business has improved in the second half of the year, however, market conditions still have price competition. The company has better control and management of expenses and production costs, with implementation of the plan in terms of market expansion related to the core competencies that focus on offering integrated solution and maintenance. Including expanding the market for renewable energy and energy conservation, Smart grid systems and automatic control systems, which will be effected from increased sales in this product and service group.

3. Financial Position

Consolidated Financial Statement	2016 (Million Baht)	2017 (Million Baht)	2018 (Million Baht)
Current assets	1,455.47	1,560.15	1,775.01
Non — current assets	794.90	782.11	772.37
Total assets	2,250.37	2,342.26	2,547.38
Liabilities	829.56	842.61	945.01
Shareholders' equity	1,420.81	1,499.65	1,602.37
Total Liabilities and shareholders' equity	2,250.37	2,342.26	2,547.38

3.1 Asset

During 2016 to 2018, the Company and its subsidiaries had the total assets in the amount of 2,250.37 million baht, 2,342.26 million baht and 2,547.38 million baht respectively, with the growth ratio at (0.33%), 4.08% and 8.75%. 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 2016 to 2018, there were trade receivables before allowance of doubtful accounts for 559.34 million baht, 584.90 million baht and 761.09 million baht respectively, calculated in percentage as 24.85%, 24.97% and 29.87% 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 79 days in 2016, 83 days in 2017 and 85 days in 2018.

Period	As at 31 Dec, 2016		As at 31 Dec, 2017		As at 31 Dec, 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Trade receivables</u>						
Current	367.20	65.64	395.97	67.70	494.55	64.98
Over due						
Not over 3 month	139.62	24.96	122.92	21.02	190.24	25.00
Over 3 month - Not over 6 month	1.96	0.35	7.80	1.33	8.63	1.13
Over 6 month - Not over 12 month	2.87	0.51	3.04	0.52	20.99	2.76
Over 12 months	47.69	8.54	55.17	9.43	46.68	6.13
Total Trade receivables	559.34	100.00	584.90	100.00	761.09	100.00
Less Allowance for doubtful accounts	(48.56)		(45.43)		(44.36)	
Total trade receivables - net	510.78		539.47		716.73	

From the table above, the Company and its subsidiaries had the ratio of overdue trade receivables, from 2016-2018, at 65.64%, 67.70% and 64.98% 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 24.96%, 21.02% and 25.00% respectively. In 2017, the Company and its subsidiaries had trade receivables overdue over 12 months in less amount from 47.69 million baht in 2016 to 55.17 million baht in 2017, 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 2018, the ratio of the current trade receivables had decreased from 67.70% to 64.98%, and the ratio of trade receivables overdue more than 3 months had decreased from 11.28 to 10.02%. An increase of 10.29 million baht of accounts receivable, mainly due to one customer has financial problems and there is a project customer who is a government agency in the process of requesting payment approval.

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, 2016		As at 31 Dec, 2017		As at 31 Dec, 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	31.91	5.04	48.94	6.66	46.96	6.24
Work in process	105.35	16.64	78.18	10.64	114.90	15.28
Raw material	452.88	71.52	565.91	77.03	537.28	71.45
Supplies	34.40	5.43	34.69	4.72	41.97	5.58
Goods under installation	7.78	1.23	5.02	0.68	6.16	0.82
Goods in transit	0.92	0.14	2.01	0.27	4.74	0.63
Total inventories	633.24	100.00	734.75	100.00	752.01	100.00
<u>Less allowance for devaluations</u>	(35.08)		(55.94)		(63.14)	
Total inventories - net	598.16		678.81		688.87	

The Company and its subsidiaries had the net inventory-net at the end of 2016 to 2018 at the amount of 598.16 million baht, 678.81 million baht and 688.87 million baht respectively, which consists of raw materials, work in progress and finished goods.

In 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 the total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

At the end of 2018, the Company and its subsidiaries had inventories in the amount of 752.01 million baht. The majority of which was raw materials, calculated in percentage as 71.45% of all total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

The net inventories in 2018, was in the amount of 688.87million baht, increased by 10.06 million baht, or 1.48% compared to 2017. The increase due to the preparation of raw materials and equipment to support the work according to customers' orders.

Materials from the decommissioning a power plant

Inventory	As at 31 Dec, 2016	As at 31 Dec, 2017	As at 31 Dec, 2018
	Million Baht	Million Baht	Million Baht
Materials from the decommissioning a power plant	143.16	70.12	70.12
Less allowance for devaluations	(11.66)	(11.66)	(18.46)
Materials from the decommissioning a power plant - net	131.50	58.46	51.66

At the end of 2016 to 2018, the Company and its subsidiaries had the net materials from decommissioning power plants-net in the amount of 131.50 million baht, 58.46 million baht and 51.66 million baht respectively, because during the year the Company had continually sold materials from the decommissioned power plants.

At the end of 2018, the Company and its subsidiaries had the net materials from decommissioning power plants-net in the amount of 51.66 million baht, decreased by 6.80 million baht, calculated in percentage as 11.63%, compared to the same period in 2017. The decrease was due to an increase in allowance for inventory.

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

Raw material Type	Aging of inventory	Criteria of provision (%)
Raw material	Between 366-730 Days	15.00
Raw material	Between 731-1,095 Days	35.00
Raw material	Between 1,096-1,825 Days	55.00
Raw material	Over 1,825 Days	75.00
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 668.02 million baht in 2016, 677.73 million baht in 2017 and 655.11 million baht in 2018, calculated by the ratio of the total assets as 29.68%, 28.94% and 25.72% respectively.

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 9.71 million baht or 1.45% compared to 2015, because the Company had invested more in lands, building construction, and equipment to increase the Company's manufacturing capacity.

In 2018, the Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 655.11 million baht, having decreased 22.62 million baht or 3.34% compared to 2017, Due to investment in fixed assets which decreased from 2017.

3.2 Liquidity

Cash flow

During 2016 to 2017, the Company and its subsidiaries had cash flow from its operating activities in the amount of 306.34 million baht and 504.39 million baht respectively. In 2017, the Company and its subsidiaries had a cash flow from more activity and Mostly, the payment of trade accounts payable decreased from 2018.

During 2016 to 2017, the Company and its subsidiaries had cash flow from its operating activities in the amount of (73.00) million baht and (19.64) million baht respectively. In 2017, the Company and its subsidiaries had invested for fixed assets in the amount of 43.86 million baht; for examples, land and construction investment, purchase of machinery and equipment to increase the production capacity of the company.

During 2016 to 2017, the Company and its subsidiaries had cash flow from financing activities in the amount of (208.88) million baht and (436.98) million baht respectively. In 2017, the Company and its subsidiaries paid the loans from financial institutions and overdrafts were 256.45 million baht and dividend payment was 176.00 million baht.

In 2018, the Company and its subsidiaries had cash flow from its operating activities in amount of (54.07) million baht, having decreased 558.46 million baht, compared to the same period in 2017, Due to the payment of debt, trade and other payables increased compared to 2017. According to cash flow used in investing activities was (38.90) million baht, increasing from the previous year. As a result of the increase in cash payment for short-term loans to other company in amount of 12.28 million baht, the company also paid cash from financing activities and bank overdrafts in the amount of 239.99 million baht and dividend payment of 176.00 million baht. The company and its subsidiaries had cash flow from financing activities in the amount of 53.08 million baht.

(Unit: Million Baht)	2016	2017	2018
Net cash from (used in) operating activities	306.34	504.39	(54.07)
Net cash used in investing activities	(73.00)	(19.64)	(38.90)
Net cash from (used in) financing activities	(208.88)	(436.98)	53.08
Net cash and cash equivalents (increased) decreased	24.46	47.77	(39.89)

Liquidity Ratio

The Company and its subsidiaries had the liquidity ratio at the end of 2016 to 2018 at the amount of 1.92, 1.91 and 1.93 respectively, and had the quick ratio at 0.96, 1.01 and 1.12 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 50.13%, 47.26% and 41.72% respectively.

The Company and its subsidiaries had cash cycle equal to 92 days in 2016, 83 days in 2017 and 82 days in 2018. The decrease in cash cycle in 2017 was due the company and the subsidiary has paid the debt that is slower from 2016.

In 2018, the Company and its subsidiaries had the average time of debt collecting around 85 days, time and selling around 108 days, time of debt payment around 111 days, and cash cycle 82 days, Which shows that the company has good control and management of the cash cycle.

		2016	2017	2018
Liquidity	(Times)	1.92	1.91	1.93
Quick Ratio	(Times)	0.96	1.01	1.12
Mean Debt Collection Time	(Days)	79	83	85
Average Product Selling Time	(Days)	108	108	108
Credit Term Debt Payment Time	(Days)	95	108	111
Cash Cycle	(Days)	92	83	82

3.3 Sources of Capital

Liabilities

The Company and its subsidiaries had debts amount of 829.56 million baht in 2016, 842.61 million baht in 2017 and 945.01 million baht in 2018. 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 92.21% in 2016, 96.75% in 2017 and 97.57% in 2018. The company and its subsidiaries current liabilities were from trade payables and short term loans from financial institutes, calculated into percentage as 60.49% and 22.88% of total liabilities at the end of 2016, and most of the Company's debts were current liabilities was trade and other current payables, calculated into percentage as 92.16% of total liabilities at the end of 2017.

For the year 2018, the majority of the Company's liabilities of the Company and its subsidiaries are trade accounts payable and other payables and short-term loans from financial institutions, accounting for 67.20% and 25.39% of total liabilities.

The Company's ratio of non-current liabilities had a downward trend to 72.90 million baht in 2016, 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 9.11% in 2015 to 7.20% in 2016.

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.

At the end of 2018, the Company's non-current liabilities decreased by 4.45 million baht, or 16.25% when compared to the same period in 2017 because of the deduction of the amount of long-term loan and finance lease liabilities, 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 1,420.81 million baht in 2016, 1,499.65 million baht in 2017 and 1,602.37 million baht in 2018.

In 2017, the shareholder's equity increased from 2016 with growth rate at 5.54% compared to the same period last year because of the increase in profits from business operation in 2017 the amount of 254.84 million baht, and the dividends paid in the amount of 176.00 million baht.

The value of shareholders increased in 2018 from 2017 by the growth rate of 102.72 million baht or 6.85% when compared to 31 December 2017. Due to the operating profit was at 278.22 million baht and dividend payment was 176 million baht in 2018.

Capital Structure Viability

The Company and its subsidiaries had the ratio of debts to equity at 0.58 at the end of 2016, and 0.56 at the end of 2017 and 0.59 at the end of 2018, which is close to 2017.

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.

As of December 31, 2018, The Company still has material from the demolition of the net power plant. Which pending sales amount 51.66 million baht, overflow and have debtors that the company for the joint venture of Asefa Suntech, a subsidiary, which has not yet been paid in the amount of 59.46 million baht. A joint venture subsidiary of the Company ceased operations because, the Bankruptcy Court ordered a freeze of the joint venture partner's assets in a bankruptcy case on June 20, 2017. The Company filed a petition with the Official Receiver regarding to the permission for continuing operation of subsidiary, but, on September 17, 2018, the Official Receiver filed an objection with the Bankruptcy Court. The management and legal counsel of the Company have the opinion that the Company and the Official Receiver will finally be able to jointly perform a liquidation process of the joint venture's account. If it is unable to reach an agreement, they will file a petition to oppose to include joint venture's assets as communal property. However, my opinion is not qualified in respect of the above matters.

Report of the Board Accountability To Financial Report

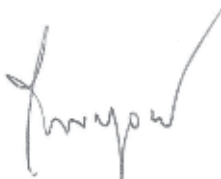
The consolidated financial statements of Asefa Public Company Limited and its subsidiaries was prepared in accordance with the Securities Exchange Commission under the Securities and Exchange Act B.E. 2535 and Department of Business Development, issued under the Accounting Act B.E. 2543 Section 11 paragraph 3 in accordance with the Federation of Accounting Professions' Thai Financial Reporting Standards.

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 Company's Board of Directors is responsible for financial report of Asefa Public Company Limited and its subsidiaries in providing reasonable assurance that the financial report present fairly financial position, financial performance and cash flows. The accounting data is sufficiently and accurately recorded to preserve the Company's assets and prevent fraud and irregularity. The financial report has been prepared accordingly to appropriate accounting policy and consistency practices, and in accordance with Thai Financial Reporting Standards. Significant information has been sufficiently disclosed in notes to financial statements, where the auditor expressed an opinion on the financial statements of Asefa Public Company Limited and its subsidiaries in the auditor's report.



(Mr. Soracit Phungsuk)
Chairman



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

ASEFA PUBLIC COMPANY LIMITED AND
ITS SUBSIDIARIES FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018, 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, 2018, 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.

Emphasis of Matters

I draw attention to the following Notes to financial statements 10, During the year ended December 31, 2017, a joint venture subsidiary of the Company ceased operations because, the Bankruptcy Court ordered a freeze of the joint venture partner's assets in a bankruptcy case on June 20, 2017. The Company filed a petition with the Official Receiver regarding to the permission for continuing operation of subsidiary, but, on September 17, 2018, the Official Receiver filed an objection with the Bankruptcy Court. The management and legal counsel of the Company have the opinion that the Company and the Official Receiver will finally be able to jointly perform a liquidation process of the joint venture's account. If it is unable to reach an agreement, they will file a petition to oppose to include joint venture's assets as communal property. However, my opinion is not qualified in respect of the above matters.

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. 11, the Company has allowance for inventories as of December 31, 2018 in the amount of Baht 63.14 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, 2018 in the amount of Baht 515.66 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, 2018.

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.

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 22, 2019

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	6	85,671,063	125,563,607	43,680,176	92,099,419
Trade and other current receivables - net	5, 7	775,542,266	637,168,542	772,593,843	627,864,051
Unbilled receivables	8	168,163,265	60,154,085	151,395,531	34,066,570
Short-term loan to related party - net	5	-	-	69,458,653	106,988,938
Short-term loan to other company	9	5,098,740	-	5,098,740	-
Materials from the decommissioning power plant - net	10	51,664,551	58,460,945	-	-
Inventories - net	11	688,866,588	678,808,028	688,866,588	678,808,028
Total current assets		1,775,006,473	1,560,155,207	1,731,093,531	1,539,827,006
Non-current assets					
Restricted deposits at financial institutions	12	68,442,387	68,320,686	68,442,387	68,320,686
Retention		15,244,759	5,014,504	15,244,759	5,014,504
Investments in subsidiaries - net	13	-	-	17,349,339	16,849,339
Investment property - net	14	1,660,990	1,872,193	1,660,990	1,872,193
Property, plant and equipment - net	15, 18, 21	655,107,309	677,727,418	654,979,342	677,278,061
Intangible assets - net	16	8,024,147	8,308,690	8,024,147	8,308,690
Deferred tax assets - net	17	22,922,777	18,918,951	22,388,337	18,307,378
Other non-current assets		972,596	1,944,128	972,596	1,944,128
Total non-current assets		772,374,965	782,106,570	789,061,897	797,894,979
Total assets		2,547,381,438	2,342,261,777	2,520,155,428	2,337,721,985

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	240,000,000	9,340	240,000,000	9,340
Trade and other current payables	5, 19	635,048,418	776,582,388	620,100,528	776,381,093
Current portion of liabilities					
under financial lease agreements	20	249,379	695,945	249,379	695,945
Current portion of long-term					
loans from financial institutions	21	8,581,065	10,716,000	8,581,065	10,716,000
Accrued income tax		38,188,540	27,209,183	38,010,967	26,498,037
Total current liabilities		922,067,402	815,212,856	906,941,939	814,300,415
Non-current liabilities					
Liabilities under financial lease agreements - net	20	-	249,579	-	249,579
Long-term loans from financial institutions - net	21	-	8,581,065	-	8,581,065
Non-current provisions for employee benefits	22	22,469,186	16,415,614	22,469,186	16,415,614
Non-current liabilities		475,694	2,152,657	109,500	91,000
Total non-current liabilities		22,944,880	27,398,915	22,578,686	25,337,258
Total liabilities		945,012,282	842,611,771	929,520,625	839,637,673

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
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	13	1,981,036	1,981,036	-	-
Retained earnings					
Appropriated					
		55,000,000	55,000,000	55,000,000	55,000,000
Legal reserve	23				
Unappropriated		620,453,854	513,923,990	598,931,893	506,381,402
Total shareholders' equity attributable to owners of parent		1,614,137,800	1,507,607,936	1,590,634,803	1,498,084,312
Non-controlling interests	13	(11,768,644)	(7,957,930)	-	-
Total shareholders' equity		1,602,369,156	1,499,650,006	1,590,634,803	1,498,084,312
Total liabilities and shareholders' equity		2,547,381,438	2,342,261,777	2,520,155,428	2,337,721,985

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

		Unit: Baht			
	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	3, 5, 25,26				
Revenues from sales and service		3,020,765,317	2,808,255,660	2,931,236,367	2,650,097,382
Costs of sales and service		(2,305,347,903)	(2,152,157,300)	(2,223,630,990)	(2,010,220,794)
Gross profit		715,417,414	656,098,360	707,605,377	639,876,588
Other income		15,331,561	9,333,500	16,697,413	16,073,959
Profit before expenses		730,748,975	665,431,860	724,302,790	655,950,547
Expenses					
Selling expenses		(223,536,600)	(199,551,835)	(223,536,600)	(199,501,835)
Administrative expenses		(155,146,366)	(146,044,843)	(159,590,732)	(153,725,288)
Total expenses		(378,682,966)	(345,596,678)	(383,127,332)	(353,227,123)
Profit before finance costs and income tax		352,066,009	319,835,182	341,175,458	302,723,424
Finance costs		(2,963,138)	(5,035,753)	(2,963,138)	(5,035,753)
Profit before income tax		349,102,871	314,799,429	338,212,320	297,687,671
Income tax expenses	17	(68,341,023)	(58,514,259)	(67,119,131)	(56,646,470)
Profit for the years		280,761,848	256,285,170	271,093,189	241,041,201
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss - net from tax		(2,542,698)	(1,442,906)	(2,542,698)	(1,442,906)
Total comprehensive income for the years		278,219,150	254,842,264	268,550,491	239,598,295
Profit (loss) attributable to					
Equity holders of the Company		285,072,562	253,384,663	271,093,189	241,041,201
Non-controlling interests		(4,310,714)	2,900,507	-	-
		280,761,848	256,285,170	271,093,189	241,041,201
Total comprehensive income (loss) attributable to					
Equity holders of the Company		282,529,864	251,941,757	268,550,491	239,598,295
Non-controlling interests		(4,310,714)	2,900,507	-	-
		278,219,150	254,842,264	268,550,491	239,598,295
Basic earnings per share					
Equity holders of the Company		0.52	0.46	0.49	0.44
Weighted average number of issued and fully paid-up ordinary shares (shares)		550,000,000	550,000,000	550,000,000	550,000,000

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit: Baht									
Consolidated financial statements									
Retained earnings									
	Note	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, 2017		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	24	-	-	-	-	(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
Dividend paid	24	-	-	-	-	(176,000,000)	(176,000,000)	-	(176,000,000)
Non-controlling interests increased	13	-	-	-	-	-	-	500,000	500,000
Total comprehensive income (loss) for the year		-	-	-	-	282,529,864	282,529,864	(4,310,714)	278,219,150
Balance as at December 31, 2018		550,000,000	386,702,910	1,981,036	55,000,000	620,453,854	1,614,137,800	(11,768,644)	1,602,369,156

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit: Baht					
Notes	Separate financial statements				
	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Retained earnings		Total
			Appropriated Legal Reserve	Unappropriated	
Balance as at January 1, 2017	550,000,000	386,702,910	55,000,000	442,783,107	1,434,486,017
Dividend paid	24	-	-	(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
Dividend paid	24	-	-	(176,000,000)	(176,000,000)
Total comprehensive income for the year	-	-	-	268,550,491	268,550,491
Balance as at December 31, 2018	550,000,000	386,702,910	55,000,000	598,931,893	1,590,634,803

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash Flows from Operating Activities:				
Profit before income tax	349,102,871	314,799,429	338,212,320	297,687,671
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	52,941,547	51,757,822	52,620,157	51,402,486
(Reversal of) allowance for doubtful accounts	4,982,550	(3,123,736)	5,324,950	(2,353,214)
Allowance for short-term loans to related party	-	-	12,530,285	8,511,062
Allowance for Materials from the decommissioning power plant	6,796,394	-	-	-
Allowance for inventories devaluation	7,198,599	20,858,600	7,198,599	20,858,600
Gain from disposal of fixed asset	(4,050,073)	(1,124,375)	(4,050,073)	(1,124,375)
Gain from disposal of non-current assets held for sale	-	(15,908)	-	(15,908)
(Gain) loss from disposal of intangible asset	(108)	7	(108)	7
Non-current provisions for employee benefits	2,875,199	2,567,302	2,875,199	2,567,302
Interest expenses	2,963,138	5,035,753	2,963,138	5,035,753
Profit from operating activities before changes in operating assets and liabilities	422,810,117	390,754,894	417,674,467	382,569,384
Changes in operating assets (increase) decrease				
Trade and other current receivables	(153,586,529)	(49,012,458)	(160,284,997)	(41,358,520)
Unbilled receivables	(108,009,180)	(3,400,678)	(117,328,961)	22,686,837
Materials from the decommissioning power plant	-	73,038,522	-	-
Inventories	(17,257,159)	(101,506,523)	(17,257,159)	(101,506,523)
Other non-current assets	971,532	(1,363,910)	971,532	(1,363,910)
Changes in operating liabilities increase (decrease)				
Trade and other current payables	(133,659,987)	269,185,015	(148,406,582)	271,396,117
Other non-current liabilities	(1,676,963)	1,972,317	18,500	(89,340)
Cash provided by operating activities	9,591,831	579,667,179	(24,613,200)	532,334,045
Interest paid	(2,931,804)	(5,295,610)	(2,931,804)	(5,295,610)
Income tax paid	(60,729,817)	(69,977,770)	(59,051,485)	(68,975,231)
Net cash from (used in) operating activities	(54,069,790)	504,393,799	(86,596,489)	458,063,204

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash Flows from Investing Activities:				
Restricted deposits at financial institutions (increase) decrease	(121,701)	26,238,129	(121,701)	26,238,129
Cash received from short-term loans to related parties	-	-	55,000,000	92,000,000
Cash payment for short-term loans to related parties	-	-	(30,000,000)	(55,000,000)
Cash received from short-term loans to other company	7,186,110	-	7,186,110	-
Cash payment for short-term loans to other company	(12,284,850)	-	(12,284,850)	-
Cash payment for acquisition of investment in subsidiary	-	-	(500,000)	-
Cash received from disposal of property, plant and equipment	4,461,346	2,004,005	4,461,346	2,004,005
Cash payment for acquisition of property, plant and equipment	(35,494,088)	(43,863,651)	(35,494,088)	(43,863,651)
Cash received from disposal of intangible asset	141	-	141	-
Cash payment for acquisition of intangible asset	(2,648,227)	(4,024,240)	(2,648,227)	(4,024,240)
Net cash from (used in) investing activities	(38,901,269)	(19,645,757)	(14,401,269)	17,354,243
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions - net	239,990,660	(189,808,195)	239,990,660	(189,808,195)
Cash payments for long-term loans from financial institutions	(10,716,000)	(66,636,768)	(10,716,000)	(66,636,768)
Cash payments for liabilities under finance lease agreements	(696,145)	(4,534,943)	(696,145)	(4,534,943)
Dividend paid	(176,000,000)	(176,000,000)	(176,000,000)	(176,000,000)
Non-controlling interest increase	500,000	-	-	-
Net cash from (used in) financing activities	53,078,515	(436,979,906)	52,578,515	(436,979,906)
Net cash and cash equivalents increase (decrease)	(39,892,544)	47,768,136	(48,419,243)	38,437,541
Cash and cash equivalents at the beginning of the years	125,563,607	77,795,471	92,099,419	53,661,878
Cash and cash equivalents at the end of the years	85,671,063	125,563,607	43,680,176	92,099,419
Supplemental Disclosures of Cash Flows Information				
Non-cash transaction				
Increase (decrease) in accounts payables for purchase of fixed assets	(7,905,317)	12,113,255	(7,905,317)	12,113,255
Assets increase from a land deposit	-	3,000,000	-	3,000,000
Assets increase from transfer of non-current assets held for sale	-	766,208	-	766,208

The accompanying notes are an integral part of financial statement.

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 4 branches.

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

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai 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 October 11, 2016, 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, 2018 and 2017 are as follows.

Subsidiaries	Nature of business	Percentage of holding
Varitek Co., Ltd.	Dealer on equipment for electrical system, water supply system and air-conditioned system.	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
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
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

Change in the structure of the Group during the current year

*On September 7, 2017, the Company entered into an agreement with UMI Engineering Co., Ltd to establish the Asefa & UMI Joint Venture, for purposes of submitting a contractor bid for the improvement and efficiency enhancement of a central air-conditioning system of the Head Office of Provincial Electricity Authority of Thailand, specifically its Building 3, including project works for other government agencies and the private sector. The joint venture is formed by a shareholder ratio of 50:50, with an initial investment of Baht 1 million. The investment capital was fully paid-up on May 9, 2018. The Company considers that it has control over the joint venture's financial and operating policies. Therefore, it considered as a subsidiary and the financial statements of the joint venture are consolidated.

- 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 2018, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019

During the year 2018, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries has made an assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(c) Financial reporting standards related to the set of financial instruments that will become effective for fiscal years beginning on or after January 1, 2020

During the year 2018, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures
TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation
TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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
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 current 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	
	2018	2017	2018	2017
Enginar Co., Ltd.				
Sales of inventories	348,320	871,900	348,320	871,900
Purchase of inventories	18,382,665	27,849,775	18,382,665	27,849,775
Asefa Suntech Joint Venture				
Interest income	-	-	-	5,175,959
Management revenue	-	-	-	1,560,000
Purchase of inventories	-	-	-	103,140
Asefa & VARS Joint Venture				
Interest income	-	-	347,945	879,041
Other income	-	-	661,399	-
Asefa & UMI Joint Venture				
Interest income	-	-	295,890	-
Other income	-	-	570,586	-

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	
	2018	2017	2018	2017
Trade receivable - related parties				
Enginar Co., Ltd.	293,522	-	293,522	-
Asefa Suntech Joint Venture	-	-	-	289,289
Total trade receivable - related parties	293,522	-	293,522	289,289
Other receivable				
Asefa Suntech Joint Venture	-	-	624,288	-
Accrued interest income				
Asefa Suntech Joint Venture	-	-	743,699	743,699
Short-term loans to related parties - net				
Asefa Suntech Joint Venture	-	-	89,000,000	89,000,000
Asefa & VARS Joint Venture	-	-	-	35,000,000
Asefa & UMI Joint Venture	-	-	10,000,000	-
Total short-term loans to related parties	-	-	99,000,000	124,000,000
Less allowance for doubtful accounts	-	-	(29,541,347)	(17,011,062)
Total short-term loans to related parties - net	-	-	69,458,653	106,988,938
Trade payable - related parties				
Enginar Co., Ltd.	3,213,290	2,650,149	3,213,290	2,650,149

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	
	2018	2017	2018	2017
Asefa Suntech Joint Venture				
Beginning balance at the years	-	-	89,000,000	161,000,000
Decrease during the years	-	-	-	(72,000,000)
Ending balance at the years	-	-	89,000,000	89,000,000
Less allowance for doubtful accounts	-	-	(29,541,347)	(17,011,062)
Ending balance at the years - net	-	-	59,458,653	71,988,938
Asefa & VARS Joint Venture				
Beginning balance at the years	-	-	35,000,000	-
Increase during the years	-	-	-	55,000,000
Decrease during the years	-	-	(35,000,000)	(20,000,000)
Ending balance at the years	-	-	-	35,000,000
Asefa & UMI Joint Venture				
Beginning balance at the years	-	-	-	-
Increase during the years	-	-	30,000,000	-
Decrease during the years	-	-	(20,000,000)	-
Ending balance at the years	-	-	10,000,000	-

As at December 31, 2018 and 2017, short-term loans to related party have no collateral, and 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	
	2018	2017
Short-term benefits	19,723,400	18,103,260
Post-employment benefits	396,185	265,813
Total management compensation	20,119,585	18,369,073

6. CASH AND CASH EQUIVALENTS

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	354,761	522,667	256,057	379,376
Cash at banks - saving accounts	35,097,607	76,169,325	5,519,688	43,093,801
Cash at banks - current accounts	44,308,389	48,833,095	31,994,125	48,587,722
Cheque due	5,910,306	38,520	5,910,306	38,520
Total cash and				
cash equivalents	85,671,063	125,563,607	43,680,176	92,099,419

7. TRADE AND OTHER RECEIVABLES - NET

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables				
Trade receivables - related parties	293,522	-	293,522	289,289
Trade receivables - other companies				
Returned cheque	10,309,256	13,770,247	5,416,353	7,772,550
Promissory note	17,439,849	-	17,439,849	-
Post-dated cheque	112,601,378	63,356,539	112,092,129	62,647,291
Trade receivables - other	620,442,441	507,778,274	618,549,632	505,781,185
Total trade receivables - other	760,792,924	584,905,060	753,497,963	576,201,026
Total trade receivables	761,086,446	584,905,060	753,791,485	576,490,315
Less Allowance for doubtful accounts				
Beginning balance	(45,433,984)	(48,557,720)	(36,768,800)	(39,122,014)
Increase during the years	(7,947,424)	(2,365,637)	(7,947,424)	(2,365,637)
Decrease during the years	9,023,054	5,489,373	7,633,981	4,718,851
Ending balance	(44,358,354)	(45,433,984)	(37,082,243)	(36,768,800)
Total trade receivables - net	716,728,092	539,471,076	716,709,242	539,721,515
Other current receivables				
Retention receivables	29,880,200	49,839,183	29,880,200	49,839,183
Advance payments	5,376,889	8,016,875	5,376,889	8,016,875
Deposit receivables	10,997,786	26,408,339	10,801,749	20,662,478
Advance payment for goods	2,165,824	1,648,536	2,165,824	1,648,536
Prepaid other expenses	3,830,365	5,010,794	3,829,877	4,970,964
Accrued interest income	548,421	512,884	1,292,119	1,256,583
Undued input tax	1,813,264	925,977	1,429,872	920,584
Revenue Department receivable	807,311	4,204,796	-	-
Other	3,394,114	1,130,082	1,108,071	827,333
Total other current receivables	58,814,174	97,697,466	55,884,601	88,142,536
Total trade and other current receivables	775,542,266	637,168,542	772,593,843	627,864,051

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related companies				
Over due				
Not over 3 months	293,522	-	293,522	-
Over 12 months	-	-	-	289,289
Total trade receivables- related companies	293,522	-	293,522	289,289
Trade receivables - other companies				
Current	494,545,243	395,971,321	494,545,243	395,971,321
Over due				
Not over 3 months	189,941,608	122,920,043	189,941,608	122,920,043
3-6 months	8,632,905	7,804,001	8,632,905	7,804,001
6-12 months	20,996,410	3,042,271	20,996,410	3,042,271
Over 12 months	46,676,758	55,167,424	39,381,797	46,463,390
Total trade receivables - other companies	760,792,924	584,905,060	753,497,963	576,201,026

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	
	2018	2017	2018	2017
Revenue recognition from percentage				
of completion method	515,659,091	376,541,466	426,130,141	298,397,472
Unbilled receivables				
Project value as per contract	585,834,382	362,567,440	533,778,308	246,407,627
Revenue on percentage of completion basis	365,050,866	256,461,303	314,446,684	178,317,308
Less Value of total billed	(196,887,601)	(196,307,218)	(163,051,153)	(144,250,738)
Unbilled receivables	168,163,265	60,154,085	151,395,531	34,066,570
Retention receivable as per contracts	1,750,464	7,697,004	1,750,464	7,697,004
Revenue from contract received in advance				
Project value as per contract	342,069,000	273,321,713	342,069,000	273,321,713
Value of total billed	27,602,940	19,319,088	27,602,940	19,319,088
Less revenue on percentage of completion basis	(4,340,687)	(7,009,539)	(4,340,687)	(7,009,539)
Revenue from contract received in advance	23,262,253	12,309,549	23,262,253	12,309,549

9. SHORT-TERM LOANS TO OTHER COMPANY

On August 10, 2018, a company (Transferor), the Company (Transferee) and a Government agency (Project owner) have entered into an agreement to transfer the rights to receive the payment under the project contract to the Company from the project owner totaling Baht 21.90 million. On September 12, 2018, the Company entered into a loan agreement with such company for financing the project of Baht 21.90 million. The loan bears interest rate of 5% per annum. Under the loan agreement, the borrower will have to gradually pay the loan until fully settlement throughout the period of the project. The loan is guaranteed by the director of the borrower.

10. 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	
	2018	2017	2018	2017
Cost of materials from the				
decommissioning power plant	378,479,959	378,479,959	-	-
Less cost of materials from				
decommissioning transferred to cost of sales	(308,359,075)	(308,359,075)	-	-
Less allowance for devaluations	(18,456,333)	(11,659,939)	-	-
Materials from the decommissioning				
 power plant - net	51,664,551	58,460,945	-	-

During the year ended December 31, 2017, a joint venture subsidiary of the Company ceased operations because, the Bankruptcy Court ordered a freeze of the joint venture partner's assets in a bankruptcy case on June 20, 2017. The Company filed a petition with the Official Receiver regarding to the permission for continuing operation of subsidiary, but, on September 17, 2018, the Official Receiver filed an objection with the Bankruptcy Court.

On December 7, 2018, the Company and the Official Receiver agreed to jointly liquidate the joint venture. The Official Receiver therefore proposed the commanding to consider approving and inform the creditor of the desire to participate in the liquidation. Which, if implemented successfully will benefit both parties, the Bankruptcy Court therefore appoints for the investigation on April 24, 2019.

The management and legal counsel of the Company have the opinion that the Company and the Official Receiver will finally be able to jointly perform a liquidation process of the joint venture's account. If it is unable to reach an agreement, they will file a petition to oppose to include joint venture's assets as communal property.

11. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit : Baht	
	Consolidated and Separate financial statements	
	2018	2017
Finished goods	46,964,662	48,938,563
Work in process	114,899,820	78,183,769
Raw material	537,276,385	565,904,832
Supplies	41,967,073	34,693,677
Goods in transit	4,735,868	2,006,835
Goods under installation	6,164,315	5,023,288
Total inventories	752,008,123	734,750,964
Less allowance for devaluations	(63,141,535)	(55,942,936)
Total inventories - net	688,866,588	678,808,028

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2018	2017
Fixed Deposits		
UOB Bank PCL.	25,000,000	25,000,000
Kasikorn Bank PCL.	28,000,000	28,000,000
Bank of Ayudhya PCL.	15,442,387	15,320,686
Total restricted deposits at financial institutions	68,442,387	68,320,686

As at December 31, 2018 and 2017, the above fixed deposits of the Group have interest rate of 0.80% - 1.20% per annum and 0.80% - 1.10% 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.

13. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2018 and 2017 consisted of:

Company's name	Unit: Thousand Baht					
	Separate Financial Statements					
	Paid-up share capital		% of holding		Cost method	
	2018	2017	2018	2017	2018	2017
Subsidiaries						
Varitek Co., Ltd.*	15,000	15,000	99.99	99.99	15,849	15,849
Asefa Suntech Joint Venture	2,000	2,000	50.00	50.00	1,000	1,000
Asefa & VARS Joint Venture	2,000	2,000	50.00	50.00	1,000	1,000
Asefa & UMI Joint Venture**	1,000	-	50.00	50.00	500	-
Total investments					18,349	17,849
Less Allowance for impairment on investments					(1,000)	(1,000)
Total investments - net					17,349	16,849

*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 purposes of submitting a contractor bid for the improvement and efficiency enhancement of a central air-conditioning system of the Head Office of Provincial Electricity Authority of Thailand, specifically its Building 3, including project works for other government agencies and the private sector. The joint venture is formed by a shareholder ratio of 50:50, with an initial investment of Baht 1 million. The investment capital was fully paid-up on May 9, 2018.

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		Asefa & UMI Joint Venture		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
As at December 31										
Current assets	20,532	20,194	57,396	64,354	9,779	46,657	29,888	-	117,595	131,205
Non-current assets	734	812	534	990	-	-	-	-	1,268	1,802
Current liabilities	(70)	(90)	(95,893)	(90,109)	(103)	(35,746)	(24,777)	-	(120,843)	(125,945)
Non-current liabilities	-	-	-	-	-	(2,062)	(366)	-	(366)	(2,062)
Non-controlling interests	-	-	(18,982)	(12,382)	4,838	4,424	2,375	-	(11,769)	(7,958)
For the year ended December 31										
Revenues	418	843	-	80,130	39,017	78,163	50,604	-	90,039	159,136
Net profit (loss) for the year attributable to non-controlling interests	-	-	(6,599)	(554)	414	3,454	1,875	-	(4,310)	2,900
Net cash provided by (used in)										
Operating activities	338	816	(491)	69,464	31,284	(23,949)	2,061	-	33,192	46,331
Financing activities	-	-	335	(72,000)	(35,000)	35,000	10,000	-	(24,665)	(37,000)
Cash and cash equivalents increase										
(decrease) - net	338	816	(156)	(2,536)	(3,716)	11,051	12,061	-	8,527	9,331

14. INVESTMENT PROPERTIES — NET

Investment properties as at December 31, 2018, consisted of:

	Unit : Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2018	Movements during the year		As at December 31, 2018
		Additions/Transfer	Decrease	
Condominium				
Cost	4,559,345	-	-	4,559,345
Less Accumulated depreciation	2,687,152	211,203	-	2,898,355
Book value - net	<u>1,872,193</u>			<u>1,660,990</u>
Appraisal from Treasury Department				5,368,020

The Company has a rental income from the renting of condominiums for the years ended December 31, 2018 and 2017, in the amount of Baht 0.37 million and Baht 0.44 million, respectively.

The investment property is a condominium unit which has been leased to a company with an annual rental of Baht 0.05 million. The agreement will be terminated in May 2019 and the Company will continue to lease to a company at the rate of Baht 0.02 million per month. The agreement commences from June 2019 to May 2020.

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.

15. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment at December 31, 2018, consisted of:

Unit : Baht

Consolidated financial statements										
	Land	Building and improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Machinery under installation	equipment under installation	Building under construction	Total
Cost :										
Balance as at January 1, 2018	293,414,945	330,044,967	162,128,410	112,693,049	38,234,145	41,304,746	2,248,809	-	-	980,069,071
Add purchase during the year	-	828,000	4,910,000	12,523,941	1,213,338	6,222,558	1,180,145	566,789	144,000	27,588,771
Transferred in/out during the year	-	144,000	3,347,810	222,256	197,650	-	(3,428,954)	(338,762)	(144,000)	-
Less disposal during the year	-	-	(13,135,000)	(3,613,649)	(168,160)	(7,993,859)	-	-	-	(24,910,668)
Balance as at December 31, 2018	293,414,945	331,016,967	157,251,220	121,825,597	39,476,973	39,533,445	-	228,027	-	982,747,174
Accumulated depreciation :										
Balance as at January 1, 2018	-	79,420,646	86,302,710	81,102,363	26,401,595	29,114,339	-	-	-	302,341,653
Add depreciation during the year	-	15,933,444	11,495,422	12,820,392	5,144,043	4,404,306	-	-	-	49,797,607
Less disposal during the year	-	-	(13,134,996)	(3,555,390)	(168,155)	(7,640,854)	-	-	-	(24,499,395)
Balance as at December 31, 2018	-	95,354,090	84,663,136	90,367,365	31,377,483	25,877,791	-	-	-	327,639,865
Net book value :										
Net book value - net Beginning of year	293,414,945	250,624,321	75,825,700	31,590,686	11,832,550	12,190,407	2,248,809	-	-	677,727,418
Net book value - net Ending of year	293,414,945	235,662,877	72,588,084	31,458,232	8,099,490	13,655,654	-	228,027	-	655,107,309

Unit : Baht

Consolidated financial statements										
	Land	Building and improvement	Machinery	Tools and equipment	Furniture and fixtures	Vehicles	Machinery under installation	equipment under installation	Building under construction	Total
Cost :										
Balance as at January 1, 2018	293,414,945	330,044,967	162,128,410	111,507,602	37,373,476	40,031,015	2,248,809	-	-	976,749,224
Add purchase during the year	-	828,000	4,910,000	12,523,941	1,213,338	6,222,558	1,180,145	566,789	144,000	27,588,771
Transferred in/out during the year	-	144,000	3,347,810	222,256	197,650	-	(3,428,954)	(338,762)	(144,000)	-
Less disposal during the year	-	-	(13,135,000)	(3,613,649)	(168,160)	(7,993,859)	-	-	-	(24,910,668)
Balance as at December 31, 2018	293,414,945	331,016,967	157,251,220	120,640,150	38,616,304	38,259,714	-	228,027	-	979,427,327
Accumulated depreciation :										
Balance as at January 1, 2018	-	79,420,646	86,302,711	80,193,954	25,927,283	27,626,569	-	-	-	299,471,163
Add depreciation during the year	-	15,933,444	11,495,422	12,537,013	4,970,850	4,539,488	-	-	-	49,476,217
Less disposal during the year	-	-	(13,134,996)	(3,555,390)	(168,155)	(7,640,854)	-	-	-	(24,499,395)
Balance as at December 31, 2018	-	95,354,090	84,663,137	89,175,577	30,729,978	24,525,203	-	-	-	324,447,985
Net book value :										
Net book value - net Beginning 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
Net book value - net Ending of year	293,414,945	235,662,877	72,588,083	31,464,573	7,886,326	13,734,511	-	228,027	-	654,979,342

Depreciation for the year ended December 31, 2018 and 2017 amounted to Baht 49.80 million and Baht 49.16 million, respectively for the consolidated financial statements, and amounted to Baht 49.48 million and Baht 48.81 million for the separate financial statements, respectively.

As at December 31, 2018 and 2017, the Group's and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 132.58 million and Baht 138.34 million, respectively.

As at December 31, 2018 and 2017, Part of the Company's land and buildings have been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Notes 18 and 21).

16. INTANGIBLE ASSETS — NET

Intangible assets as at December 31, 2018, consisted of:

	Unit : Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2018	Movements during the year		As at December 31, 2018
		Additions /Transfer	Movements during the year	
Cost				
License fee	1,773,086	-	-	1,773,086
Computer software	15,475,668	2,648,227	1,060,005	17,063,890
Total	17,248,754	2,648,227	1,060,005	18,836,976
Accumulated amortization				
License fee	886,627	591,029	-	1,477,656
Computer software	8,053,437	2,341,708	1,059,972	9,335,173
Total	8,940,064	2,932,737	1,059,972	10,812,829
Intangible assets - net	8,308,690			8,024,147

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.

17. 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, 2018	Profit or loss	Other comprehensive income
			As at December 31, 2018
Deferred tax assets			
Trade and other current receivables	7,264,730	779,958	-
Inventories	11,140,273	1,439,719	-
Non-current provisions for			
employee benefits	3,283,123	575,039	635,675
Total deferred tax assets	21,688,126	2,794,716	635,675
Deferred tax liabilities			
Property, plant and equipment (depreciation)	2,769,175	(573,435)	-
Total deferred tax liabilities	2,769,175	(573,435)	-
Deferred tax assets - net	18,918,951	3,368,151	635,675

As at December 31, 2018 and 2017, three subsidiaries have unutilized tax loss carried forward of Baht 27.67 million and Baht 26.13 million, respectively. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

Unit : Baht				
Separate financial statement				
	As at January 1, 2018	Movements increase (decrease)		As at December 31, 2018
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Trade and other current receivables	6,453,157	857,091	-	7,310,248
Inventories	11,140,273	1,439,719	-	12,579,992
Investments in subsidiaries	200,000	-	-	200,000
Non-current provisions for				
employee benefits	3,283,123	575,039	635,675	4,493,837
Total deferred tax assets	21,076,553	2,871,849	635,675	24,584,077
Deferred tax liabilities				
Property, plant and equipment (depreciation)	2,769,175	(573,435)	-	2,195,740
Total deferred tax liabilities	2,769,175	(573,435)	-	2,195,740
Deferred tax assets - net	18,307,378	3,445,284	635,675	22,388,337

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

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit before income tax	349,102,871	314,799,429	338,212,320	297,687,671
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	69,820,574	62,959,886	67,642,464	59,537,534
Non-deductible expenses by the Revenue Code	2,235,044	144,352	4,427,562	1,906,305
Double expenses by the Revenue Code	(4,950,895)	(4,810,725)	(4,950,895)	(4,797,369)
Unutilized tax loss carry forward	1,236,300	220,746	-	-
Income tax expenses	68,341,023	58,514,259	67,119,131	56,646,470
The effective tax rate	19.58%	18.59%	19.85%	19.03%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2018 and 2017.

18. 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	
	2018	2017
Bank overdrafts	-	9,340
Promissory note	240,000,000	-
Total bank overdraft and short-term		
loan from financial institutions	240,000,000	9,340

As at December 31, 2018 and 2017, 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 2,666 million and Baht 2,316 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 15), restricted deposits at financial institutions (Note 12). The Company and subsidiaries must comply with certain conditions and restrictions stipulated in the agreements.

19. TRADE AND OTHER PAYABLES

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

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables				
Trade payables - related companies	3,213,290	2,650,149	3,213,290	2,650,149
Trade payables - others	417,843,909	631,917,007	403,330,706	631,917,007
Total trade payables	421,057,199	634,567,156	406,543,996	634,567,156
Other current payables				
Advances received for goods	51,420,456	41,162,707	51,420,456	41,162,707
Revenue from contract received				
in advance	23,262,253	12,309,549	23,262,253	12,309,549
Accrued royalty expenses	7,567,276	7,129,230	7,567,276	7,129,230
Accrued commission expenses	30,126,527	15,662,885	30,126,527	15,662,885
Accrued plate expenses	398,131	2,811,709	398,131	2,811,709
Accrued sub-contractors expenses	37,099,335	12,458,828	37,026,782	12,458,828
Accrued staff welfare expenses	4,456,265	5,402,967	4,456,265	5,402,967
Withholding tax payables	4,602,407	4,036,257	4,558,695	4,030,884
Revenue Department payable	4,325,455	5,025,782	4,325,455	5,025,782
Retention payables	14,695,753	8,447,109	14,695,753	8,447,109
Payable for purchase of fixed assets	5,957,456	13,862,774	5,957,456	13,862,774
Accrued other expenses	30,079,905	13,705,435	29,761,483	13,509,513
Total other current payables	213,991,219	142,015,232	213,556,532	141,813,937
Total trade and other current payables	635,048,418	776,582,388	620,100,528	776,381,093

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2018	2017
Due within 1 year		
Minimum payments	252,687	726,690
Deferred interest	(3,308)	(30,745)
Present value of minimum payment	249,379	695,945
Due over 1 year not exceeding 5 years		
Minimum payments	-	252,691
Deferred interest	-	(3,112)
Present value of minimum payment	-	249,579
Net book value of asset under		
financial lease	875,734	1,832,092

As at December 31, 2018 and 2017, the Group has vehicles with certain companies under financial lease agreements for periods of 4 years. These bear interest rate of 5.03% - 5.67% per annum.

21. 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	
	2018	2017
Long-term loans	8,581,065	19,297,065
Less Current portion	(8,581,065)	(10,716,000)
Total long-term loans from		
financial institutions - net	-	8,581,065

These credit facilities are secured by mortgage of the Company's land and building (Note 15). 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.

22. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2018	2017
Provision for long-term employee benefits		
beginning of the years	16,415,614	12,044,679
Included in profit or loss:		
Current service costs	2,197,917	2,012,095
Cost of interest	677,282	555,207
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	(100,611)	554,934
Experience adjustments	3,278,984	1,248,699
Provision for long-term employee benefits		
ending of the years	22,469,186	16,415,614

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	
	2018	2017
Current service costs	2,197,917	2,012,095
Actuarial defined employee benefit plans	677,282	555,207
Total employee benefits expenses	2,875,199	2,567,302

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	
	2018	2017
Costs of sales	1,900,123	1,824,431
Selling expenses	644,774	477,058
Administrative expenses	330,302	265,813
Total employee benefits expenses	2,875,199	2,567,302

Principal actuarial assumptions at the valuation date are as follow:

	Percentage	
	Consolidated and Separate financial statements	
	2018	2017
Discount rate		
Monthly salary	3.11	3.50
Daily salary	3.08	3.51
Future monthly salary increase rate	7.67	7.00
Future daily salary increase rate	7.62	7.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2008

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 are summarised below:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	21,319,702	23,711,036
Salary increase rate	23,643,328	21,373,586
Turnover rate	20,999,294	24,065,788

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

	Unit : Baht	
	Consolidated and Separate financial statements	
	2018	2017
Over 1 and up to 5 years	8,555,498	6,101,383
Over 5 and up to 10 years	11,815,906	8,764,417
Over 10 years	9,969,624	9,296,840

On December 13, 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 5.08 million. The Group will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

23. 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.

24. DIVIDEND

The Annual General Meeting of Shareholders for the year 2018 held on April 24, 2018 has resolved to pay a dividend from a net profit for the year 2017, 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 23, 2018.

The Annual General Meeting of Shareholders for the year 2017 held on April 24, 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 22, 2017.

25. 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	
	2018	2017	2018	2017
Changes in finished goods and work in process (increase) decrease	(35.88)	12.89	(35.88)	12.89
Changes in materials from the decommissioning power plant decrease	-	71.41	-	-
Raw materials and consumable materials used	1,561.05	1,451.00	1,561.05	1,450.83
Director and employee's benefits expenses	474.96	443.61	474.96	443.61
Sales promotion expenses	71.30	60.95	71.30	60.90
Service fees for installation subcontracts	310.05	175.31	310.05	175.31
Rental and service expenses	40.16	37.30	39.51	36.61
Depreciation and amortization	52.94	51.76	52.62	51.40
Vehicles and travel expenses	49.05	50.31	49.04	50.30
Allowance for inventory devaluation	14.00	20.86	7.20	20.86
(Reversal of) allowance of doubtful accounts	4.98	(3.12)	17.85	6.16

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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27. 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, 2018					
Description	Notes	Floating interest rate	Fixed interest rates	No interest rate	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	41,008	-	44,663	85,671
Trade and other current receivables	7	-	-	775,542	775,542
Unbilled receivables	8	-	-	168,163	168,163
Short-term loan to other company	9	-	5,099	-	5,099
Restricted deposits at financial institutions	12	-	68,442	-	68,442
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans					
from financial institutions	18	240,000	-	-	240,000
Trade and other current payables	19	-	-	635,048	635,048
Liabilities under financial lease agreements	20	-	249	-	249
Long-term loans from financial institutions	21	8,581	-	-	8,581

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	76,208	-	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	12	-	68,321	-	68,321
<u>Financial liabilities</u>					
Bank overdrafts and short-term loans					
from financial institutions	18	9	-	-	9
Trade and other payables	19	-	-	776,582	776,582
Liabilities under financial lease agreements	20	-	946	-	946
Long-term loans from financial institutions	21	19,297	-	-	19,297

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, 2018					
Description	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Short-term loan to other company	9	5,099	-	5,099	5%
Restricted deposits at financial institutions	12	68,442	-	68,442	0.80-1.20%
<u>Financial liabilities</u>					
Liabilities under financial lease agreements	20	249	-	249	5.03-5.67%

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	12	68,321	-	68,321	0.80-1.10 %
<u>Financial liabilities</u>					
Liabilities under financial lease agreements	20	696	250	946	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.

28. 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, 2018 and 2017, the Company contributed to the fund amounting to Baht 13.57 million and Baht 13.03 million, respectively.

29. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at December 31, 2018 and 2017, the Group had the following commitments and contingent liabilities as follows:

29.1 As at December 31, 2018 and 2017, 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	
	2018	2017	2018	2017
Due within 1 year	6.86	6.87	6.86	6.87
Due over 1 year not exceeding 5 years	3.64	3.90	3.64	3.90
Due over 5 year	0.65	0.91	0.65	0.91
Total	11.15	11.68	11.15	11.68

- 29.2 As at December 31, 2018 and 2017, the Group is contingently liable for bank guarantees issued by the banks amounting to Baht 261.55 million and Baht 224.49 million, respectively.
- 29.3 As at December 31, 2017, the Group has a contractual obligation to pay the remaining capital amount of Baht 0.45 million.
- 29.4 As at December 31, 2018 and 2017, the Company has the commitment from trade receivables, which have been sold with recourse to financial institution at a discount totaling of Baht 19.09 million and Baht 31.60 million, respectively.
- 29.5 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.
- 29.6 As at December 31, 2018, the Group has the commitment from the contract as the contractor for improvement and efficiency enhancement of a central air-conditioning system of the Head Office of Provincial Electricity Authority of Thailand, specifically its Building 3, Bangkok, totaling of Baht 1.09 million.

30. EVENT AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 1/2019, held on February 22, 2019, resolved to pay a dividend from its operating result for the year ended December 31, 2018 for 550 million shares at the rate of Baht 0.33 per share, amounting Baht 181.50 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 22, 2019.

ASEFA PUBLIC COMPANY LIMITED

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