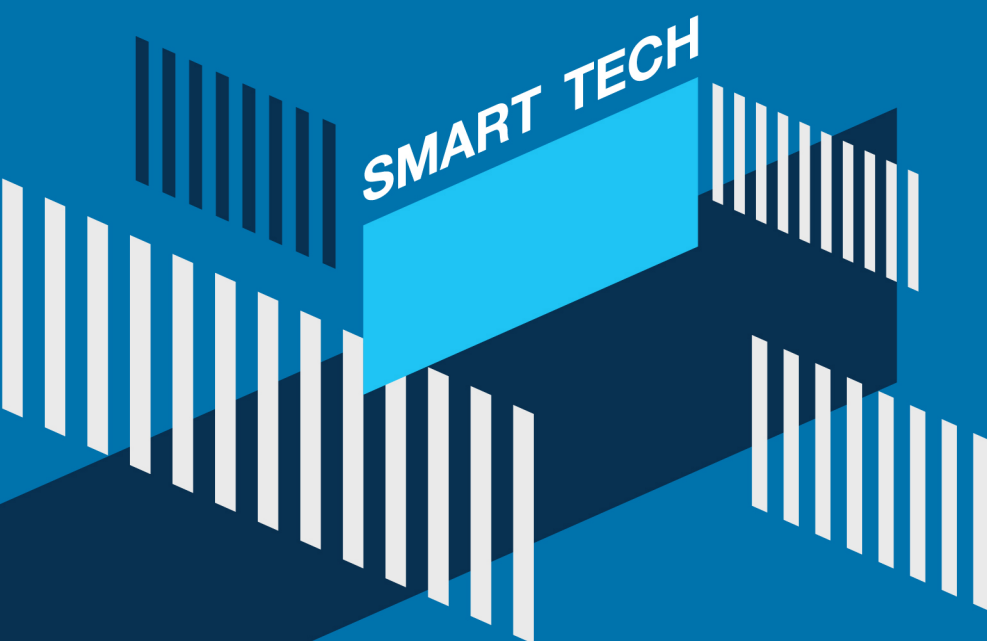


ANNUAL REPORT 2019



ASEFA
PUBLIC COMPANY LIMITED

www.asefa.co.th

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Vision

To be a leader in the Electrical Power Distribution Manufacturing, Switchboards, Automation and Energy Efficient Solution as well as After Sales Service and Integrated Engineering Services in Thailand and Asian.

Mission

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



To enhance technologies, products and production



To engage customers' satisfaction



To enrich Corporate Social Responsibility

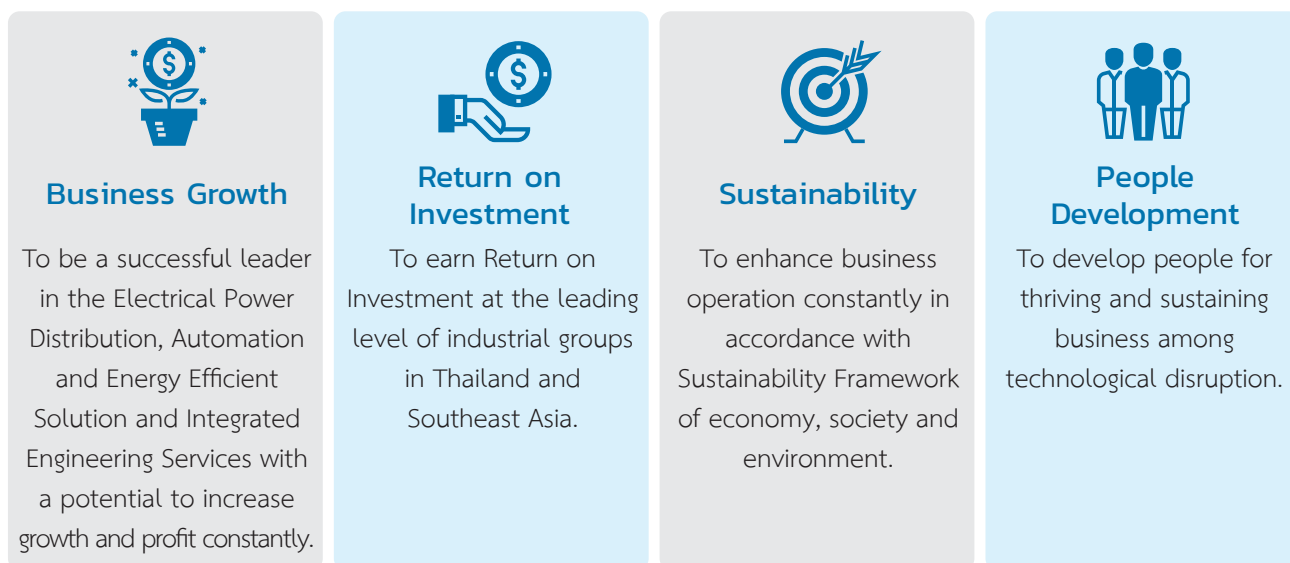


To empower Human Resource Management and career opportunity



Objectives and Business Goals

ASEFA PUBLIC COMPANY has a well-organized process to annually review Vision, Mission and Procedure which is consistent with business environment and long-term business trend. In 2020, the company determines 4 Business Goals as follows:



Corporate Strategies

Corporate Strategies determine to be consistent with Objectives and Business Goals in 4 areas which are Business Growth, Return on Investment, Sustainability and People Development in order to establish and maintain competitive advantage including other necessary plans. Company executes Strategy to the accomplishment of framework and monitors regularly to achieve short-term and long-term Business Goals. Company defines Strategy as follows:



1. Business Growth Strategy

Company seeks for opportunity to establish thriving and sustainable business growth by own company operation or investment with successful business partners in order to enhance business potential. Company focuses on investing with new partners, offering new products and services that meet customer requirements. Market Channel will be expanded through high potential customers including establishing Brand Loyalty.

2. People Development Strategy

Company emphasizes on People Development. Among domestic and international economic change, employees are required to increase competency and work performance. Employees play important roles to achieve its Vision, Mission and Business Goals. Company defines 3 Action Plans as follows:

- To enhance Company Culture as a standard in business, determination of Change Management including plan to upgrade Company Culture constantly will be executed.
- To improve Human Resource Management with People Development Plan. Training in Hard Skill & Soft Skill including technology and information technology knowledge leads to Smart People Smart Engineer for sustainable growth.
- To determine Policy and Plan of career path.

3. Management strategy

Company is required to transform due to unstable business environment. Company needs efficiency, flexible and agile management to execute. Company emphasizes on sustained adding value to organization. Process to improve is various such as improving the efficiency of machinery and equipment with digital technology, developing product by Information Technology Integration and maintain principle of financial discipline such as investment on company fund. Enriching society in Corporate Social Responsibility is striving.

Financial Highlight

For the Fiscal year ended December 31 st	Consolidated Financial Statements			Separate Financial Statements		
	2019	2018	2017	2019	2018	2017
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	2.82	2.91	2.72	2.81	2.89	2.72
Earning per share (Baht) *	0.26	0.52	0.46	0.25	0.49	0.44
Operating (Unit: million baht)						
Revenues from sales and service	2,551.08	3,020.77	2,808.26	2,488.28	2,931.24	2,650.10
Total income	2,562.14	3,036.10	2,817.59	2,503.72	2,947.93	2,666.17
Net profit (Equity holders of the Company)	143.61	285.07	253.38	138.29	271.09	241.04
Balance Sheet (Unit: million baht)						
Current assets	1,348.56	1,775.01	1,560.16	1,295.82	1,731.09	1,539.83
Total assets	2,141.43	2,547.38	2,342.26	2,105.80	2,520.15	2,337.72
Current liabilities	552.02	922.07	815.21	526.33	906.94	814.30
Total liabilities	587.84	945.01	842.61	561.35	929.52	839.64
Paid-up capital	550.00	550.00	550.00	550.00	550.00	550.00
Shareholders' equity (Equity holders of the Company)	1,573.27	1,614.14	1,507.61	1,544.45	1,590.63	1,498.08
Financial Ratio						
Returns on shareholders' equity (ROE) (%)	9.01	18.26	17.24	8.82	17.55	16.44
Returns on fixed assets (%)	28.45	52.11	47.13	27.60	49.63	44.04
Returns on assets (ROA) (%)	7.34	14.40	13.92	7.37	14.05	13.16
Gross profit margin (%)	20.86	23.68	23.36	21.10	24.14	24.15
Net profit margin (%)	5.61	9.39	8.99	5.52	9.20	9.04
Current assets ratio to items of current liabilities (time)	2.44	1.93	1.91	2.46	1.91	1.89
Liquidity ratio to liabilities (time)	1.40	1.12	1.01	1.29	1.07	0.93
Debt ratio to shareholders' equity (D/E) (time)	0.37	0.59	0.56	0.36	0.58	0.56

Note :

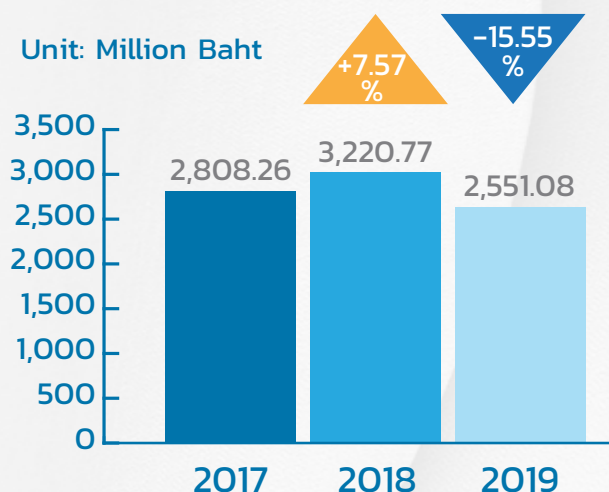
* In year 2019 the use of the weighting average ordinary share numbers of 550,000,000 shares.

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

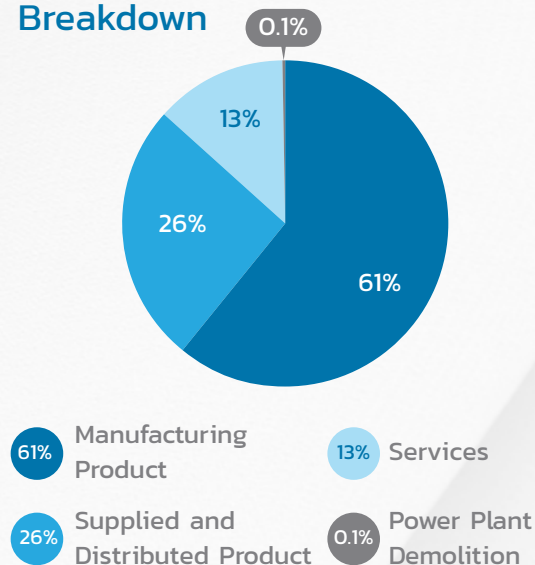
In year 2017 the use of the weighting average ordinary share numbers of 550,000,000 shares.

Revenue from Sales and Services

Unit: Million Baht

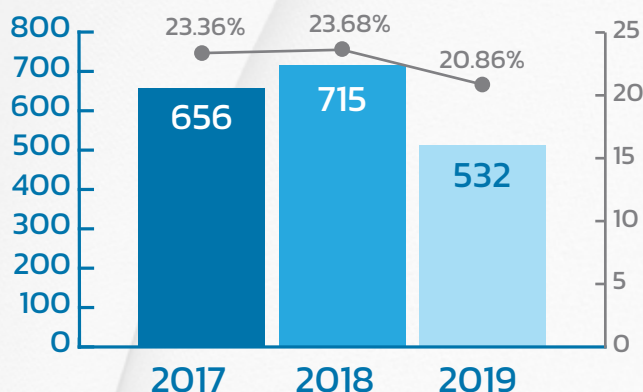


Revenue from Sales and Services Breakdown



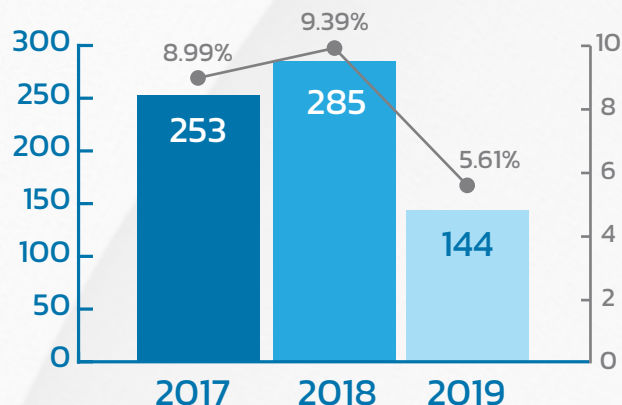
Gross Profit / Gross Profit Rate

Unit: Million Baht



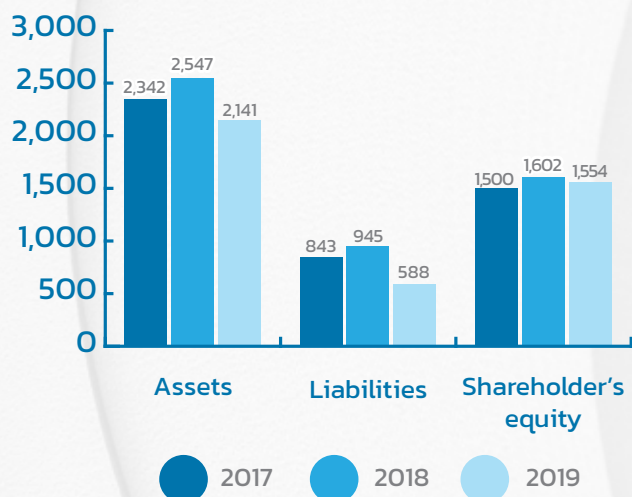
Net Profit / Net Profit Rate

Unit: Million Baht



Financial Status

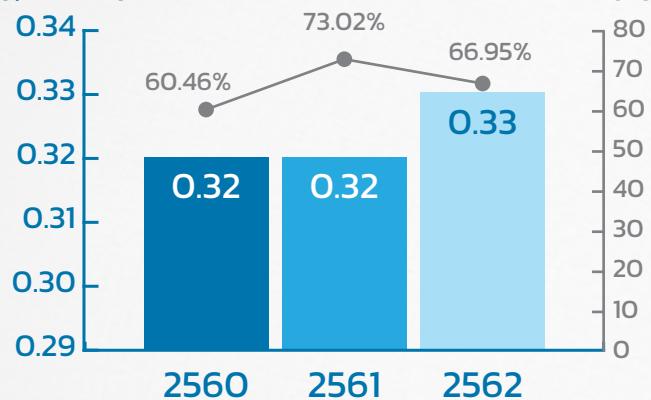
Unit: Million Baht



Dividend Per share

Dividend Per share
(\$/Share)

Dividend /
Net Profit (%)





Mr. Phaiboon Ungkanakornkul
Managing Director



Mr. Soracit Phungsuk
Chairman



Message from the Board of Director

In 2019, economic conditions are challenging and uncertain from both internal and external factors such as the US-China trade war, the appreciation of the baht, unstable political situation, high level of household debt, which affects the economic slowdown. Thai economy expands by 2.4 percent compared to 4.2 percent in 2018, by these factor, there are parts that affect the company's overall performance.

Due to the economic uncertainty in the past year, ASEFA Public Company Limited had a net profit of 143.61 million baht, decrease of 141.46 million baht or 49.62 percent, with a net profit margin decreased from 9.39 to 5.61 percent due to a decrease in gross profit of 2.82 percent compared to the same period of last year. The decrease in net income is a result of the economic slowdown and the related market conditions in the industry, which the private sector has postponed their investment, including the market condition with more price competition that affecting the sales and profits of the company decreased. The fixed production costs per unit increased in the groups of products that the company is producing and selling. Then the Company has increased the importance and attention in production cost management, including the control of selling and administrative expenses, and for financial costs which are continuously decreasing from the previous year.

Company operations runs the business according to the main strategic plan consisting of 3 aspects;

- 1) Growth strategy, the Company is determined to look for opportunities to build stable and sustainable business growth. Investing or operating existing businesses or new businesses that are growing and providing good returns through joint ventures or business partners to enhance business potential.
- 2) Human resource strategy, the Company gives importance to the development the employees in the organization. The employees should have capability and potential in their work, and expect to have adjustments in order to be in line with the changing economic conditions both domestically and internationally. The employees of the organization is an important resource to drive the company's performance to achieve its vision, mission and goals.
- 3) Management strategy, the Company focuses on strengthening internal drivers to be consistent and supporting the implementation of the company's main strategic plan, including preparing to enter new businesses to keep up with the rapidly changing technology. In addition, the Company focuses on the development of organizational capabilities in order to create excellence in all-round business management in response to the changing organization's direction and business environment; such as development and innovation production and distribution including digital management (Digitalization) for adaptation to respond in changing technology that is expected to occur in the future (Transformation), including the Industrial revolution 4.0, where digital technology will play a large role in business operations. The Company focus on adjustment in 3 ways: Business Transformation, Technology Transformation and Organization Transformation to support the company's operating goals both short-term and long-term.

On behalf of the Board of the Company, I would like to thank all stakeholders and every related party that have supported the company. The Board promises to conduct business under good corporate governance with honesty, transparency, and verifiable. The Board ready to drive the business and create continuous and sustainable value for all stakeholders.

Company's 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	
Establishment	March 24 th , 1997	
First Day Trade on the SET	August 5 th , 2015	
Locations	5 Moo1 Rama II Road, Khok-krabue, MueangSamutsakhon, Samutsakhon 74000	
Telephone	66(0) 2686-7777	
Fax.	66(0) 2686-7788	
Website	www.asefa.co.th	
Investor Relation	Telephone 66(0) 2686-7788 ext. 1700	E-mail: pichai-p@asefa.co.th
Company Secretary	Telephone 66(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
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References

Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Telephone: 66(0) 2009-9000 Fax.: 66(0) 2009-9991

www.set.or.th/tsd

Auditor

Mr. Atipong Atipongsakul

CPA License No.3500

Mr. Vichai Ruchitanont

CPA License No.4054

Mr. Sathien Vongsnan

CPA License No.3495

Ms. Kultida Pasurakul

CPA License No.5946

Ms. Patcharee Siriwongsin

CPA License No.9037

ANS Audit Company Limited.

100/72, 22nd Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand

Telephone 66(0) 2645-0109 Fax. 66(0) 2645-0110

Policy and Overall Business Operation

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

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

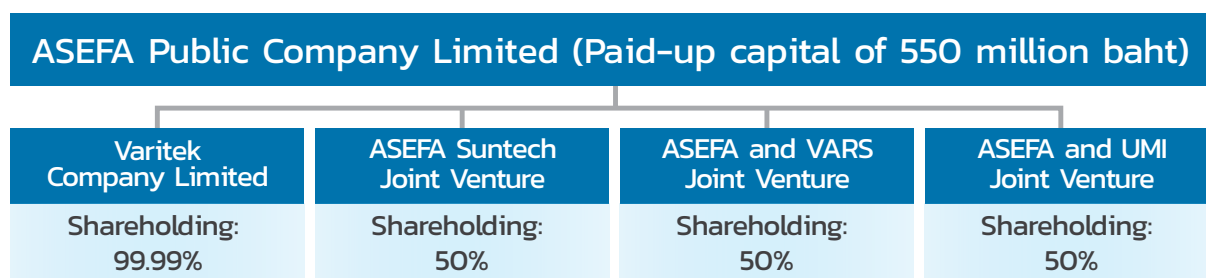
Because of our commitment to provide satisfying services to the customers, the Company has thus published the slogan—alongside the logo—“The Meaning of Service Minded,” and our commitment policy is as follows:

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

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



Shareholding Structure of the Company Group



Operation of the Company's Group

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

ASEFA Public Company Limited is a manufacturer, supplier and service provider for the electrical power distribution automation and smart control system, engineering related system, and after sales services. Including products for energy conservation, renewable energy, and others. The products and services of the company as follows:

1. Manufacturing Products
2. Supplied and Distributed Products
3. System Integration
4. Engineering Service Provider
5. After Sales Services

2. Varitek Company Limited ("VRT")

Varitek Company Limited (VRT) was registered as a business on November 17, 1999, operated its business by supplying electrical equipment, engaging in the business of procurement and distribution of electrical and electronic equipment related. Now, the registered capital is 15 million baht, in the total number of 150,000 shares, with the value per share of 100 baht. The Company has 149,994 shares or 99.99 percent.

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, the agreement was drawn by both companies agree to share profits, losses, and debts occurring during the project with the ratio of 50:50 percent. The authorized capital was 2 million baht for bid the heat-generated Bangpakong power plant unit 1 and 2, and their demolition, and also management from Electricity Generating Authority of Thailand. 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, to operate in the underground electrical distribution system and other related engineering. The Company holds the ratio 50.00 percent of the shares (the net profit will be divided by 50:50 percentage from each project), the initial capital was 2 million baht.

5. ASEFA and UMI Joint Venture ("The Joint Venture")

On September 7, 2017, the Company signed the agreement with UMI Engineering Company Limited, the purpose was to operate energy saving systems and equipment, air conditioning system, and other related engineering. The Company holds the ratio 50.00 percent of the shares (the net profit will be divided by 50:50 percentage from each project), the initial capital was 1 million baht.

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 17.5 kV and NEX 24 kV, guaranteed by the standard of imported products.

2006

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

2007

- Rented the third factory in Bangkhunthien with 2,976 sq.m. of utility area for increasing switchboard production capacity.
- Added 80.00 million Baht registered capital to the previous 80.00 million Baht capital 160.00 million Baht in total by issuing 800,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.
- Restructured the Company by purchasing shares of similar business from the major shareholders, including 93.11% shares of Varitek Co., Ltd. (VRT), the electrical equipment distributor, and 89.99% of Lighting Mart Co., Ltd. (LTM), the electric lamp company.

2008

- Bought a land with 38,108 sq.m. area including factory houses and offices located on Rama II Rd., Khok-Krabue, Samutsakhon and renovated into the new factory.
- Obtained license from Schneider Electric Industries S.A., France to assemble a type-tested Prefabricated Substation BIOSCO, guaranteed by the standard of imported products.

2010

- Received ISO 9001:2008 certification by Bureau Veritas Quality Internal (BVQI).
- Activated switchboard manufacturing at Rama II factory on 7,912 sq.m. utility area, and deactivated three factories at Suksawat, Samutsakorn industrial estate and Bangkhuntien.
- Rented an additional 2,400 sq.m. factory at Bangbon, 1,473 sq.m. which was assigned for metal works including metal trunking and small switchboard structure..
- Awarded the Most Forward Looking Manufacturer of Electrical Products in Thailand by ASEAN Federation of Engineering Organization at Hanoi, Vietnam.
- Purchased additional shares from LTM original shareholders which increased the Company's shareholder equity ratio from 89.99% to 94.99%.

2011

- Expanded the business towards After Sales Services.

2012

- Expanded the business towards Integrated Engineering Services.
- Purchased additional shares from VRT original shareholders which increased the Company's shareholder equity ratio from 93.11% to 99.99%.

2013

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

2014

- Constructed the additional factory buildings including offices, factory houses, warehouses and a recreation center on Rama II area with 6,552 sq.m. utility area.
- Built a new 364 sq.m. canteen.
- Bought neighboring land around the Rama II factory, in the amount of 34,120 sq.m., to support future expansion.
- Restructured the Company group by transferring the subsidiaries including Varitek and Lighting Mart to the Company.
- Set up ASEFA Suntech Joint Venture with Suntech Engineering Co., Ltd. – in which Asefa held 50.00% of shares (profit distribution ratio) - in bidding the demolition plan of Bang Pakong Combined Cycle Power Plant unit 1 and unit 2 from Electricity Generating Authority of Thailand (EGAT), with scraps and equipment being allowed for sales. The project to demolish and gentrify the area was due to EGAT on December 22, 2015.
- Added 70.00 million Baht registered capital to the previous 330.00 million Baht capital 400.00 million Baht in total by issuing 700,000 ordinary shares, valued 100 Baht each, to the original shareholders as working capital.

2015

- In the 2015 Annual Meeting of Ordinary Shareholders on March 17, 2015 the following decision had been made.
 - Converted to Public Company Limited.
 - Changed the fixed value from 100 Baht to 1.00 Baht per share.
 - Added 150.00 million Baht registered capital to the previous 400.00 million Baht capital 550.00 million Baht in total by issuing 150 million ordinary shares, valued 1 Baht each, to the original shareholders as working capital. The details are as follows:
 - (1) 140 million of increased ordinary shares were offered to the public
 - (2) 10 million of increased ordinary shares were offered to the directors and employees of the Company and/or subsidiaries.
- In the case that shares were left over from the offer made to directors and employees mentioned in (2), the rest of the ordinary shares would be offered to the public in (1).
- The company registered to Stock Exchange of Thailand in Industrial Group, Industrial Material and Machinery Sector, and the company's securities were primarily listed in the stock market on August 5, 2015.

2016

- On May 12, 2016 the board of directors has agreed at the fourth meeting of 2016 to decrease the registered capital of Varitek Company Limited from 30 million baht to 15 million baht, in the total number of 150,000 shares, with the value per share of 100 baht. The decision has followed the liquidity management policy and the registration of capital decrease with the Department of Business Development, Ministry of Commerce on July 29, 2016.
- On June 1, 2016, the company received the Plaque of Honor at the 3rd Annual Pride of the Provinces Project, the Stock Exchange of Thailand Building.
- On October 23, 2016, the company was appointed the supplier and distributor of mineral-insulated (MI) fire-resistant cables by Thermal Resources Management Company (TRM) and Mineral Insulated Cable (MICC) Company Limited from England.
- On October 31, 2016, the company signed the agreement with VARS Company Limited, establishing the joint venture called "ASEFA and VARS." The purpose of the joint investment was to bid for the subcontract to upgrade the electrical distribution system by installing the underground cables around the periphery of Sukhothai Historical

2016

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 metal working 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 Bangkok 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 Headqaurter of Provincial Electricity Authority.
- On December 21, 2017 Entering into an AQ Consortium joint venture agreement with Quintus Advanced Products with the purpose to modify the airport runway lighting system at Buriram Airport.

2018



Partner Investment

- On April 3, 2018, 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 22 KV Floating Solar Power Plant Project System 22 KV Capacity 2.0 MWp/AC at Ratchaburi Electricity Generating Company Limited.
- On June 14, 2018, 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.
- On July 11, 2018, 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.
- On October 8, 2018, 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 covering 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.



Partner Investment

- September 11, 2019 contract agreement with dtac TriNet Co., Ltd., for the development of computer program (Exclusive License) for controlling the large MDB cabinet electrical system.



Partner Investment

- October 16, 2019 signed a memorandum of business cooperation with Prysmian Group, a manufacturer and distributor of electrical cables and special cables, which is a world-class company for expanding the business base.



Management

- Innovation Day: The company promoted new innovations, focused on product development and business driving, the Company had collaborated with relevant partners in various sectors, presented of innovations, academic seminar and various innovation promotion activities. The company gives the opportunity to partners, customers, students, and staff to visit and participate in activities.
- ASEFA Ventures Project: The company focuses on seeking new investment opportunities which is built on existing related businesses by accepting innovations from startup business, which gives the opportunity for startups to grow and create innovation together. The Company providing investment funds for potential businesses also.
- Energy Conservation and Cost Reduction Project, the company has installed a solar rooftop electricity generating system.
- Received ISO 9001:2015 certification by Bureau Veritas Quality Internal (BVQI),



Awards

- Outstanding Award for Safety, Occupational Health and Environment in Workplace 2019 in National Level, 3rd year, Gold Level by Ministry of Labor
- Received Certificate of Green Industry Level 2 (Green Activity) from Ministry of Industry
- Received Certificate for standard on prevention and solution to drugs problems in an establishment (Mor Yor Sor) from the Department of Labor Protection and Welfare for the year 2019.
- Certified 100% foam-free food container organization from Samut Sakhon Provincial Public Health Office
- Certified Clean Food Good Taste from Department of Health, Ministry of Health

Nature of Business Operation

Revenue Structure

The Group's operations are divided into 1) Manufacturing Products; 2) Supplied and Distributed Products; and 3) Services and business under joint venture agreement to decommissioning of the power plant. The Company's and subsidiaries' structure of revenue between 2017- 2019 is shown as follows.

Products	Operator	2562		2561		2562	
		MB	%	MB	%	MB	%
Manufacturing Products							
Switchboards designed and developed by the Company	Asefa	892.12	34.82	1,162.73	38.30	1,025.85	36.41
Licensed Products	Asefa	532.36	20.78	675.98	22.26	596.40	21.17
Other	Asefa	128.68	5.02	130.08	4.29	125.95	4.47
Total Manufacturing Product Revenue		1,553.16	60.62	1,968.79	64.85	1,748.20	62.05
Supplied and Distributed Products							
Electrical and control products	Asefa	68.25	2.66	63.66	2.10	88.22	3.13
Electrical power distribution products	Asefa	201.86	7.88	271.70	8.95	289.62	10.28
Lighting Equipment	Asefa	22.07	0.86	12.35	0.41	8.23	0.29
Mineral Insulated Cable	Asefa	0.17	0.01	3.99	0.13	21.82	0.78
Other	Asefa	31.61	1.24	40.65	1.33	19.51	0.69
Total Supplied and Distributed Products Revenue		323.96	12.65	392.35	12.92	427.39	15.17
Services							
Integrated engineering services	Asefa, JV	541.93	21.15	547.97	18.05	451.98	16.04
After sales services	Asefa	128.87	5.03	111.66	3.68	100.67	3.57
Total Service Revenue		670.80	26.18	659.63	21.73	552.65	19.61
Power plant demolition	JV	3.16	0.12	-	-	80.01	2.84
Other incomes*	Asefa, JV	11.06	0.43	15.33	0.50	9.33	0.33
Grand Total		2,562.14	100.00	3,036.10	100.00	2,817.59	100.00

Note *Other sources of income in 2019, consists of revenue from compensation for damaged goods 1.27 million baht, rental income of 1.25 million baht, foreign exchange gains of 1.15 million baht and interest income of 0.74 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
- ▶ Metal Trunking & Ladder
- ▶ Luminaire
- ▶ Licensed Type Tested Switchboard
- ▶ Prefabricated Mobile Unit



Supplied and Distributed Products

- ▶ Electrical and Control
- ▶ Energy Conservation and Renewable Energy
- ▶ Electrical Power Distribution
- ▶ Cable & Accessories
- ▶ Lighting and Equipment
- ▶ Others



System Integration

- ▶ Building Automation
- ▶ Lighting Control and Management
- ▶ Chiller Management
- ▶ Energy Management
- ▶ Industrial Automation
- ▶ Power Quality Improvement



Engineering Service Provider

- ▶ Electrical Power Distribution
- ▶ Renewable Energy
- ▶ Energy Conservation
- ▶ Automation and Smart Control
- ▶ Data Center
- ▶ Others

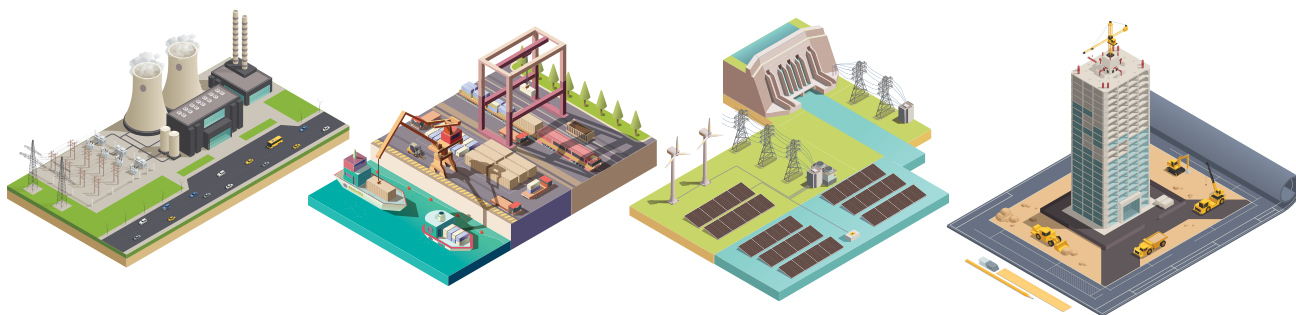


After Sales Services

- ▶ Customer Services Center
- ▶ Modification and Upgrade
- ▶ Preventive Maintenance and Corrective Maintenance
- ▶ Spare Part Management
- ▶ Electrical System Audit and Certify
- ▶ Monitoring and Online Service



Industrial Trend and Competition



Industry conditions

The Company operates business related to electric power, therefore it is important for all types of electricity users whether industrial factories, power plants, residences, commercial buildings, office buildings, telecommunications, hospitals and various public utilities. According to the Thailand Power Development Plan in 2018-2037 (PDP 2018) which is the main plan for the country's electricity supply to meet the demand and to support the country's economic growth including the increasing population. 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, which is the production capacity of the new power plant, a total of 56,431 MW, and there has been the power plant decommissioning between 2018-2037 at (25,310) MW. The foregoing shows the trend of increasing electricity demand which will be a factor that helps support the growth of the company's business operations.

The competitions

The business of company is relate to electrical power distributor, power supply, power energy management system, engineering services, after sales services, as well as equipment related to energy conservation and other renewable energy which is an industry that is important to all customers who use electrical energy. 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 sale. In addition, the Company also provides procurement services, distribution of electrical equipment from the source of power to the destination, services design for automatic control, full engineering system and after-sales service. The company is ready for production capacity, expertise employees, good relations with trade partners, both the distributors and customers of the company, which is a competitive advantage in the company's business.

The company's business opportunity

The Company growth has major growth supporting factors from public and private investment projects 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.

The business of company is relate to electrical power distributor and power supply which are the peripheral equipment to switchboards, automatic control system, integrated after sales service 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 operates its business in according to the objectives and goals of the company specified. The company has taken the direction and the strategic plan to build and maintain competitiveness including preparation in various fields, 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 engineering system, 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 target customer.

The company's upcoming projects will increase efficiency and competitiveness as well as supporting the needs of customers and continuously increasing the growth of market and related businesses.

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 30, 2019, 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	N.C.B. TRUST LIMITED-POHJOLA BANK PLC CLIENT A/C EUR	8,825,300	1.60
6	FWD Life Insurance Public Company Limited	8,011,600	1.46
7	Thai NVDR Company Limited	5,671,006	1.03
8	Ms. Thatsane Chaowachiwakaset	3,422,900	0.62
9	Mr. Amnart Rerkswat	3,369,000	0.61
10	Mrs. Patcharin Mitsuntisuk	3,360,000	0.61
	Total	431,917,206	78.53

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 30, 2019, the foreign shareholders held 1.61 percent of total shares.

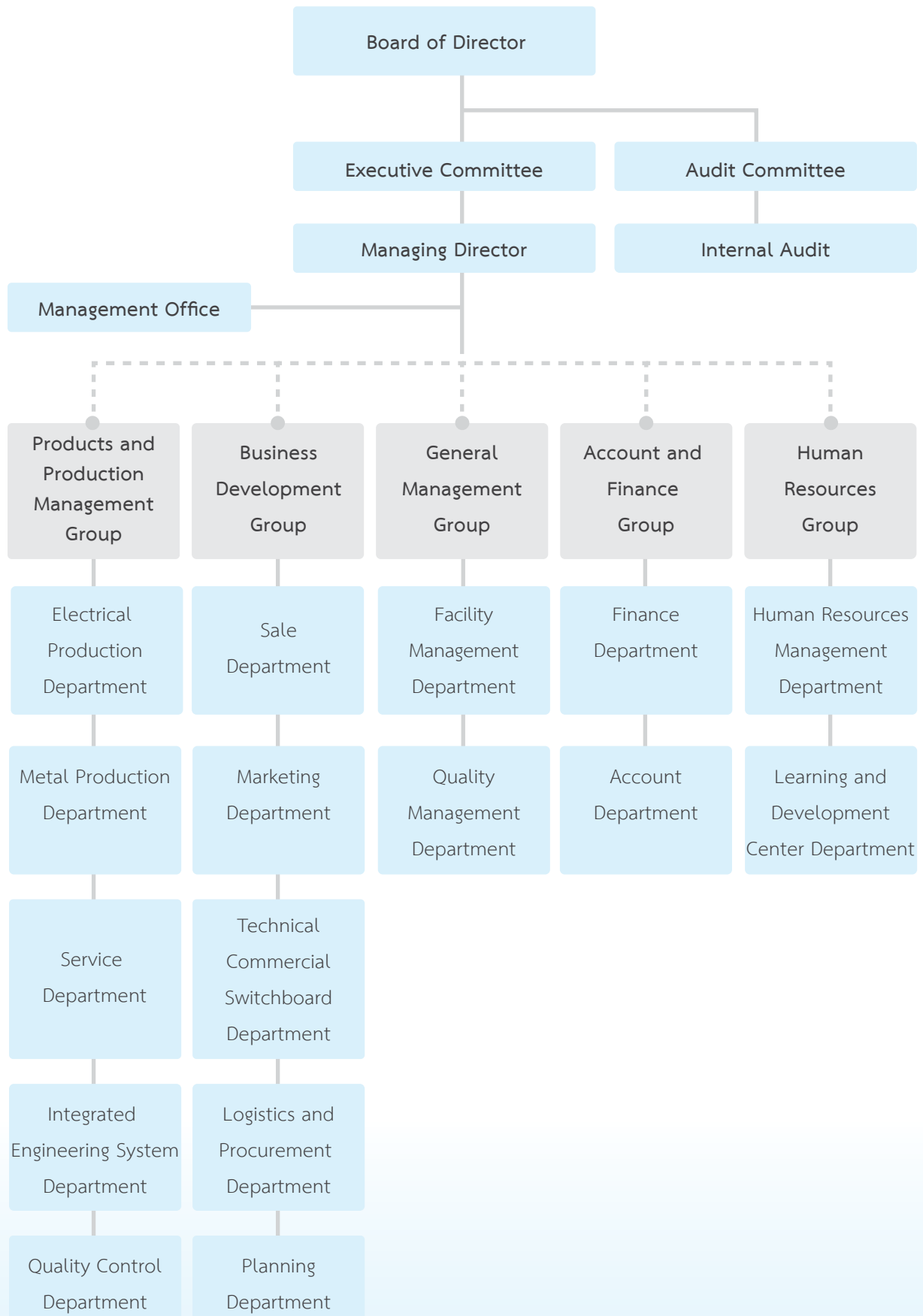
Dividend Policy



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.

Corporate Structure

Organization Chart



The Board of Directors and Management

The Board of Directors



Mr. Soracit Phungsuk
Independent Director / Chairman /
Chairman of the Audit Committee



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
Independent Director /
Audit Committee Director



Mr. Thanomsak Chotikaprakai
Independent Director /
Audit Committee Director

The Executive Committee and Chief Financial Officer (CFO)



Mr. Phaiboon Ungkanakornkul
Chief Executive Officer



Mr. Boontherd Thongsamrit
Executive Director



Mr. Uton Srathong
Executive Director



Mr. Choosak Sukhathammoo
Executive Director



Mr. Wichai Soontornvutikul
Executive Director



Mr. Pichai Panchan
Executive Director



Mr. Burin Phraemongkol
Executive Director



Mr. Sanya Chindaphan
Executive Director



Mrs. Nanchalisa Rattanasittarn
Chief Financial Officer
(CFO)



Mr. Soracit Phungsuk

Independent Director / Chairman /
Chairman of the Audit Committee

Age (End of 2019)

- 72 years old

Year of Director

- 12 years from 2007

Ratio of the Company's Shares Held (30/12/19)

- 0.11 %

Qualifications and training history

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

Work experience within the last 5 years

2007–Present Chairman / Chairman of the Audit Committee / Independent director
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2000–Present Chairman
Company's Title: Sunco Engineering Co., Ltd.
Business Type: Repairs Large Electrical Equipment

2014–2015 Director
Company's Title: Fasio Co., Ltd.
Business Type: Distributor of Motors Control

Mr. Phaiboon Ungkanakornkul

Director / Chairman of the Executive Board /
Managing Director

Age (End of 2019)

- 52 years old

Year of Director

- 22 years from 1997

Ratio of the Company's Shares Held (30/12/19)

- 31.56 %

Qualifications and training history

- MBA, Kasetsart University
- Bachelor of Industrial Technology Program in Industrial Electricity, King Mongkut's University of Technology North Bangkok
- Directors Accreditation Program (DAP) 67/2007
- Strategic CFO in Capital Markets
- Director Certification Program (DCP) 250/2017, Thai Institute of Directors (IOD)
- Role of the Chairman Program (RCP 38)
- Smart Disclosure Program (SDP)
- Session Fostering CEO Relations, Session Chairing Board Meetings
- Boardroom Success through Financing & Investment (BFI)

Work experience within the last 5 years

2017–Present In charge of Human Resources Management Department
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

1997–Present Chairman/Chairman of the Executive Board/Managing Director
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

1999–Present Director
Company's Title: Varitek Co., Ltd.
Business Type: Distributor of Electrical Equipment

2006–2015 Director
Company's Title: Lighting Mart Co., Ltd.
Business Type: Manufacturer and Distributor of Luminaires

2005–2015 Director
Company's Title: Fireman Corporation Co., Ltd.
Business Type: Distributor of Safety Equipment



Mr. Chairat Tangtivaja

Director

Age (End of 2019)

- 54 years old

Year of Director

- 22 years from 1997

Ratio of the Company's Shares Held (30/12/19)

- 10.69 %

Qualifications and training history

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

Work experience within the last 5 years

1997–Present Director

Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

1999–Present Director

Company's Title: Varitek Co., Ltd.
Business Type: Distributor of Electrical Equipment

2005–Present Director

Company's Title: Fireman Corporation Co., Ltd.
Business Type: Distributor of Safety Equipment

1995–Present Director

Company's Title: Enginar Co., Ltd
Business Type: Distributes and Installs Electrical Equipment

2006 -2015 Director

Company's Title: Lighting Mart Co., Ltd.
Business Type: Manufacturer and Distributor of luminaires



Mr. Sa-Ngeam Klomchitcharoen

Director

Age (End of 2019)

- 53 years old

Year of Director

- 22 years from 1997

Ratio of the Company's Shares Held (30/12/19)

- 10.91 %

Qualifications and training history

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

Work experience within the last 5 years

1997–Present Director

Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2005–Present Director

Company's Title: Varitek Co., Ltd.
Business Type: Distributor of Electrical Equipment

1999–Present Director

Company's Title: Fireman Corporation Co., Ltd.
Business Type: Distributor of Safety Equipment

1995–Present Director

Company's Title: Enginar Co., Ltd
Business Type: Distributes and Installs Electrical Equipment

2006-2015 Director

Company's Title: Lighting Mart Co., Ltd.
Business Type: Manufacturer and Distributor of Luminaires



Mr. Pornchai Uraisin

Director

Age (End of 2019)

- 56 years old

Year of Director

- 22 years from 1997

Ratio of the Company's Shares Held (30/12/19)

- 10.81 %

Qualifications and training history

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

Work experience within the last 5 years

1997-Present Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

Asst. Prof. Prasit Pittayapat

Independent Director / Audit Committee Director

Age (End of 2019)

- 78 years old

Year of Director

- 12 years from 2007

Ratio of the Company's Shares Held (30/12/19)

- 0.07 %

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

Work experience within the last 5 years

2007-Present Audit Committee Director / Independent Director
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2011-Present Chairman
Company's Title: PP&P Design Co., Ltd
Business Type: Designs Engineering System

1968-Present Chairman
Company's Title: Multi System Engineering Co., Ltd
Business Type: Designs Electrical Engineering System



Mr. Thanomsak Chotikaprakai

Independent Director / Audit Committee Director

Age (End of 2019)

- 56 years old

Year of Director

- December 2019

Ratio of the Company's Shares Held (30/12/19)

- -

Qualifications and training history

- MBA, Eastern Michigan University, Ypsilanti, Michigan, USA. 1987-1989
- B.Eng (Electrical Engineering), Chulalongkorn University. 1981-1985
- Director Certification Program (DCP), Thai Institute of Directors 90/2006

Work experience within the last 5 years

2019-Present Audit Committee Director / Independent Director

Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2009-2017 Chief Financial Officer (CFO)

Company's Title: TMB Bank PLC.

1996-2009 Chief Financial Officer (CFO) & Executive Director

Company's Title: Standard Chartered Bank (Thai) PLC.

Mr. Boontherd Thongsumrit

Executive Committee / Assistant Managing Director

Age (End of 2019)

- 49 years old

Year of Director

- 4 years from 2015

Ratio of the Company's Shares Held (30/12/19)

- 0.04 %

Qualifications and training history

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

Work experience within the last 5 years

2018-Present Deputy Managing Director / Department Manager, Electrical Production

Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2017-2018 Department Manager, Technical Commercial Department / Department Manager, Electrical Production Department

Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards

2015-2017 Assistant Managing Director

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and Distributor of Switchboards

2010-2015 Department Manager, Electrical Production Department

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and Distributor of Switchboards



Mr. Utorn Srathong

Executive Committee / Assistant Managing Director

Age (End of 2019)

- 54 years old

Year of Director

- 4 years from 2015

Ratio of the Company's Shares Held (30/12/19)

- 0.01 %

Qualifications and training history

- MBA, Kasembundit University
- Bachelor of Engineering (Industrial Engineering), King Mongkut's University of Technology North Bangkok

Work experience within the last 5 years

2015-Present Assistant Managing Director/
In charge of Quality Management
Department Manager

Company's Title: ASEFA PLC.
Business Type: Manufacturer and
Distributor of Switchboards

2016-2017 Human Resources Management
Department

Company's Title: ASEFA PLC.
Business Type: Manufacturer and
Distributor of Switchboards

2013-2015 Manager, Building Management
Department

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards

2011-2013 Human Resource Manager

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards

2008-2010 Department Manager,
Metal Production Department

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards



Mr. Choosak Sukhathammoo

Executive Committee / Senior Department Manager,
Sales and Marketing Department

Age (End of 2019)

- 53 years old

Year of Director

- 4 years from 2015

Ratio of the Company's Shares Held (30/12/19)

- 0.03 %

Qualifications and training history

- Bachelor of Marketing, Bangkok University

Work experience within the last 5 years

2015-Present Senior Department Manager,
Sales Department

Company's Title: ASEFA PLC.
Business Type: Manufacturer and
Distributor of Switchboards

2013-2015 Department Manager,
Sales Department

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards

2010-2013 Advisor, Sales and Marketing
Department

Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards



Mr. Wichai Soontornvutikul

Executive Committee / Senior Department Manager

Age (End of 2019)

- 53 years old

Year of Director

- 1 year (Since May 2018)

Ratio of the Company's Shares Held (30/12/19)

- 0.01 %

Qualifications and training history

- Bachelor of Economics, Thammasat University

Work experience within the last 5 years

- 2015-Present** Senior Department Manager
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards
- 2011-2014** Advisor,
Sales and Marketing Department
Company's Title: Advance Image Card Co., Ltd
Business Type: Greeting cards



Mr. Pichai Panchan

Executive Committee / Department Manager,
Finance Department / Company Secretary /
Investor Relations

Age (End of 2019)

- 47 years old

Year of Director

- 1 year (Since May 2018)

Ratio of the Company's Shares Held (30/12/19)

- -

Qualifications and training history

- MBA, Kasetsart University
- Bachelor of Accountancy, Dhurakij Pundit University

Work experience within the last 5 years

- 2015-Present** Company Secretary /
Secretary of the Audit Committee /
Investor Relations / Asst.Accounting /
Finance Department Manager
Company's Title: ASEFA PLC.
Business Type: Manufacturer and Distributor of Switchboards
- 2014-2015** Company Secretary /
Secretary of the Audit Committee /
Investor Relations / Asst.Accounting
Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and Distributor of Switchboards
- 2013-2014** Senior Accounting Department
Manager
Company's Title: Thaifoods Group Co., Ltd
Business Type: Food and Beverage
- 2010-2012** Finance and Accounting
Department Manager
Company's Title: Carpet International Thailand PLC.
Business Type: Construction Material (Carpet)



Mr. Burin Phraemongkol

Executive Committee / Senior Department Manager,
Planning Department

Age (End of 2019)

- 41 years old

Year of Director

- 4 years from 2015

Ratio of the Company's Shares Held (30/12/19)

- 0.03 %

Qualifications and training history

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

Work experience within the last 5 years

2015-Present Senior Department Manager,
Planning Department
Company's Title: ASEFA PLC.
Business Type: Manufacturer and
Distributor of Switchboards

2013-2015 Department Manager,
Planning Department
Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards

Mr. Sanya Chindaphan

Executive Committee / Senior Department Manager,
Accounting Department

Age (End of 2019)

- 40 years old

Year of Director

- 4 years from 2015

Ratio of the Company's Shares Held (30/12/19)

- 0.02 %

Qualifications and training history

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

Work experience within the last 5 years

2015-Present Senior Department Manager,
Accounting Department Manager
Company's Title: ASEFA PLC.
Business Type: Manufacturer and
Distributor of Switchboards

2012-2015 Devision Manager,
Account Department
Company's Title: ASEFA Co., Ltd
Business Type: Manufacturer and
Distributor of Switchboards

2007-2012 Account Devision Manager
Company's Title: Varitek Co., Ltd.
Business Type: Distributor of Electrical
Equipment



Mrs. Nanchalisa Rattanasittarn

Chief Financial Officer (CFO)

Age (End of 2019)

- 49 years old

Year of Director

- -

Ratio of the Company's Shares Held (30/12/19)

- -

Qualifications and training history

- MBA, Kasetsart University
- Bachelor of Accountancy, Thammasat University

Work experience within the last 5 years

2018-Present Chief Financial Officer (CFO)

Company's Title: ASEFA PLC.
Business Type: Manufacturer and distributor of Switchboards

2009-2018 Financial and accounting advisor (Independence advisor)

Business Type: Advisory

2003-2008 Associate Director

Company's Title: KPMG Co., Ltd.
Business Type: Audit and Advisory

1994-2003 Manager

Company's Title: SGV Na-Thalang Co., Ltd.
Business Type: 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, 2019, there are 7 persons which comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Independent Director / Chairman	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. Thanomsak Chotikaprakai	Independent Director	December 4 th , 2019

Note : Mr. Pichai Panchan is a Company Secretary.

The Composition of the Board of Directors

The Board of Directors comprised of independent directors in more than one third of the total directors. The Company currently has a total 7 directors, executive director 1 people and non executive director 6 people (including audit committee 3 people) and each director is to serve a three-year term. The composition and qualifications of the Board of Directors are as follows. According to the Company's regulations. Good Corporate and 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)	
	2019	2018
1. Mr. Soracit Phungsuk	5/5	4/4
2. Mr. Phaiboon Ungkanakornkul	5/5	4/4
3. Mr. Chairat Tangtivaja	5/5	4/4
4. Mr. Sa-Ngeam Klomchitcharoen	5/5	4/4
5. Mr. Pornchai Uraisin	5/5	4/4
6. Asst. Prof. Prasit Pittayapat	5/5	4/4
7. Mr. Suphan Settapanich	3/5	4/4

* Mr. Suphan Settapanich, Independent Director / Audit Committee Member, resigned on 13 September 2019.

The Audit Committee

The Audit Committee as of December 31st, 2019, there are 3 persons comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Chairman of the Audit Committee	April 25 th , 2017
2. Asst. Prof. Prasit Pittayapat	Audit Committee	April 26 th , 2016
3. Mr. Thanomsak Chotikaprakai *	Audit Committee	December 4 th , 2019

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

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

The Audit Committee's meeting

Name	Attended (Times)	
	2019	2018
1. Mr. Soracit Phungsuk	5/5	4/4
2. Asst. Prof. Prasit Pittayapat	5/5	4/4
3. Mr. Suphan Settapanich	3/5	4/4

Note: * Mr. Suphan Settapanich, Independent Director / Audit Committee Member, resigned on 13 September 2019

The Executive Committee

The Executive Committee as of December 31st, 2019, there are 8 persons comprises of the following members:

Name	Position
1. Mr. Phaiboon Ungkanakornkul	President of Executive Committee
2. Mr. Utorn Srathong	Executive Committee
3. Mr. Boontherd Thongsamrit	Executive Committee
4. Mr. Burin Phraemongkol	Executive Committee
5. Mr. Choosak Sukhathammoo	Executive Committee
6. Mr. Sanya Chindaphan	Executive Committee
7. Mr. Wichai Soontornvutikul	Executive Committee
8. Mr. Pichai Panchan	Executive Committee

Ms. Chamamas Promsakul is a Secretary to The Executive Committee.

Management

The Management as of December 31st, 2019, there are 6 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. Utoorn 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	Senior Department Manager– Account Dept.
7. Mr. Wichai Soontornvutikul	Senior Department Manager - Management Office
8. Mr. Pichai Panchan	Department Manager– Coporate Finance Dept and Company Secretary
9. Mrs. Nanchalisa Rattanasittarn	Chief Financial Officer (CFO)
10. Ms. Thatsane 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.

Authority of the Executive Committee

The company has the authority to approve the credit limit for expenditures for normal business transactions of the company and for important financial transactions with details as follows;

Approval authority	Executive Committee	Managing Director	Manager / Senior manager
Approval of procurement of assets / expenses that exceed the approved investment budget	Not over than 30% of each department's budget	Not over than 10% of each department's budget	-
Approval of property procurement That does not request a budget	Not over than 10 MB.	Not over than 5 MB.	-
Procurement of the main raw materials used in production	Not over than 60 MB.	Not over than 50 MB.	Not over than 0.5 MB. ⁽¹⁾
Approval of other procurement	Not over than 50 MB.	Not over than 40 MB.	Not over than 0.5 MB. ⁽¹⁾
Approval of the purchase of machinery	Not over than 50 MB.	Not over than 25 MB.	Not over than 10 MB. ⁽¹⁾
Quotation approval (Quotation)	Not over than 200 MB.	Not over than 100 MB.	Not over than 50 MB. ⁽²⁾
Approval of production and service orders	More than 50 MB.	Not over than 50 MB.	Not over than 10 MB. ⁽²⁾
Approval of products for distribution	More than 50 MB.	Not over than 50 MB.	Not over than 5 MB. ⁽²⁾
Approval of loan facilities for subsidiaries and joint venture related to the business operations of the company	Not over than 30 MB.	Not over than 20 MB.	-
Investment in a consortium	Not over than 150 MB.	Not over than 100 MB.	-

Note: (1) Logistics department

(2) Sales department

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.

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 2019, on April 24, 2019 resolved to determine the directors's remuneration for the year 2019 by paying the directors' remuneration on a monthly basis. The details are as follows:

Position	Monthly Compensation Year 2019 (Baht)	Monthly Compensation Year 2018 (Baht)
Chairman	40,000.00	30,000.00
Director (per person)	25,000.00	20,000.00
Audit Committee (per person)	30,000.00	20,000.00

The Remunerations for the Board of Directors Year 2018 – 2019 are as follows:

Name	Number of meetings attended/ Total number of meetings Year 2019	Compensation Year 2019 (Baht)	Number of meetings attended/ Total number of meetings Year 2018	Compensation Year 2018 (Baht)
1. Mr. Soracit Phungsuk	5/5	480,000.00	4/4	360,000.00
2. Mr. Phaiboon Ungkanakornkul	5/5	300,000.00	4/4	240,000.00
3. Mr. Chairat Tangtivaja	5/5	300,000.00	4/4	240,000.00
4. Mr. Sa-Ngeam Klomchitcharoen	5/5	300,000.00	4/4	240,000.00
5. Mr. Pornchai Uraisin	5/5	300,000.00	4/4	240,000.00
6. Asst. Prof. Prasit Pittayapat	5/5	360,000.00	4/4	240,000.00
7. Mr. Suphan Settapanich*	3/5	270,000.00	4/4	240,000.00
8. Mr. Thanomsak Chotikaprakai**	-	30,000.00	-	-
Total		2,340,000.00		1,800,000.00

Note: * Mr. Suphan Settapanich, Independent Director / Audit Committee Member, resigned on 13 September 2019.

** Mr. Thanomsak Chotikaprakai , The Board of Directors has approved the appointment in replacement

Mr. Suphan Settapanich who resigned. According to the meeting resolution of the Board of Directors Meeting No. 5/2019, held on 4 December 2019.

In addition to the above remuneration no additional compensation

Management's Remunerations

In 2019 and 2018, the Company paid remuneration to the executive committee and the person taking the highest responsibility in finance and accounting of 20.66 million baht and 17.92 million baht, respectively, increased by 2.74 million baht or 15.27 percent. Such remuneration including salaries, bonuses, Incentive, provident fund and other welfare.

Year	Number of Management (people)	Remuneration in cash (Baht)
2019	8	20,660,896
2018	8	17,923,400

Other remunerations

-None-

Personnel

Number of employees

As of December 31, 2019 and December 31, 2018: The company has employees 1,119 and 1,173 employees, respectively. The list is detailed as follows:

Section	Number of (people)	
	Year 2019	Year 2018
1. Management Office	21	18
2. Products and Production Management Group	649	700
3. Business Development Group	335	339
4. General Management Group	39	36
5. Account and Finance Group	33	34
6. Human Resources Group	42	46
Total	1,119	1,173

Employees' Remunerations

Monetary Remuneration

In 2019 and 2018, the company paid compensation to employees. (excluding the Executive Committee) in the amount of 430.53 million baht and 422.98 million baht, respectively, increased by 7.55 million baht or 1.78 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 comparison with other leading companies, not to mention paying for other compensations and incentives, such as bonus, saving funds, and other welfares.

5. The Company provides the employees with a safe working place, which can subsequently induce work efficiency, by supplying the knowledge of safety in workplace and personal protective equipment (PPE), as well as monitoring and managing environmental quality in both offices and the company surroundings.

Good Corporate Governance

1. Corporate Governance Policy

The Company recognizes the significance of Good Corporate Governance, as considered that it is a critical factor for leading an efficient, transparent and accountable management system, and create trust and confidence among its shareholders, investors, other stakeholders and relevant parties. By having good corporate governance as a tool to increase value, build competitiveness and to achieve its long term sustainable growth objectives. So the Meeting resolution 1/2015 on February 24, 2015, the Company guidelines in line with the 5 Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand; namely

Chapter 1 The Rights of Shareholders

The Company recognizes the rights of shareholders which will not perform any acts, violate or deprive the shareholders' rights. Also, encourages shareholders to exercise their rights. The basic rights of shareholders is right to trade, transfer of shares, receive sufficient information about the business, right to take profit sharing, right to appointment of independent auditors, right to attend the meeting and vote to make decisions on matters affecting the company; such as the dividends allocation, determination or amendment of the company regulations, capital reduction or capital increase and etc.

Beside basic rights, the Company has a policy to promote and facilitate the shareholders to exercise the rights as follows:

1. To send the meeting notice and relevant information prior 7 days of the meeting date, which will specify the date, time, place and agenda as well as supplementary information related to matters that need to be decided at the meeting.
2. If the shareholders could not attend the meeting, the Company allows shareholders to appoint independent directors or mutual person to attend the meeting on their behalf to support the voting rights of the shareholders by using the proxy forms which sent by the company together with the notice of Meeting.
3. The company will allocate appropriate time and opportunity for the shareholders to express their opinions, suggestions or questions of the agenda, independently.
4. After the meeting, the Company will prepare the minutes of the meeting by showing complete and accurate information for the shareholders to review.

After the company transformed into a public company and registered as a listed company, the company must specify the opinion of the Board of Directors in the notice calling for the meeting and send the notice of the shareholders' meeting in advance to the shareholders within the period specified by the SEC or the Stock Exchange of Thailand, so the shareholders have time to study the information before the meeting. In addition, shareholders will receive information through the electronic media of the Stock Exchange of Thailand, company website, and posting news in newspapers under the Public Limited Companies Act. The Company has a policy that the Board of Directors attending the shareholders' meeting at the same time, especially the chairman of various sub-committees, such as the chairman of the audit committee, in order to jointly explain or answer the questions of the shareholders at the meeting.

Chapter 2 The Equitable Treatment of Shareholders

The company has a policy to create equality for all shareholders with fairness which consists of the management shareholders, non-management shareholders, foreign shareholders and minority shareholders. After this public offering and the Company has been listed on the Stock Exchange of Thailand, the Company

has a policy to provide more options for the shareholders' meeting who are unable to attend the meeting by themselves, able to authorize independent directors or other persons to attend and vote on behalf of shareholders, including the opportunity for minor shareholders to nominate persons to be appointed as directors in advance in a timely manner.

The meeting will be conducted according to the regulations of the company and in order of the agenda with detailed proposals for each agenda item and also clear information for consideration. The Company will not add any agendas without notifying shareholders in advance, especially the important agenda that shareholders need to take time to study before making a decision.

The Board of Directors has set up Insider Trading prevention of related persons, including directors, executives, employees and employees of the related group. (the spouse and minor children of such person). Including penalties for disclosure of company information or use the company's information for personal gain, according to the policy to prevent the use of internal information to exploit. Also, always provides knowledge to the company's board of directors and executives to report securities holdings to the Office of the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act BE 2535.

Chapter 3 The Role of Stakeholders

The company has a policy to give priority to the rights of all groups of stakeholders with transparency, fairness and create satisfaction for all parties with details as follows;

Shareholder	Do the best of all circumstances with honesty and fairness to major and minor shareholders, for the benefit of the shareholders as a whole.
Employees	The Company treats all employees equally and fairly, including providing suitable returns and also giving importance to the development of employees' potential thoroughly and consistently. The Company providing training and continuously develop employees' knowledge and ability. In order to develop work skills to be most effective, the Company complies with various laws and regulations that relate to employees strictly. Provident fund has been established for employees and other benefits such as health insurance, bonuses, accident insurance, and etc.
Partners	The company treat the partners by fair trade framework based on contract and commercial terms strictly.
Creditor	The Company is committed to strictly abiding by financial conditions and agreements. Regarding the purpose of spending money, repayments, taking care of quality of collateral and any other matters that have been made agreements with creditors in order to achieve mutual benefits.
Customer	The Company commits to producing quality products, good price and good service to the customer. And comply with various conditions towards customers strictly, with a focus on safety as a priority.
Competitors	The company do business in the framework of good competition by avoiding dishonest manner.
Community and society	The Company will not do any action that will result in damage to society natural resources and the environment. The Company seeks opportunities to support social creative activities, instilling awareness of social responsibility to all level of employees. As well as to control the employees to strictly comply with the laws and regulations issued by the regulatory agencies.

Chapter 4 Disclosure and Transparency

The Company is aware of the importance of disclosure of accurate, complete and transparent information. Such as, financial reports and general information comply with the disclosure and information disclosure requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. As well as other important information that affects the stock price of the company, or the decision making process of investors and stakeholders, so that those involved with the company all are informed equally. The Company will disclose the company's information to shareholders, investors and the public through various channels and media of The Securities and Exchange Commission and the Stock Exchange of Thailand. Also, the company's website.

Board of Directors aware of responsibility for financial report that are accurate, complete, true and reasonable. Company financial statements prepared according to generally accepted accounting standards by using appropriate accounting policies and practice consistently and use discretion carefully, including sufficient disclosure in the notes to financial statements. The Board of Director has maintained an effective internal control system and reasonably ensure that the accounting records are accurate, complete, and sufficient to maintain assets. And to identify weaknesses to prevent fraud or unusual operations that are significant. Including the appointment of the audit committee which consists of non-executive directors in charge of auditing financial reports, related party transactions, and internal control systems. The Audit Committee will report directly to the Board of Directors.

On investor relations, the company has not established a specific department. However, the Company has assigned the company secretary, Mr.Pichai Panchan, to communicate with investors, shareholders, analysts, and the relevant agency.

Chapter 5 Responsibilities of the Board of Directors

1. Board of Directors Structure

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

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

1.1 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 and determine the number of listed companies in which each director can hold no more than 5 companies, 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, which the meeting schedule is set in advance throughout the year and may be additional meetings as necessary. Each meeting must have a minimum quorum at the time that the Board of Directors will pass a resolution. Must have a committee of not less than 2 in 3 of the total number of directors. 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, announcements and various records for the company's performance in line with policies in the interests of the company, including the maintenance of discipline in the corporation.
8. Be able to authorize and/or to assign other persons to perform a particular assignment where as 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 unequal number of votes for the last directorship exceed the number of directors the Company required
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 2019

Self assessment of the performance of the board of committee	%
1) Self-assessment of the entire board	88.79
2) Self-assessment of the sub-committee which includes	
2.1 Audit committee	86.88
2.2 Executive committee	78.96
3. Self-assessment of the board of committee and sub-committee individually	86.19

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.

Evaluation of top management (Managing Director)

In the Board of Directors Meeting held on 20 February 2020, the Board of Directors acknowledged the results of Managing Director for the year 2020. Evaluation conducted by Non-Executive Directors through a questionnaire following the SET guidelines which covered the subjects as follows:

- Leadership
- Strategy execution
- Relationships with the Board
- Human Resources Management/ Relations
- Product/ Service Knowledge
- Strategy formulation
- Financial planning/ Performance
- External Relations
- Succession
- Personal Qualities

The overall performance evaluation score of the managing director is 80.09 percent. The Company intends that the Managing Director Evaluation be done every year in order to comply with Good Corporate Governance practice and accordingly this exercise will be conducted again in year 2020.

Auditor's remuneration

The 2019 Annual General Meeting of Shareholders resolved to approve the appointment of ANS Audit Company Limited as the company's auditor. By comparing the qualifications of other auditors regarding operational standards and appropriate audit fees. The auditor's remuneration for the year 2019 is set at 1,980,000 baht, an increase of 150,000 baht or 8.20% from the year 2018. Which is the audit fees and the review fees for the interim financial statements of the separate financial statements of the company and subsidiaries, consolidated financial statements. And there is no other compensation.

In the year 2020, the Board of Directors resolved to propose to the shareholders to approve the appointment of ANS Audit Company Limited as the company's auditor. The auditor's remuneration for the year 2020 is set at the amount of 1,980,000 baht. Which is the audit fees and the review fees for the interim financial statements of the separate financial statements of the company and subsidiaries, consolidated financial statements and there is no other compensation. Which the remuneration is equal to the year 2019.

A Comparison of Audit Fees

Unit: Baht

Description	2020 Propose to the shareholders for approval.	2019 (Bath)	2018 (bath)
Auditor's remuneration	1,980,000	1,980,000	1,830,000

Customer satisfaction survey

The important strategies for competition of the company are focus on satisfying service for all groups of customers. The company will survey the satisfaction of users of products and services every month and summarize the yearly overview and use the results to improve efficiency.

In 2019, customer satisfaction survey will cover product and service quality, the result as follows

Organizational quality target: Satisfaction for the year 2019

No	Topic	Project value level / Importance level			Average percentage
		Compact project/ Importance level 3	Medium project / Importance level 2	Large project / Importance level 1	
1	Group A- Direct buyer group	86.19%	83.73%	83.26%	85.05%
2	Group B- Related group	90.37%	91.92%	-	91.37%
3	Group C- User group	87.96%	84.25%	87.29%	87.21%
Total		86.95%	85.02%	84.69%	86.08%

Summary of the overall customer satisfaction survey scores in each customer group, as follows

1. Direct buyer group The average satisfaction survey results are 85.05% Pass the criteria
2. Related group The average satisfaction survey results are 91.37% Pass the criteria
3. User group The average satisfaction survey results are 87.21% Pass the criteria

Remarks : - Criteria for satisfaction survey of each group must be at least 80%

Orientation of new directors

The Board of Directors organizes the orientation for all new directors to provide knowledge and understanding in business and operations of the Company in order to be ready to perform their duties as director. At the same time, the Company establishes the policy to strengthen knowledge and new vision in terms of corporate governance, industry condition, technology business and new innovation for all directors in order to encourage their performance with effectiveness and be able take the position as directors as soon as possible and also assign the Company Secretary

to be a coordinator in various matters.

In the year 2019, the company has 1 new director, which is a replacement of the resigned director and arrange for a new director orientation that covers the following matters;

- (1) Acknowledged matter: business structure and director structure, scope of authority and law.
- (2) General business information, operation guideline and visiting the production line.
- (3) Arrange the discussion session with the chairman and the President to inquire them about in-depth information of the Company's business operation.

Succession plan for high level executives

Board of Directors realized the importance of the succession plan of Managing Director, Deputy managing director and Top executives in each department of the organization. This is to ensure that the company. There are executives who are knowledgeable for sufficient ability to perform the duties as follows;

- 1) The Board of Directors shall prescribe the development plan to provide the successor plan for Managing Director, Deputy managing director and Top executives in each department of the organization.
- 2) The Executive Committee shall prescribe the qualification, knowledge, competency and experience of each position in order to select the executive who has qualifications in compatibility with required qualifications in each position.
- 3) The Executive Committee shall evaluate the performances and knowledge of the executives having the equalifications comparatively equal to the level of required competency in order to make the Individual Development Program to reduce the competency gap.
- 4) To assign HR team to monitor and follow up on the trainings to develop knowledge and competency of the successor of Managing Director, Deputy managing director and top executives in each department.
- 5) The top management of each line of work provide duty rotation Responsibilities of executives with consistent qualifications.
- 6) The top management of each line of work Performance report and the development results in accordance with the individual development plan of the executives who have the qualifications consistent with the Executive Committee once a year.
- 7) The Executive Committee review and summarize the results succession plan for the position of managing director, Deputy Managing Director and high level executives in each line of work on a regular basis and report to the Board of Directors once a year.

Board of Director meeting

In 2019, the board set the 2020's meeting schedule and agenda in advance (This schedule is subject to change), which does not include special meetings as follows

1. The regular meeting be arranged at least once every quarter (4 times a year), the Board meeting's schedule in advance for 1 entire year and with a special session meeting allowed to be convened as deemed necessary. At least 2/3 of the total number of directors shall be presented to form a quorum at the time of the Board passing a resolution.
2. The Company screens the proposed items to make certain that all crucial issues are included in the agenda. The Company Secretary submits an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues. As well as recording minutes of the meeting and keep the minutes of the meetings that approved by the Board of Directors, so the Board of Directors and related parties can verify.

No.	Board of Director Meeting		Audit Committee Meeting	
1	February 20, 2020	3.00 pm – 5.00 pm	February 20, 2020	1.30 pm – 3.00 pm
2	May 7, 2020	3.00 pm – 5.00 pm	May 7, 2020	1.30 pm – 3.00 pm
3	August 6, 2020	3.00 pm – 5.00 pm	August 6, 2020	1.30 pm – 3.00 pm
4	November 5, 2020	3.00 pm – 5.00 pm	November 5, 2020	1.30 pm – 3.00 pm

Attending the development and training of directors and executives.

The company pays attention to human resource development at all levels continuously. In the year 2019, the company's directors and executives have developed and trained as follows;

No.	Name	Position	Training course
1	Mr. Phaiboon Ungkanakornkul	Director / President of Executive Committee / Managing Director	• Strategic CFO in Capital Markets Program
2	Mr. Boontherd Thongsamrit	Executive Committee	• Smart Factory for Industry 4.0
3	Mr. Utorn Srathong	Executive Committee	<ul style="list-style-type: none"> • Smart Factory for Industry 4.0 • Development to Labor electrical and electronic industry in accordance with the economic development guidelines "Thailand 4.0" • Introduction to Energy Management System ISO 50001:2018
4	Mr. Choosak Sukhathammo	Executive Committee	• Knowledge of new products of the company
5	Mr. Wichai Soontornvutikul	Executive Committee	<ul style="list-style-type: none"> • Knowledge of new products of the company • Startup Internal Bootcamp
6	Mr. Pichai Panchan	Executive Committee	<ul style="list-style-type: none"> • Analyze financial reports • SET Link System • Hearing to improve Annual Registration Statements and Annual Report (one report) • Techniques for writing CG reports in accordance with good corporate governance
7	Mr. Burin Phraemongkol	Executive Committee	<ul style="list-style-type: none"> • Knowledge of new products of the company • Startup Internal Bootcamp
8	Mr. Sanya Chindaphan	Executive Committee	<ul style="list-style-type: none"> • Procurement techniques for the preparation of accounts payable for debt repayment, including prevention of errors and fraud • Case study of Paying tax by an accountant under the Revenue Code
9	Mrs. Nanchalisa Rattanasittarn		<ul style="list-style-type: none"> • Strategic CFO in Capital Markets Program • Introduction to Quality Management System ISO 9001:2015 • Safety and Occupational Health for new employee • Introduction to Energy Management System ISO 50001:2018

Complaints and whistleblowing

Anyone who knows the complaint or honest doubt whether they are damaged or not can report complaints or whistleblowing of the misconduct of directors, employees or any other person acting on behalf of the company. The company encourages whistleblowers to reveal their identities and / or provide sufficiently clear evidence about the misconduct of the complainant. And should provide contact information as a means of communication with the company. The channels for reporting complaints or whistleblowing as follows

1.) By mail

Contact: Management Office (Corporate Secretary Division)
Address: Asefa Public Company Limited
5 Moo 1 Rama II Rd., Khok-Krabue, Mueang Samutsakhon, Samutsakhon 74000

2.) By E-mail

Contact: Management Office (Corporate Secretary Division)
E-mail Address: asefa@asefa.co.th

3.) Company Website

Contact: www.asefa.co.th

Complaint handling

Management Office (Corporate Secretary Division) Or the assigned person from Audit Committee is responsible for managing, collecting, screening, checking complaints or whistleblowing and consider the sufficient clarity of the evidence at the beginning. If the information is true, to the committee proceeds to gather evidence and witness for prepare reports and comments to propose to the audit committee. If the misconduct is caused by intention or affecting the business of Company with significant. The audit committee will consider and implement the appropriate measures to improve.

Measures for protection of complainants

Protecting the rights of the complainant or whistleblowing and prevent bullying due to complaints or providing information. The company will conceal names, addresses, or any information that can identify the complainant, informant and maintain the information of the complainant and the informer is confidential, which is limited to only those responsible for investigating complaints to be able to access the information ("Related Person"). Related persons who have been informed of the matter or information related to the complaint must keep the information confidential and not disclosed to others except as required by law or for investigation of complaints only. If there is intention to violate the disclosure of information, The company will punish the relevant persons in accordance with the regulations of the company and / or take legal action, as the case may be.

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 2019, 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 2019, 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 3/4 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 2019, 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 2019 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 considered Appoint internal auditors and reviewed 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 2019, 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 5 auditors following names
 - 1) Mr. Atipong Atipongsakul, auditor with licensing number 3500, or
 - 2) Mr. Vichai Ruchitanont, auditor with licensing number 4054,
 - 3) Mr. Sathien Vongsnan, auditor with licensing number 3495,
 - 4) Ms. Kultida Pasurakul, auditor with licensing number 5946, and
 - 5) Ms. Patcharee Siriwongsin, auditor with licensing number 9037

of ANS Audit Co., Ltd. --- as the auditors of the Company and its subsidiaries in 2020, with the fees of 1,980,000 Bath and there is no other compensation that will also cover the Company's subsidiaries. However, the auditors of the Company are the same persons with the auditors of the subsidiaries of the Company for the year 2019. There are no relationships or conflicts of interest among the independent auditor, the Company and its subsidiaries, the executive, the major shareholders, or other related persons of these parties. Then, ANS Audit Company Limited by Mr.Atipong Atipongsakul affixed his signature in the Company's financial statements from 2019 (1 year)

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

Report of the Executive Committee

To shareholders

The Executive Committee of ASEFA Public Company Limited has been appointed according to the resolution of the Board of Directors consisting of a total of 8 directors and executives are Mr. Phaiboon Ungkanakornkul, President of the Executive Committee and there are 7 executive directors, which are Mr. Boontherd Thongsamrit, Mr. Utorn Srathong, Mr. Choosak Sukhathammoo, Mr. Burin Phraemongkol, Mr. Sanya Chindaphan, Mr. Wichai Soontornvutikul, and Mr. Pichai Panchan, which Ms. Chamamas Promsakul is a Secretary to Board of Management.

In the year 2019, the Executive Committee performed duties as assigned by the Board of Directors. At full capacity in overseeing business operations to achieve the set business goals to build confidence and credibility for investors and stakeholders. In which the Executive Committee has held a joint meeting at least once a month, which can be summarized as follows:

1. Consider and present the goals, policies, business plans and annual budgets to the Board of Directors approve by reviewing and improving the operational plan in accordance with the strategy of the organization.
2. Supervising the business operations of the company to be in accordance with the policy plans and budgets including assessment controlling and managing corporate risks and presenting them to the Board of Directors.
3. Consider and approve the normal business operations of the company. Shall be in accordance with the operation power grid which has been approved by the board of directors.
4. Consideration of the operating results the company's profits and losses proposal of interim dividend payment or annual dividends for submission to the Board of Directors for approval.

The Executive Committee being aware of the duties and responsibilities assigned by the Board of Directors by acting with care, prudence, transparency and fairness according to the principles of good corporate governance and the performance report opinions on various matters related to the Board of Directors with due regard to the benefits of the company and shareholders.



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

Shareholding of the Board of Director and Management

Shareholding of the Board of Director, Spouse and underage children on December 30, 2019

Name	Ordinary shares		
	December 30, 2019	December 28, 2018	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	60,020,000	-none-
Spouse	170,000	170,000	-none-
4. Mr. Pornchai Uraisin	59,436,000	59,436,000	-none-
Spouse	60,000	60,000	-none-
5. Mr. Chairat Tangtivaja	58,780,000	58,780,000	-none-
6. Asst.Prof. Prasit Pittayapat	400,000	400,000	-none-
7. Mr. Thanomsak Chotikaprakai	-none-	-none-	-none-

Shareholding of the Board of Management, Spouse and underage children on December 30, 2019

(According to the definition of the S.E.C)

Name	Ordinary shares		
	December 30, 2019	December 28, 2018	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	55,000	-none-
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	48,400	-none-
8. Mr. Pichai Panchan	-none-	-none-	-none-
9. Mrs. Nanchalisa Rattanasittarn	-none-	-none-	-none-
10. Ms. Thatsane Chowvasevakasad	3,422,900	2,212,600	1,210,300
11. Mr. Amphan Supawaha	-none-	-none-	-none-
Spouse	100,000	100,000	-none-
12. Ms. Padewrada Junda	135,000	125,000	10,000
13. Ms. Pornthip Ungkanakornkul	20,599,200	20,599,200	-none-



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
<div>01</div> <p>Governance</p>	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
<div>02</div> <div>  </div> <div>Risk Management</div>	<div>Policy</div> <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. <div>Action</div> <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.
<div>03</div> <div>  </div> <div>Environmental Management</div>	<div>Policy</div> <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. <div>Action</div> <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.
<div>04</div> <div>  </div> <div>Labor and Human Rights Management</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 data-bbox="212 414 296 470">05</div> <div data-bbox="202 501 311 600">  </div> <div data-bbox="164 629 352 703">Social Management</div>	Policy	<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.
	Action	<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.

1. Good Corporate Governance

The company has organized the management system upholding the responsible practices of transparency, equity and justice, capable of being subjected under reviews and increasing quality and values. The principles of good corporate governance consist of 5 min aspects:

- Shareholders' rights
- Fair treatment towards shareholders
- Roles of the involved parties
- Disclosure and transparency
- Responsibility of boards of directors

2. Fair Conduct

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.

3. Anti-corruption

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.

In 2019, There was a policy to refrain from accepting gifts during the festive season, such as gift baskets, souvenirs from customers, partners, suppliers and other parties to prevent fraud and misconduct. The company has provided channels for customers to complain about sales, product quality, product delivery and after-sales services via telephone and ASEFA Line Official which is consider to be a transparent business operation, openness, good governance practices and accountability that is coherent with sustainable development.

4. Respect of Human Rights

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

5. Fair Labor Treatment

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

6. Responsibility to 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

7. Social and Community Development

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



ASEFA and Sustainable Development

Over the past 22 years, the company has conducted business with good governance principles and strengthened corporate culture for sustainability and created a framework that can be put into practice which consists of stakeholders, economy, society and environment based on good corporate governance.

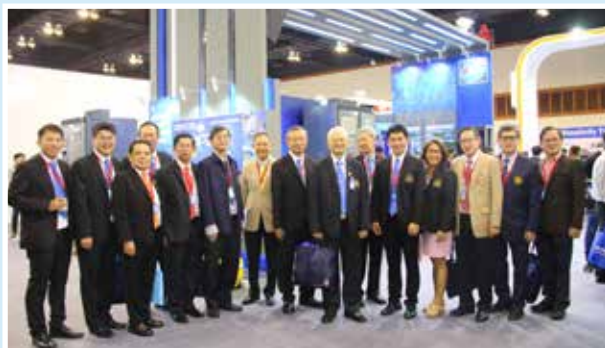
Economic

From the rapidly changing and unpredictable business conditions; especially the change in innovation and technology without limits in the business world. The company foresaw the importance of change in knowledge, theory and innovation tools that can be adapted for business operations and help increase competitiveness meet the needs of customers. Therefore, to creating a knowledge building policy innovation and technology for business development and personnel knowledge to be fully transitioned into the digital age.

In the past year, the company conducted activities related to electrical product development and innovation. By using technology invented by engineers, experts and employees to develop products and expand the electricity business in many forms.

► TEMCA FORUM & EXHIBITION 2019 PATTAYA

Thai Electrical and Mechanical Contractors Association organized "TEMCA FORUM & EXHIBITION 2019 PATTAYA" event at Peach Convention Center, Royal Cliff Hotels Group Pattaya under the concept of "Ready to go, dare to step". ASEFA Public Company Limited provided a booth displays to disseminate electrical and mechanical technology to entrepreneurs in related businesses.



► ASEFA INNOVATION DAY 2019



The company has organized an exhibition of electrical innovation and technology under the concept of ‘A Variety of Knowledge and Advanced Technology’ which consists of innovative events and academic seminars by inviting experts in the electrical industry both inside and outside the company in order to exchange knowledge on electrical innovations. It also opened houses to welcome partners and students from various institutions to join the activities to disseminate knowledge and technology resources as follows:

- Showing innovative products and electrical solutions by the company's employees and partners
- Academic seminars on various topics by speakers and experts in each field to exchange and develop various knowledge.
- Education Support Program provides technology learning activities to students from various educational institutions for further education.
- The Electrical Controls Switchboard Installation Skills competition of students in dual vocational education.
- Robot Battle Competition, to develop engineering and technology science proficiency through the creative process in robotics, planning skills, teamwork and problem solving in robot building as well as promoting the advancement in robotics technology of the country.



- The signing ceremony of the Memorandum of Understanding on dual vocational education and learning with 5 institutions to develop knowledge and skills of vocational students. To become a future electrician in order to carry on the government policy and to create bilateral cooperation raising the standard of education with practical work.

► ASEFA VENTURES

Business startup incubation project through Fast Track Bootcamp for the new entrepreneurs which are organized by experts and businessmen from startup ecosystem. To organize workshop activities and share ideas, methods by using tools and theories to creating innovation related to business ideas. For further product sales methods, new marketing promotion in order to develop products and services to meet consumer needs.

We also provide opportunities for employees to present ideas, methods of running a startup business to respond social or industrial trend in the digital age by creating a new solution growing as a leader in the target market. By using technology and platforms to solve problems, apply knowledge, experience, skills and increase business agility for consumers or users to access products and services more conveniently and quickly.



► Sales and Marketing activities



- The company attended the launch of Masterpact MTZ, a new product from Schneider Electric. It is an opportunity to learn technology with a world-class professional company at the Waldorf Astoria Hotel.
- The company signed a Memorandum of Business Cooperation (MOU) with Prysmian Group, a manufacturer and distributor of electrical cables and special cables which is a world-class company to expand the market-based products and services in Thailand.
- Business visits by a group of 44 customers and business partners

► Investor Relations Activities



- Opportunity Day, Performance Announcement for 2nd and 4th Quarter of 2019 at The Stock Exchange of Thailand
- 2019 Annual Shareholders Meeting at ASEFA Public Company Limited

Social

The company has been concerned about the sharing of knowledge to the community through the thinking process and knowledge of electrical engineering by organizing the project training and seminars for young people who will be the main strength of the nation in the future. To grow into a knowledgeable person, expertise and ability to work efficiently as well as to support people who want to develop their knowledge and skills in order to further their career.

► Project 'Youth Education'

The company had hosted and arranged trainings and seminars in Electrical Engineer for college 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 13 years since 2007 in university level and 7 years since 2013 diploma college level.



higher education

8

institutions

diploma levels

28

institutions



In addition, the company also collaborated with government educational institutions. In the development of knowledge and skills of vocational students to produce electricians and continuing government policies, creating bilateral cooperation raising the standard of education with practical work by signing the MOU with various technical colleges in order to send students to participate in internships and work in the company. In 2019, the company has jointly signed with 7 educational institutions, namely Chachoengsao Technical College, Chitralada Vocational School, Kanchanaburi Technical College, Phang- nga Technical College, Rajamangala University of Technology Isan (RMUTI) Sakon Nakhon Campus, Maha Sarakham Technical College and Ban Kai Technical College.



► Project 'Academic Seminar for Public'

The company has organized seminars and training to exchange knowledge in electrical engineering for the general public both internal and external seminars with employees, engineers and experts in each field as a speaker and educator. To cooperate with the government, various state enterprises and the private sector to exchange ideas innovation and technology. In order to maximize highly benefits to individuals, communities, organizations or institutions to apply knowledge and concepts according to personal professional field. In 2019, there were 9 seminars and training sessions.



► Community Relation Activities

• Project: 'Im Kai Sook Jai'

The company co-hosted and contributed funds for a robe offering of project 'Im Kai Sook Jai' for the rehabilitation and promotion of children with special needs at Baan Tantawan Children's Foundation.



• Project: 'Merit-making on big Buddha days'

The company foresees the importance of the inheritance of Buddhist traditions. By requiring that every single Big Buddha days (Makha Bucha Day, Visakha Bucha Day, Asanha Bucha Day, Khao Phansa Day and Buddhist Lent Day) accepting donations from fellow employees to give to various temples.



• Project: 'ASEFA united helping the flood victims in Ubon Ratchathani'

Due to flooding in Ubon Ratchathani province which it was the most critical in 40 years, the company was accepting donations to help victims of the flood in Ubon Ratchathani.

• Project: 'Asefa Blood Donation'

Employee's blood Donation to Thai Red Cross



► Human Resources Development

Developing the capability of executives and employees to be ready and able to cope with changes that directly affect the competitiveness; moreover, the company also give priority to creating values or culture responsible to society for employees. To jointly promote human rights, society and community right and in addition to creating a balance between economic growth, duty and good governance principles within the organization. The company has established a complaint channel through Line Official: ASEFA FAMILY and Line Official complaint in order to notice the problems that occur within the organization, to protect the personal rights to be equal, reduce inequality or injustice that may occur.

• Human Development

Developing the capability of executives and employees to be ready and able to cope with changes that directly affect the competitiveness; moreover, the company also give priority to creating values or culture responsible to society for employees such as human rights, society and community right.

Besides, the company realizes the importance of human resource development policy and developing employee career paths, by providing opportunities for continuous learning and development through training and creating career opportunities to develop various capabilities. The company believes that human resources are the heart of the organization. Therefore supports the capability development of employees in every aspect. In 2019, the company organized a seminar and training for 372 times

In-company
seminars & trainings

255

117

Public
seminars & trainings

• Career Path

The company has a policy to expand the work, increase opportunities and assigning tasks to multi-funtional employees in the organization, the capacities of employees to perform many kinds of duties. Helping employees set and achieve professional goals and develop their potential, so to put in place to themselves and within organization.

• Corporate Culture

For company's mutual goals achievement, to strengthen organization culture and competitiveness is the key. Activities set up for corporation are as follow:

- Project: ASEFA Family Songkran Festival 2019

Conserving Thai tradition, pouring water to show respect to elders and splashing water play.



- 5S Activities

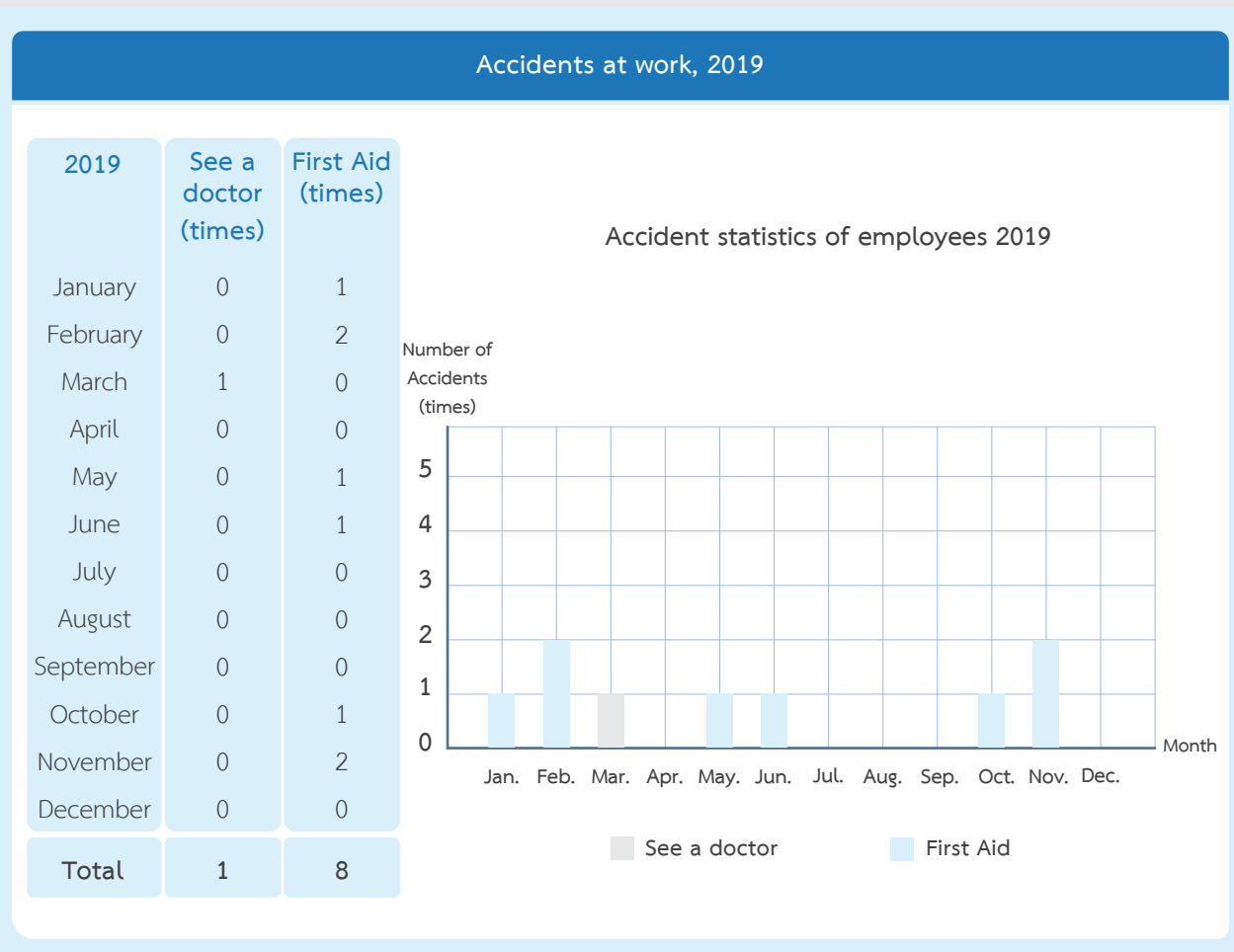
5S is set to encourage participation and teamwork in the organization. Employees learn to be leaders and followers together by arranging workplace environment to stay neat and hygienic. In consequence, there would have discipline and higher efficiency.

• Principles of Corporate Governance

The company has created a complaint channel through Line Official: ASEFA FAMILY and Line for complaints. A common problem that occur within the organization as well as to protect the rights of personnel to be equal, reduce inequality or injustice that may occur within the organization.

• Occupational Health and Safety

The company realizes that ineffective occupational health and safety management affects not only organization's image but also employees' health and lifestyle. The company has implemented a security policy in order to prevent and decrease human resources and assets losses in the workplace. Furthermore, the company has constantly evaluate and plan risk management. According to safety record in 2019, there were 9 times employee accidents. (8 first aid injuries and 1 stop injury)



The company has organized seminars and trainings about workplace hazards by having simulation and warning signs in order to develop an occupational safety and health, to maintain inside and outside organizational environment, and to prevent drug problems. To this purpose, the company has continuously joined with other organizations to evaluate and improve organizational efficiency in order to achieve the company's goal.



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 & 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. AEFA 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 ISO 14001 and ISO 50001 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
- Solar Rooftop
- 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



Solar Rooftop



BAS



VRV



T5 หรือ LED



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



Awards and Certificates in 2019



Outstanding Award for Safety, Occupational Health and Environment in Workplace 2019 in National Level, 3rd year, Gold Level by Ministry of Labor



Certification for prevention and solution of drug problems in the workplace



Certified for Clean Food Good Taste (very good level) from the Department of Health, Ministry of Public Health.



Certified 100 percent food-free foam container organization from the Consumer Protection Group, Samut Sakhon Provincial Health Office.

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. 1/2020 held on February 20, 2020, 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) and review of the anti-corruption policy. 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 2019, the Enterprise Risk Management team consisting of executives of each department acting together to assess both external and internal risk factors that have an impact on the company's goals and business operations. By specifying risk factors risk management plan, monitoring risk management of various departments by reporting to the Executive Committee and the Board of Directors on a quarterly basis.

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 internal 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 2019 for the total of 5 times, Audit Committee the total of 4 times and Executive Committee of 12 times in order to follow up the work operation in each level starting from the Board of Directors, the Audit Committee, the Executive Committee 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.

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 - 2019 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.

In 2019, the Company's Auditor informed in the Board of Directors meeting session 1/2020 on February 20th, 2020 that after examining financial statements for the year ended December 31st, 2019, 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 2019, 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 2019 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 2019 discover no indication of fraud, risk issues and no errors in terms of key internal controls. Also consider approving the internal audit plan for 2020.

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 2020 by proposing to the Board of Directors to appoint and nominate 5 auditors

- | | | |
|-----------------|-------------------|-----------------------------|
| 1) Mr. Atipong | Atipongsakul | CPA License No.3500 and/ or |
| 2) Mr. Vichai | Ruchitanont | CPA License No.4054 and/ or |
| 3) Mr. Sathien | Vongsnan | CPA License No.3495 and/ or |
| 4) Ms. Kultida | Pasurakul | CPA License No.5946 and/ or |
| 5) Ms. Kaniitha | Siripttanasomchai | CPA License No.10837 |

from ANS Audit Co., Ltd., as the company's accounting auditors, which compensation are stipulated 1,9800,000 Bath in total, and there is no other compensation. 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 straight forwardly with no limitations in receiving information with good cooperation from the company, and also committed to good governance concurrent according to the principles of the Stock Exchange of Thailand in order to assure transparency and ethics to build confidence among shareholders, investors, customers, and all related parties.

Internal Auditor

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.
Certificate	:	Certified Professional Internal Auditors of Thailand (CPIAT)
Relevant Experience	:	2010 – Present Dharmniti Internal Audit Co., Ltd.

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

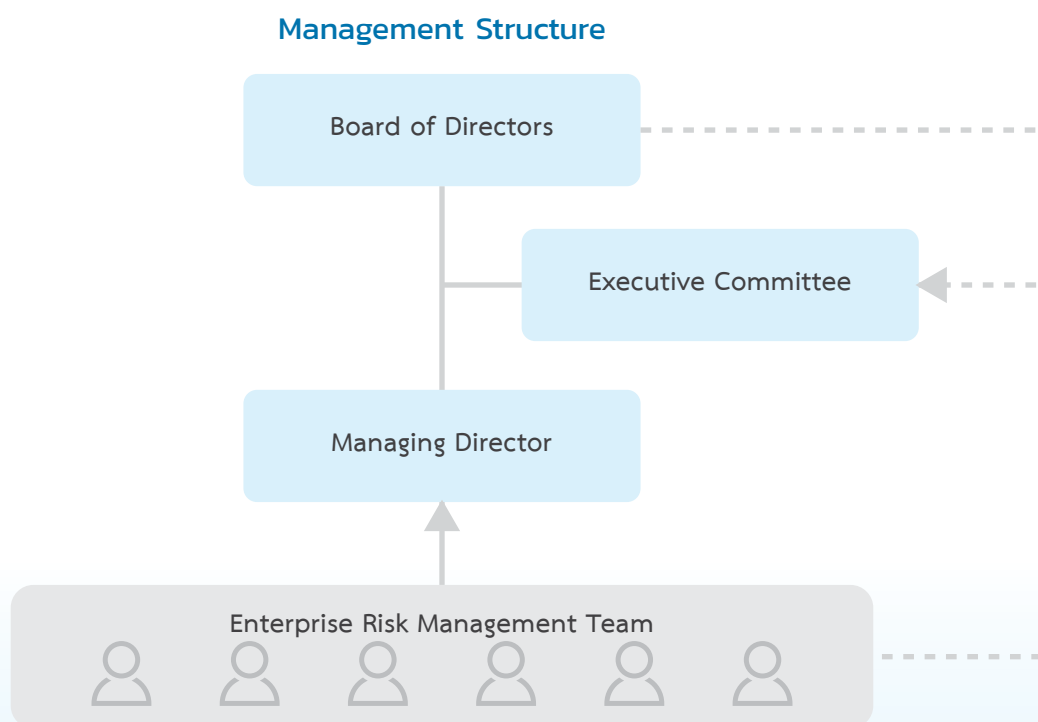
Risk Management

With the dramatic changes in the business environment, risk management is an important process of identifying, assessing and controlling threats to an organization. The company has applied the international standard: COSO ERM to every levels in company in order to ensure that company will achieve short-term and long-term goals and follow sustainable business growth.

ASEFA Public Company Limited emphasizes on risk management in corporate level. Company issues risk management policy that aligns with Strategy to ensure efficiency management of uncertain situations including business opportunity seeking. Company sustainably expands business growth together with core goal under acceptable risk. Company follows international standard named COSO (The Committee of Sponsoring Organization of the Treadway Commission) in accordance with Corporate Governance Code and the determination of Anti-Corruption. Company arranges risk management as below;

Corporate Risk Management Structure

Board of Directors, management and all departments involve risk management. Company entitles Enterprise Risk Management Team which includes department managers who will evaluate, plan, manage and monitor risk issues by reporting monthly to Managing Director and Executive Management Committee who are authorized by the Board of Directors. They issue policy and scope of work, monitor, suggest and advise risk management. Risk management should be evaluated and reviewed 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 by quarter.



Risk Management in Organization

The company emphasizes on risk management as company culture through promoting risk management policy including monitoring progress in both management and operational level as company aims to sustainably and stably expand business growth. Furthermore, the risk management will be continuously communicated and educated through company's communication channels such as e-learning, newsletter and training.

Risk Factors

Company analyzes internal and external factors of business environment including economic trend, politic circumstance, technology, industry, competitor and other concerned factors in order to indicate important risk factors in different risk levels. The analysis report of Enterprise Risk Management and mitigation plan build confidence to achieve Goal. The Enterprise Risk are as follows;

1. Risk from inefficient people management

People is the significant factor to push company to achieve its goal. Increasing skill and professional working of people will definitely support business growth. Company emphasizes on staff's efficacy and people management to align with Strategy in expanding business among market competition and environment changed at present and in the future. Company determines mitigation plans which are;

- Improve and review number and qualification of manpower to align with strategy both at present and in the future.
- Improve the human resource management which includes plan to promote talented employees (Talent Program). Hard and Soft skill Training Course will be scheduled continuously. Other necessary tools and Information Technology will be applied to improve work performance.
- Organize Change Management and enhance company culture constantly.
- Improve evaluation criteria of annual Personnel Appraisal to align with Goal, Strategy, and company culture for efficiency Individual Development Plan.
- Issue policy and process for Career Path after completing reshuffle. Career Path Policy will be communicated to Management and employees.

2. Risk from incompatible business plan and strategy with company's Vision, Mission and Objective.

Business plan and Strategy are an important plan for company to achieve its goal. The Company realizes that efficiency strategy needs to align with Vision, Mission, Goal and Objective. Business Plan and Strategy need to be clarified, analyzed and planned for competitive marketing. Working system requires adaptable process to manage with uncertain environment to achieve goal and manage disruption for the company's survival and growth. The Company determines mitigation plans which are;

- Review Annual Strategy and Goal between CEO and Executive Management for both short term and long term. Strategy and Goal will be cascaded to Management and employee to build company culture to achieve Goal and Objective.
- Improve procedure of budgeting in corporate and department level. Budget Monitoring and Reporting is required constantly.

- Convey the ideal of Strategy to Executive Management for short-term and long-term.
- Set KPI which challenges and aligns to Goal and Strategy in department and individual level together with constant monitoring and evaluation.
- Analyze emerging risk together with backup plan in case strategy is not compatible with other plans which include;
 - 1) Improve the tracking system of Initiatives plan to align with Strategy
 - 2) Precaution system for internal and external analyzing which affects strategy in term of opportunity and risk.

3. Risk from missed Sales Forecast

There are many factors which challenge company to achieve goal such as economic disruption, increased domestic and international market competition, unstable cost of raw materials and tools, dependence on a single vendor, technology integration and trade policy. Company determines mitigation plans which are;

- Execute Sales Forecast Plan to be related with annual Budgeting together with KPI of all involved levels.
- Increase work performance by integrating technology with Sales plan. Expand approachable sales channel for customers.
- Carry on partnership strategy by width expanding for supply chain and depth expanding for specialized products and services.
- Apply new technology to existing product and service to meet customer needs as well as expand sales and marketing channel to cover all types of customers by constantly monitoring business environment.
- Target Customer Focus and manage solid customer care plan to achieve goal.

4. Risk from incompatible machinery and Information Technology with Operation

Nowadays it is Digital Economy Society which was driven by Information Technology in order to build Infrastructure. Information Technology plays a significant role in increasing work efficiency to align with Strategy. Innovation development saves cost and increases productivity both in production line and market competition as it immediately responds customer requirements. Therefore, company takes risk if there is no sufficient risk management for Machinery and Information Technology. At present, an incompatible Machinery and Information Technology are a significant risk for Business. Company determines mitigation plans which are;

- Plan proactive Strategy related to the machinery and Information Technology improvement in order to support new innovation, Strategy and Goal.
- Manage Improvement plan and budget for machinery and Information Technology both short term and long term by setting format, type and lifetime to align with Production, Strategy and Goal.
- Recruit the Professional Consultant and manage Information Technology. Plan together with ERP System to support business expansion and to achieve Objective and Goal.

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

As business involves in law, regularity and rules, company realizes the effect of damage or risk from violation of law, regularity and rules. Company determines mitigation plans which are;

- Organize legal unit to manage all departments and employees along with determining roles and duties for efficiency legal work.
- Manage procedure which consolidates corporate legal issues, regularity and rules together with cascading to all concerned parties.
- Manage plan to review all licenses to comply with government legal restriction by considering current operations.
- Corporate legal issues, regularity and rules related to business are required to train for all management and employees.
- Recruit Legal Consultant or Specialist to increase work efficiency in corporate and production levels.

6. Risk from corruption

ASEFA Public Company Limited emphasizes on business integrity by adhering to Corporate Social Responsibility and stakeholders according to the good governance and ethics. The risk of corruption management is a significant factor that encourages company to achieve Goal. Company determines mitigation plans which are;

- Issue Anti-corruption policy to encourage Board of Committee, management, and employees to commit in integrity and avoid conflict of interest. Punishment measurement will be executed in case of official convicted of corruption. Policy will be emphasized and cascaded to management and employees constantly.
- Improve the work process by focusing on increasing internal control system and consulting with the internal auditors in order to organize annual audit plan or specific auditing.
- Launch various projects to promote company culture such as “Lead by Example”, Code of Conduct and Anti-corruption.

7. Risk from co-operation with new partners

Investment with new partners is strategy to enhance business growth and sustainability. Company constantly invested with new partners and will expand number of partners in the future. Company carefully considers stage gate which covers from the opportunity seeking to the investment approval by management and specialist. Board of committee will consider assessment of risk and mitigation plan to approve mega Investment. Company determines mitigation plans which are;

- Organize systematic procedure with analytical and feasibility study by Consultant or Specialist and propose to Board of committee and management.
- Organize systematic project monitoring by entitling steering committee of mega investment project to ensure work progress and risk mitigation plan.
- Sourcing high potential partners constantly by studying relevant information prior to commitment in order to avoid conflict of interest.
- Arrange deliberate contract to avoid conflict of interest.

- Plan for organization, employee and explicit evaluation performance to support new investment.
- Plan for fund sourcing to suffice demand and balance financial ratio.

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. The types of relationships can be summarized as follows:

Person With Potential conflict of Interest

Enginar Co., Ltd. (“ENG”)

The distributor of electrical equipment, air conditioning and electrical installation.

- ATS (Automatic Transfer Switch) brand ASCO in Emerson Industrial Automation Group, which is a high-quality Double Throw that can have uninterrupted power supply during power failure. Lasting longer than the typical ATS, ATS has higher cost more than other brands, so it is for a quite specific customer who only uses ATS's ASCO.
- Clipsal – Bus lighting System, Driver computerized lighting system.
- Cirpark System, navigation system for parking
- Room Control Unit System (RCU) Control temperature and lighting system in the room.

Varitek Co., Ltd. (VAR)

ASEFA-Suntech Joint Venture

Type of Relationship

- Has Authorized Director together: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klomchitcharoen
- Shareholders together

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. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00
4. Mr. Pornchai Uraisin	59,436,000	10.81	2,500	5.00

Note: shareholders data as of December 30, 2019

* Total holding of the person concerned Ungkanakornkul's family

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.

- Operate a business as a distributor of Electrical and electronic equipments, by the Company holding 99.99% of the shares. At present, the registered of capital is 15 million baht.

- A joint venture company with Suntech Engineering Co., Ltd.

The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 2 million baht to purchase demolition projects of Bang Pakong Combined Cycle Power Plant Unit 1 and Unit 2 of the Electricity Generating Authority of Thailand, including project management until completed.

Person With Potential conflict of Interest

Type of Relationship

ASEFA and VARS Joint Venture	<ul style="list-style-type: none"> • A joint venture between the company and VARS Company Limited, <p>The Company holds 50.00 percent (the percentage of share of prof-its from the project) with the registered of capital is 2 million baht. The purpose of the joint investment to operate in the underground electrical distribution system and other related engineering tasks.</p>
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 prof-its from the project) with the registered of capital is 1 million baht. The purpose to operate energy-saving systems and equipments Air conditioning system and other related engineering.
Mr. Phaiboon Ungkanakornkul	<ul style="list-style-type: none"> • Being in charge of Director, Board of Management and Managing di-rector positions. • Shareholder of 221,021,400 shares (Total holding of the person con-cerned.), percentage40.19of the number of shares sold of the Com-pany at December 30th, 2019.
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 30th, 2019.
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 30th, 2019.

Related Transaction Details

In 2018 - 2019, 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
		2018	2019	
Enginar Co., Ltd. ("ENG")	Goods sale	0.35	1.12	<p>The Company sold switchboard (structure) and electrical equipment to ENG 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 the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.</p>
	Trade Accounts Receivable	0.29	0.04	

(2) Other Revenue

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2018	2019	
ASEFA Suntech Joint Venture	Management fee Income	-	-	<p>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.</p> <p>The Audit Committee has considered the issue and holds the view that management fee as</p>
	Management fee Receivable	-	-	
ASEFA and VARS Joint Venture	Guarantee fee (BG)	0.66	0.27	<p>Guarantee fee for letters of guarantee from the company Charged from a joint venture, due to the company Have previously re-served the fee.</p> <p>The Audit Committee has considered the is-sue and holds the view that management fee as compensation to employees is actual and reasonable.</p>

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2018	2019	
ASEFA and UMI Joint Venture	Guarantee fee (BG)	0.57	0.02	<p>Guarantee fee for letters of guarantee from the company Charged from a joint venture, due to the company Have previously re-served the fee.</p> <p>The Audit Committee has considered the is-sue 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
		2018	2019	
Enginar Co., Ltd. ("ENG")	Buy Goods	18.38	42.94	<p>Bought automatic transfer switch brand ASCO from ENG, who is the major distributors, ac-cording 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	3.21	15.54	
ASEFA Suntech Joint Venture	Buy property	-	-	<p>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.</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>
	Buy Goods	-	-	
	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
		2018	2019	
ASEFA Suntech Joint Venture	Balance, beginning of period	89.00	89.00	<p>In 2014, the company has provided a loan to the ASEFA Suntech Joint Venture to a turnover in the operation. In 2018 and 2019 the interest rate is 5 percent per year, a rate that is close to market rates.</p> <p>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.</p>
	<u>Loan</u> during the period	-	-	
	<u>Repayment</u> during the period	-	-	
	<u>Allowance</u> during the period	29.54	37.11	
	Balance at the end of period	59.46	51.89	
	Interest received	-	-	
	Accrued interest received	0.74	0.74	
ASEFA and VARS Joint Venture	Balance, beginning of period	35.00	-	<p>In 2017, the company has provided a loan to the ASEFA and VARS Joint Venture to a turnover in the operation. In 2018 and 2019 the interest rate is 5 percent per year, a rate that is close to market rates.</p> <p>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 re-sult in increased revenues, earnings and business prospects of the company.</p>
	<u>Loan</u> during the period	-	-	
	<u>Repayment</u> during the period	35.00	-	
	<u>Allowance</u> during the period	-	-	
	Balance at the end of period	-	-	
	Interest received	0.35	-	
	Accrued interest received	-	-	
ASEFA and UMI Joint Venture	Balance, beginning of period	-	10.00	<p>In 2018, the company has provided a loan to the ASEFA and UMI Joint Venture to a turnover in the operation. In 2018 and 2019 the interest rate is 5 percent per year, a rate that is close to market rates.</p> <p>The Audit Committee has considered the issue and holds the view that The trans-action is appropriate and bene-ficial to the Company. The joint venture will re-sult in increased revenues, earnings and business prospects of the company.</p>
	<u>Loan</u> during the period	30.00	29.00	
	<u>Repayment</u> during the period	20.00	5.00	
	<u>Allowance</u> during the period	-	-	
	Balance at the end of period	10.00	34.00	
	Interest received	0.30	1.46	
	Accrued interest received	-	-	

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

Future Trends for Related Transactions

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

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.

Operating Results and Financial Status

1. Financial Status and Operational Results

Audit Report Summary

(A) 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.

(B) 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.

(C) 2019 Financial Statement as Audited by Mr. Atipong Atipongsakul, Certified Auditor, License No. 3500, 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, 2019, 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	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	92.10	3.94	43.68	1.73	57.10	2.71
Trade and other receivable - net	627.86	26.86	772.59	30.66	552.72	26.25
Contract assets	34.07	1.46	151.39	6.01	67.19	3.19
Short-term loan to related party-net	106.99	4.58	69.46	2.76	85.89	4.08
Short-term loan to other company	-	-	5.10	0.20	3.51	0.17
Inventories - net	678.81	29.03	688.87	27.53	529.41	25.14
Total current assets	1,539.83	65.87	1,731.09	68.69	1,295.82	61.54
Non-current Assets						
Restricted deposits at financial institutions	68.32	2.92	68.44	2.72	68.57	3.26
Retention	5.01	0.21	15.24	0.60	9.56	0.45
Investments in subsidiaries - net	16.85	0.72	17.35	0.69	17.35	0.82
Investment property - net	1.87	0.08	1.66	0.07	18.64	0.89
Property, plant and equipment - net	677.28	28.98	654.98	25.99	657.70	31.23
Intangible assets - net	8.31	0.36	8.02	0.32	6.45	0.31
Deferred tax assets	18.31	0.78	22.39	0.89	30.88	1.47
Other non-current assets	1.94	0.08	0.98	0.04	0.83	0.04
Total non-current assets	797.89	34.13	789.06	31.31	809.98	38.46
Total assets	2,337.72	100.00	2,520.15	100.00	2,105.80	100.00
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts and short-term loans from financial institutions	0.01	0.00	240.00	9.52	15.48	0.74
Trade and other payables	776.38	33.22	620.10	24.61	504.13	23.94
Current portion of liabilities under financial lease agreements	0.69	0.03	0.25	0.01	-	-
Current portion of long-term loans from financial institutions	10.72	0.46	8.58	0.34	-	-
Accrued income tax	26.50	1.13	38.01	1.51	6.72	0.32
Total current liabilities	814.30	34.83	906.84	35.99	526.33	24.99
Non-Current Liabilities						
Liabilities under financial lease agreements - net	0.25	0.01	-	-	-	-
Long-term loans from financial institutions - net	8.58	0.37	-	-	-	-
Provision for long-term employee benefit	16.42	0.70	22.47	0.89	34.91	1.66
Non-current liabilities	0.09	0.00	0.11	0.00	0.11	0.01
Total non-current liabilities	25.34	1.08	22.58	0.90	35.02	1.66
Total liabilities	839.64	35.92	929.52	36.88	561.35	26.66
Shareholders' Equity						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		550.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	23.53	550.00	21.82	550.00	26.12
Premiums on ordinary shares	386.70	16.54	386.70	15.34	386.70	18.36
Retained earnings						
Appropriated						
Legal reserve	55.00	2.35	55.00	2.18	55.00	2.61
Unappropriated	506.38	21.66	598.93	23.77	552.75	26.25
Total shareholders' equity	1,498.08	64.08	1,590.63	63.12	1,544.45	73.34
Total liabilities and shareholders' equity	2,337.72	100.00	2,520.15	100.00	2,105.80	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,650.09	99.40	2,931.24	99.43	2,488.28	99.38
Other income	16.07	0.60	16.69	0.57	15.44	0.62
Total revenues	2,666.16	100.00	2,947.93	100.00	2,503.72	100.00
Expenses						
Costs of sales and service	2,010.22	75.40	2,223.63	75.43	1,963.36	78.42
Selling expenses	199.50	7.48	223.54	7.58	208.36	8.32
Administrative expenses	153.72	5.77	159.59	5.41	161.58	6.45
Total expenses	2,363.44	88.65	2,606.76	88.43	2,333.30	93.19
Profit before finance costs and income tax	302.72	11.35	341.17	11.57	170.42	6.81
Finance costs	5.03	0.19	2.96	0.10	1.58	0.06
Profit before income tax	297.69	11.16	338.21	11.47	168.84	6.74
Income tax expenses	56.65	2.12	67.12	2.28	30.55	1.22
Profit for the years	241.04	9.04	271.09	9.20	138.29	5.52
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.44		0.49		0.25	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.44		0.49		0.25	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2017	2018	2019
Cash Flows from Operating Activities:			
Profit before income tax	297.69	338.21	168.84
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities			
Depreciation and amortization	51.40	52.62	50.26
Reversal of allowance for doubtful accounts	(2.35)	5.32	12.22
Allowance for short-term loans to related party	8.51	12.53	7.57
Allowance for inventories devaluation	20.86	7.20	14.07
(Gain) Loss from disposal of asset	(1.12)	(4.05)	(0.61)
(Gain) Loss from disposal of non-current assets held for sale	(0.02)	-	-
Provision for long-term employee benefits	2.57	2.88	8.83
Interest expenses	5.03	2.96	1.58
Profit from operating activities before changes in operating assets and liabilities	382.57	417.67	262.76
Operating assets (increased) decreased			
Trade and other receivables	(41.36)	(160.28)	200.92
Contract assets	22.68	(117.33)	84.21
Inventories	(101.51)	(17.26)	145.39
Other non-current assets	(1.36)	0.97	0.14
Operating liabilities increased (decreased)			
Trade and other payables	271.40	(148.41)	(115.67)
Other non-current liabilities	(0.09)	0.02	-
Cash provided (paid) by operating activities	532.33	(24.62)	577.75
Employee benefits obligations paid	-	-	(0.12)
Interest paid	(5.30)	(2.93)	(1.63)
Income tax paid	(68.97)	(59.05)	(69.58)
Net cash from (used in) operating activities	458.06	(86.60)	506.42
Cash Flows from Investing Activities			
Restricted deposits at financial institution (increased) decreased	26.23	(0.12)	(0.12)
Cash received from short-term loans to related party	92.00	55.00	5.00
Cash payment for short-term loans to related party	(55.00)	(30.00)	(29.00)
Cash received from short-term loans to other company	-	7.19	1.59
Cash payment for short-term loans to other company	-	(12.28)	-
Cash payment for investment in subsidiary	-	(0.50)	-
Cash payment for acquisition of investment property	-	-	(4.79)
Cash payment for acquisition of property, plant and equipment	(43.86)	(35.50)	(50.32)
Cash received from disposal of property, plant and equipment	2.00	4.46	0.91
Cash payment for acquisition of intangible asset	(4.02)	(2.65)	(1.42)
Net cash (used in) investing activities	17.35	(14.40)	(78.15)
Cash Flows from Financing Activities:			
Bank overdraft and short-term loans from financial institutions Increased (decreased)-net	(189.81)	239.99	(224.52)
Cash repayments for long-term loans from financial institutions	(66.64)	(10.72)	(8.58)
Cash payments for liabilities under finance lease agreements	(4.53)	(0.69)	(0.25)
Dividend paid	(176.00)	(176.00)	(181.50)
Net cash from (used in) financing activities	(436.98)	52.58	(414.85)
Net cash and cash equivalents (increased) decreased	38.44	(48.42)	13.42
Cash and cash equivalents at the beginning of the years	53.66	92.10	43.68
Cash and cash equivalents at the end of the years	92.10	43.68	57.10

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2017	2018	2019
<u>Liquidity Ratio</u>				
Liquidity	(Times)	1.89	1.91	2.46
Quick Ratio	(Times)	0.93	1.07	1.29
Cash Flow Liquidity	(Times)	0.58	(0.10)	0.71
Trade Debtors' Circulation	(Times)	4.38	4.19	3.76
Mean Debt Collection Time	(Days)	83	87	97
Circulating Inventory	(Times)	3.15	3.25	3.22
Average Product Selling Time	(Days)	116	112	113
Creditors' Circulation	(Times)	3.15	3.18	3.49
Credit Term Debt Payment Time	(Days)	116	114	104
Cash Cycle	(Days)	83	85	106
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	24.15	24.14	21.10
Profit from Operating Activities	(%)	11.42	11.07	6.23
Cash per Profit	(%)	175.85	(7.59)	372.80
Net Profit	(%)	9.04	9.20	5.52
Return on Equity Shareholders' Returns (ROE)	(%)	16.44	17.55	8.82
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	13.16	14.05	7.37
Returns from Fixed Assets	(%)	44.04	49.63	27.60
Asset Circulation	(Times)	1.16	1.21	1.08
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.56	0.58	0.36
Interest Payment Ability	(Times)	60.11	115.14	107.96
Obligation Payment Ability (cash basis)	(Times)	1.55	(0.38)	2.05

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	125.56	5.36	85.67	3.36	104.09	4.86
Trade and other receivables - net	637.17	27.20	775.54	30.44	564.16	26.35
Contract assets	60.15	2.57	168.17	6.60	107.01	5.00
Short-term loan to other company	-	-	5.10	0.20	3.51	0.16
Materials from the decommissioning a power plan- net	58.46	2.50	51.66	2.03	40.38	1.89
Inventories - net	678.81	28.98	688.87	27.04	529.41	24.72
Total current assets	1,560.16	66.61	1,775.01	69.68	1,348.56	62.97
<u>Non-current Assets</u>						
Restricted deposits at financial institutions	68.32	2.92	68.44	2.69	68.57	3.20
Retention	5.01	0.21	15.24	0.60	9.56	0.45
Investment property - net	1.87	0.08	1.66	0.07	18.64	0.87
Property, plant and equipment - net	677.73	28.94	655.11	25.72	657.46	30.70
Intangible assets - net	8.31	0.35	8.02	0.31	6.45	0.30
Deferred tax assets	18.92	0.81	22.92	0.90	31.36	1.46
Other non-current assets	1.95	0.08	0.98	0.04	0.83	0.04
Total non-current assets	782.11	33.39	772.37	30.32	792.87	37.03
Total assets	2,342.26	100.00	2,547.38	100.00	2,141.43	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	0.01	0.00	240.00	9.42	15.48	0.72
Trade and other payables	776.58	33.15	635.05	24.93	529.43	24.72
Current portion of liabilities under financial lease agreements	0.69	0.03	0.25	0.01	-	-
Current portion of long-term loans from financial institutions	10.72	0.46	8.58	0.34	-	-
Accrued income tax	27.21	1.16	38.19	1.50	7.11	0.33
Total current liabilities	815.21	34.80	922.07	36.20	552.02	25.78
<u>Non-Current Liabilities</u>						
Liabilities under financial lease agreements - net	0.25	0.01	-	-	-	-
Long-term loans from financial institutions - net	8.58	0.37	-	-	-	-
Provision for long-term employee benefit	16.42	0.70	22.47	0.88	34.91	1.63
Non-current liabilities	2.15	0.09	0.47	0.02	0.91	0.04
Total non-current liabilities	27.40	1.17	22.94	0.90	35.82	1.67
Total liabilities	842.61	35.97	945.01	37.10	587.84	27.45
<u>Shareholders' Equity</u>						
Share capital						
Authorized share capital						
550,000,000 ordinary share, at Baht 1 each	550.00		550.00		550.00	
Issued and fully paid-up						
550,000,000 ordinary share, at Baht 1 each	550.00	23.48	550.00	21.59	550.00	25.68
Premiums on ordinary shares	386.70	16.51	386.70	15.18	386.70	18.06
Discount on purchase of investments in subsidiaries - net	1.98	0.09	1.98	0.08	1.98	0.09
Retained earnings						
Appropriated						
Legal reserve	55.00	2.35	55.00	2.16	55.00	2.57
Unappropriated	513.92	21.94	620.46	24.36	579.58	27.07
Total shareholders' equity attributable to owners of parent	1,507.61	64.37	1,614.14	63.36	1,573.26	73.47
Non-controlling interests	(7.95)	(0.34)	(11.77)	(0.46)	(19.67)	(0.92)
Total shareholders' equity	1,499.65	64.03	1,602.37	62.90	1,553.59	72.55
Total liabilities and shareholders' equity	2,342.26	100.00	2,547.38	100.00	2,141.43	100.00

Statements of Profit or Loss and Other Comprehensive Incomeev

Statements of Profit or Loss and Other Comprehensive Income	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,808.26	99.67	3,020.77	99.50	2,551.08	99.57
Other income	9.33	0.33	15.33	0.50	11.06	0.43
Total revenues	2,817.59	100.00	3,036.10	100.00	2,562.14	100.00
Expenses						
Costs of sales and service	2,152.16	76.39	2,305.35	75.93	2,018.96	78.80
Selling expenses	199.55	7.08	223.54	7.36	208.36	8.13
Administrative expenses	146.04	5.18	155.15	5.11	162.79	6.35
Total expenses	2,497.75	88.65	2,684.04	88.40	2,390.11	93.29
Profit before finance costs and income tax	319.84	11.35	352.06	11.60	172.03	6.71
Finance costs	5.04	0.18	2.96	0.10	1.58	0.06
Profit before income tax	314.80	11.17	349.10	11.50	170.45	6.65
Income tax expenses	58.51	2.07	68.34	2.25	31.74	1.24
Profit for the years	256.29	9.10	280.76	9.25	138.71	5.41
Total comprehensive income for the years -Equity holders of the Company	253.38	8.99	285.07	9.39	143.61	5.61
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.46		0.52		0.26	
Net Profit (Loss) per share (Weighted Average) (Baht)	0.46		0.52		0.26	
Par Value (Baht)	1.00		1.00		1.00	

Statements of Cash Flows

(Unit: Million Baht)	2017	2018	2019
Cash Flows from Operating Activities:			
Profit before income tax	314.80	349.10	170.45
Adjustments to reconcile profit before income tax to cash			
Provided by (used in) operating activities			
Depreciation and amortization	51.76	52.94	50.63
Reversal of allowance for doubtful accounts	(3.12)	4.98	11.96
Allowance for Materials from the decommissioning power plant	-	6.80	7.63
Allowance for inventories devaluation	20.86	7.20	14.07
(Gain) from disposal of asset	(1.12)	(4.05)	(0.61)
(Gain) Loss from disposal of non-current assets held for sale	(0.02)	-	-
Provision for long-term employee benefits	2.56	2.88	8.83
Interest expenses	5.03	2.96	1.58
Profit from operating activities before changes in operating assets and liabilities	390.75	422.81	264.54
Operating assets (increased) decreased			
Trade and other receivables	(49.01)	(153.39)	192.69
Contract assets	(3.40)	(108.01)	61.15
Materials from the decommissioning a power plant	73.04	-	3.65
Inventories	(101.51)	(17.26)	145.39
Other non-current assets	(1.36)	0.97	0.14
Operating liabilities increased (decreased)			
Trade and other payables	269.19	(133.65)	(105.31)
Other non-current liabilities	1.97	(1.68)	0.43
Cash provided (paid) by operating activities	579.67	9.59	562.68
Employee benefits obligations paid	-	-	(0.12)
Interest paid	(5.30)	(2.93)	(1.63)
Income tax paid	(69.98)	(60.73)	(70.51)
Net cash from (used in) operating activities	504.39	(54.07)	490.42
Cash Flows from Investing Activities			
Restricted deposits at financial institutions (increased) decreased	26.24	(0.12)	(0.12)
Cash received from short-term loans to other company	-	7.19	1.59
Cash payment for short-term loans to other company	-	(12.28)	-
Cash payment for acquisition of investment property	-	-	(4.79)
Cash payment for acquisition of property, plant and equipment	(43.86)	(35.50)	(50.32)
Cash received from disposal of property, plant and equipment	2.00	4.46	0.91
Cash payment for acquisition of intangible asset	(4.02)	(2.65)	(1.42)
Net cash used in investing activities	(19.64)	(38.90)	(54.15)
Cash Flows from Financing Activities:			
Increased (decreased) in bank overdraft and short-term loans from financial institutions - net	(189.81)	239.99	(224.52)
Cash payment for long-term loans from financial institutions	(66.64)	(10.72)	(8.58)
Cash payments for liabilities under finance lease agreements	(4.53)	(0.69)	(0.25)
Dividend paid	(176.00)	(176.00)	(181.50)
Non-controlling interest increase	-	0.50	(3.00)
Net cash from (used in) financing activities	(436.98)	53.08	(417.85)
Net cash and cash equivalents (increased) decreased	47.77	(39.89)	18.42
Cash and cash equivalents at the beginning of the years	77.79	125.56	85.67
Cash and cash equivalents at the end of the years	125.56	85.67	104.09

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2017	2018	2019
<u>Liquidity Ratio</u>				
Liquidity	(Times)	1.91	1.93	2.44
Quick Ratio	(Times)	1.01	1.12	1.40
Cash Flow Liquidity	(Times)	0.64	(0.06)	0.67
Trade Debtors' Circulation	(Times)	4.40	4.28	3.81
Mean Debt Collection Time	(Days)	83	85	96
Circulating Inventory	(Times)	3.37	3.37	3.31
Average Product Selling Time	(Days)	108	108	110
Creditors' Circulation	(Times)	3.37	3.27	3.47
Credit Term Debt Payment Time	(Days)	108	111	105
Cash Cycle	(Days)	83	82	101
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	23.36	23.68	20.86
Profit from Operating Activities	(%)	11.39	11.38	5.92
Cash per Profit	(%)	181.24	2.85	349.56
Net Profit	(%)	8.99	9.39	5.61
Return on Equity Shareholders' Returns (ROE)	(%)	17.24	18.26	9.01
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	13.92	14.40	7.34
Returns from Fixed Assets	(%)	47.13	52.11	28.45
Asset Circulation	(Times)	1.23	1.24	1.09
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.56	0.59	0.37
Interest Payment Ability	(Times)	63.51	118.82	108.98
Obligation Payment Ability (cash basis)	(Times)	1.71	(0.24)	1.99

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.

The Group's operations are divided by 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")

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 of last year 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 3,036.10 million baht, having increased by 218.51 million baht or 7.75%. 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 abovementioned products and services has been continuously grown.

In 2019, the company and its subsidiaries earned the total revenue of 2,562.14 million baht, having decreased by 473.96 million baht (or 15.61%) from the same period of last year. The mainly decrease in manufacturer and distributor by company group by 415.62 million baht and supplied and distributed products group by 68.39 million baht. Since to the market conditions, which a slowdown in investment and decline of some customers group. For the revenue from the service group increased by 14.33 million baht, or 2.17%, since to the expansion of the

integrated engineering service and joint ventures with new partners as of renewable energy and energy conservation, Smart grid systems and automatic control system, which has growing and increasing trend. Resulting in the company And its subsidiaries had net profits in the amount of 143.61 million baht, a decrease of 141.46 million baht or 49.62 percent, with a net profit margin decreased from 9.39 percent to 5.61 percent due to a decrease of 2.82 percent gross profit when compared to the same period of last year.

The decrease in net income was affected by the economic condition and the market condition in related industries, slowing down from the previous year. With private investment continuing to slow down investment and the market was more competitive in price. Affecting the sales and profits of the company decreased. The fixed production costs per unit increased in product of manufactured and distributed by the company. The company has more managed and controlled the production costs. Including controlled of selling and administrative expenses and for financial costs which decreased from the previous year with the ongoing situations.

As for the economic and industrial trends in 2020, it is expected to expand by 1.5 - 2.5 percent, slowing down from 2019, in accordance with the limitations caused by the outbreak of the Covid-19 virus, drought and delay of Government expenditure budget, But there are still internal and external supporting factors which are (1) The gradual improvement of the world economy and world trade in accordance with the decrease of pressure From trade barriers (2) The expansion of household spending private investment and public investment (3) Driven by government measures and various stimulus measures, which will be a factor to support and drive the economic growth in various industrial sectors. Which will be a positive factor and support the company's business operations to grow continuously.

2. Analysis of Operating Results

2.1 Revenues

Product Group	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1.Revenues from sales						
- Products manufactured and distributed by the Company	1,748.20	62.05	1,968.79	64.85	1,553.16	60.62
- Products distributed by the Company	427.39	15.17	392.35	12.92	323.96	12.65
Total revenues from sales	2,175.59	77.22	2,361.14	77.77	1,877.12	73.27
2.Revenues from services	552.65	19.61	659.63	21.73	670.80	26.18
3.Revenue from power plant demolition	80.01	2.84	-	-	3.16	0.12
4.Other incomes	9.33	0.33	15.33	0.50	11.06	0.43
Total Revenues	2,817.59	100.00	3,036.10	100.00	2,562.14	100.00

The Company and its subsidiaries' total revenues in 2017 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 respectively. In 2018, the total revenues consist of sales and service revenues and other incomes, in the percentages of 77.77%, 21.73% and 0.50% respectively.

In 2019, the Company and its subsidiaries' earned the revenues from sales, services revenues and revenue from the Bangpakong power plant demolition and other incomes, calculated in percentage as 73.26%, 26.18%, 0.12% and 0.43% of the total revenues respectively.

Revenues from sales

Product Group	Operated by	2017		2018		2019	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	Asefa	1,025.85	47.15	1,162.73	49.24	892.12	47.53
Licensed Products	Asefa	596.40	27.42	675.98	28.63	532.36	28.36
Other products	Asefa	125.96	5.79	130.08	5.51	128.68	6.85
Total revenue from products manufactured and distributed by the Company		1,748.20	80.36	1,968.79	83.38	1,553.16	82.74
Products distributed by the Company							
Electrical and control products	Asefa	88.22	4.05	63.66	2.70	68.25	3.64
Electrical power distribution products	Asefa	289.62	13.31	271.70	11.51	201.86	10.75
Lighting and equipment	Asefa	8.23	0.38	12.35	0.52	22.07	1.18
Mineral Insulated Cable	Asefa	21.82	1.00	3.99	0.17	0.17	0.01
Other products	Asefa	19.51	0.90	40.65	1.72	36.61	1.68
Total revenue from products distributed by the Company		427.39	19.64	392.35	16.62	323.96	17.26
Total revenue from sales		2,175.59	100.00	2,361.14	100.00	1,877.12	100.00

Sales revenue during 2017-2019 composed the revenue from products manufactured and distributed by the Company, and the revenue from products distributed by Company. 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.

In 2019, 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 1,553.16 million baht and 323.96 million baht, or 82.74% and 17.26% of total sales revenue respectively.

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 80.36%, 83.38%, and 82.74% of the total sales revenues from 2017 to 2019 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 47.15%, 49.24% and 47.53% of the total sales revenue from 2017 to 2019 respectively.

Products distributed by the Company

From 2017-2019, the Company and its subsidiaries earned the revenues from the product distributed by the Company in the amount of 427.39 million baht, 392.35 million baht and 323.96 million baht respectively, or calculated in percentage as 19.64%, 16.62% and 17.26% 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.

Revenue from services

Product Group	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	451.98	81.78	547.97	83.07	541.93	80.79
After sales services	100.67	18.22	111.66	16.93	128.87	19.21
Total revenue from services	552.65	100.00	659.63	100.00	670.80	100.00

The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 552.65 million baht in 2017, 659.63 in 2018 which it was increased 106.98 million baht, or 19.36%. In 2019, The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 670.80 million baht which it was increased from last year 11.17 million baht, or 1.69%. Revenues from related engineering services has increased, since to the expansion of the integrated engineering service and joint ventures with new partners as of renewable energy and energy conservation, Smart grid systems and automatic control system, which has growing and increasing trend.

Revenue from power plant demolition

Product Type	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from power plant demolition	80.01	100.00	-	-	3.16	100.00

In 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.

For the year 2019, The Company and its subsidiaries earned the revenue from the Bangpakong power plant demolition project 3.16 million baht, increased by 3.16 million baht or 100.00% when compared to the same period in 2018. The company Filed a petition with the Official Receiver to regarding to the permission for continuing operation of subsidiary, the creditors' meeting resolved to carry forward with such liquidation, with the Official Receiver and the Company as joint liquidators. Presently it is in the process of selling the joint venture's assets for liquidation.

Other incomes

Product Type	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Other income	9.33	0.33	15.33	0.50	11.06	0.43

From 2017-2019, The Company and its subsidiaries earned the revenue from other incomes in the amount of 9.33 million baht, 15.34 million baht and 11.06 million baht respectively; the growth rates were calculated to 0.33%, 0.50% and 0.43% of the total revenues. In 2019, the other incomes of the Company and its subsidiaries received consists of the Income from compensation for compensation for damaged goods 1.27 million baht, rental income of 1.25 million baht, foreign exchange gains of 1.15 million baht and interest income due to late payment of 0.74 million baht, etc.

2.2 Cost of Sales and Expenses

Cost and Expenses	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	2,152.16	76.39	2,305.35	75.93	2,018.96	78.81
Selling expenses	199.55	7.08	223.54	7.36	208.36	8.13
Administrative expenses	146.04	5.18	155.15	5.11	162.79	6.35
Finance cost	5.04	0.18	2.96	0.10	1.58	0.06
Total Expenses	2,502.79	88.83	2,687.00	88.50	2,391.69	93.35
Total revenue	2,817.59		3,036.10		2,562.14	

The major of expense of the Company and its subsidiaries include cost of sales and service, selling expenses, administrative expenses, and finance cost. During 2017 to 2019, the Company and its subsidiaries had the expenses at 2,502.79 million baht, 2,687.96 million baht and 2,391.69 million baht respectively, or estimated at 88.83%, 88.50% and 93.35% of the total revenues.

Cost of sales and service

Product Group	2017		2018		2019	
	Million Baht	GP (%)	Million Baht	GP (%)	Million Baht	GP (%)
Cost of sales- Products manufactured and distributed by the Company	1,315.91	24.73	1,483.36	24.66	1,230.33	20.79
Cost of sales- Products distributed by the Company	324.66	24.04	287.53	26.71	242.54	25.13
Cost of sales-Service	438.07	20.73	534.46	18.98	542.44	19.14
Cost of sales-power plant demolition	73.52	8.12	-	-	3.65	(15.56)
Cost of sales and service	2,152.16	23.36	2,305.35	23.68	2,018.96	20.86

During 2017 to 2018, the Company and its subsidiaries had the cost of sales and services at the amount of 2,152.16 million baht and 2,305.35 million baht, calculated in percentage as 76.38% and 75.93% of the total revenues; the cost of sales and services in 2018 increased by 153.19 million baht, or at 7.12% compared to 2017, which was proportionate to the increase of production and sales.

In 2019, the cost of sales and service was at 2,018.96 million baht, having decreased by 286.39 million baht, or (12.42%), calculated in percentage as 78.80% of the total revenues, which the reduction of cost of sales and services in line with the reduced revenue.

Gross Margin

During 2017 to 2018, the Company and its subsidiaries had the gross margin at 656.09 million baht and 715.42 million baht, having increased by 59.32 million baht, or 9.04%, calculated by the gross margin ratio at 23.68%, having increased by 0.32% compared to the same period last year. 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.

In 2019, the Company and its subsidiaries had the gross margin at 532.12 million baht, having decreased by 183.30 million baht, or decreased in percentage as (25.62%), by the gross margin ratio at 20.86%, having decreased by 2.82%, when compared to the same period of last year. Since to the impact of the sales decline, the company's production volume has decreased. While the company has a fixed cost of labor and overhead close to the same period last year, resulting in increased production costs per unit.

Selling expenses

During 2017 to 2018, the Company and its subsidiaries had the selling expense in the amount of 199.55 million baht and 223.54 million baht, calculated in percentage as 7.08% and 7.36% of the total revenue. In 2018, the selling expense increased by 23.99 million baht, or 12.02%, compared to same period of 2017 because, 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.

In 2019, the Company and its subsidiaries had the selling expense in the amount of 208.36 million baht, having decreased by 15.18 million baht, or 6.79% compared to same period of last year. The major reduction in expenses was sales expenses in terms of sales promotion and marketing.

Administrative expenses

During 2017 to 2018, the Company and its subsidiaries had the administrative expenses in the amount of 146.04 million baht and 155.15 million baht, calculated in percentage as 5.18% and 5.11% of the total revenue. In 2018, the administrative expenses 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.

In 2019, the Company and its subsidiaries had the administrative expenses in the amount of 162.79 million baht or calculated in percentage as 6.35% of the total revenues, having increased by 7.64 million baht, or 4.92% compared to same period of 2018. The increase in administrative expenses was mainly due to the allowance for doubtful accounts, due to lack of liquidity and provision for allowance for obsolete products.

Finance cost

During 2017 to 2018, the Company and its subsidiaries had the financial cost in the amount of 5.04 million baht and 2.96 million baht, by decreased in amount of 2.08 million baht, calculated in percentage as 41.27%, compared to the 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.

In 2019, the Company and its subsidiaries had financial cost in the amount of 1.58 million baht, having decreased by 1.38 million baht, or 46.62% compared to same period of 2018 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 2017 to 2018, the Company and its subsidiaries had earned the net profit in the amount of 253.38 million baht and 285.07 million baht respectively, calculated in percentage as 8.99% and 9.39%. The increase in the net profit in 2018 was 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 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 2019, the Company and its subsidiaries had earned the net profit in the amount of 143.61 million baht, having decreased 141.46 million baht, calculated in percentage as (49.62%), with the net profit ratio of 5.61%, having decreased (3.78%) compared to same period of 2018. In 2019, the decrease in net income was affected by the economic condition and the market condition in related industries, slowing down from the previous year. With private investment continuing to slow down investment and the market was more competitive in price. Affecting the sales and profits of the company decreased. The fixed production costs per unit increased in product of manufactured and distributed by the company.

3. Financial Position

Consolidated Financial Statement	2017	2018	2019
Current assets	1,560.15	1,775.01	1,348.56
Non – current assets	782.11	772.37	792.87
Total assets	2,342.26	2,547.38	2,141.43
Liabilities	842.61	945.01	587.84
Shareholders' equity	1,499.65	1,602.37	1,553.59
Total Liabilities and shareholders' equity	2,342.26	2,547.38	2,141.43

3.1 Asset

During 2017 to 2019, the Company and its subsidiaries had the total assets in the amount of 2,342.26 million baht, 2,547.38 million baht and 2,141.43 million baht respectively, with the growth ratio at 4.08%, 8.75% and (15.94%). 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 2017 to 2019, there were trade receivables before allowance of doubtful accounts for 584.90 million baht, 761.09 million baht and 540.70 million baht respectively, calculated in percentage as 24.97%, 29.87% and 25.25% 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 83 days in 2017, 85 days in 2018 and 96 days in 2019.

Period	As at 31 Dec, 2017		As at 31 Dec, 2018		As at 31 Dec, 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Trade receivables</u>						
Current	395.97	67.70	494.55	64.98	356.32	65.90
Over due						
Not over 3 month	122.92	21.02	190.24	25.00	96.44	17.83
Over 3 month - Not over 6 month	7.80	1.33	8.63	1.13	11.06	2.05
Over 6 month – Not over 12 month	3.04	0.52	20.99	2.76	3.01	0.56
Over 12 months	55.17	9.43	46.68	6.13	73.87	13.66
Total Trade receivables	584.90	100.00	761.09	100.00	540.70	100.00
Less Allowance for doubtful accounts	(45.43)		(44.36)		(56.32)	
Total trade receivables - net	539.47		716.73		484.38	

From the table above, the Company and its subsidiaries had the ratio of overdue trade receivables, from 2017-2019, at 67.70%, 64.98% and 65.90% 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 21.02%, 25.00% and 17.84% respectively. In 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.

At the end of 2019, the Company and its subsidiaries had trade receivables overdue over 12 months, increasing from 46.68 million baht in 2018 to 73.87 million baht, Since there is a debtor with a lack of liquidity. At present, there has been a partial payment for the remaining part is in the process of negotiation with the debtor for receiving payment. The company has set aside some part allowance for doubtful accounts.

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, 2017		As at 31 Dec, 2018		As at 31 Dec, 2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	48.94	6.66	46.96	6.24	37.55	6.19
Work in process	78.18	10.64	114.90	15.28	105.72	17.43
Raw material	565.91	77.03	537.28	71.45	422.79	69.70
Supplies	34.69	4.72	41.97	5.58	36.95	6.09
Goods under installation	5.02	0.68	6.16	0.82	1.17	0.19
Goods in transit	2.01	0.27	4.74	0.63	2.44	0.40
Total inventories	734.75	100.00	752.01	100.00	606.62	100.00
Less allowance for devaluations	(55.94)		(63.14)		(77.21)	
Total inventories - net	678.81		688.87		529.41	

The Company and its subsidiaries had the net inventory-net at the end of 2017 to 2019 at the amount of 678.81 million baht, 688.87 million baht and 529.41 million baht respectively, which consists of raw materials, work in process and finished goods.

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

At the end of 2019, the Company and its subsidiaries had inventories in the amount of 606.62 million baht. The majority of which was raw materials, calculated in percentage as 69.70% of all total inventories. The Company's raw materials are electrical equipment used to assemble switchboards.

The net inventories in 2019, was in the amount of 529.41 million baht, decreased by 159.46 million baht, or 23.15% compared to 2018. The decrease due to the quantity of raw materials and equipment, due to inventory management and control by reducing purchase volume and has more efficiency of the company's supply chain system.

Materials from the decommissioning a power plant

Inventory	As at 31 Dec, 2017	As at 31 Dec, 2018	As at 31 Dec, 2019
	Million Baht	Million Baht	Million Baht
Materials from the decommissioning a power plant	70.12	70.12	66.47
Less allowance for devaluations	(11.66)	(18.46)	(26.09)
Materials from the decommissioning a power plant - net	58.46	51.66	40.38

At the end of 2017 to 2019, the Company and its subsidiaries had the net materials from decommissioning power plants-net in the amount of 58.46 million baht, 51.66 million baht and 40.38 million baht respectively, because during the year the Company had continually sold materials from the decommissioned power plants.

At the end of 2019, the Company and its subsidiaries had the net materials from decommissioning power plants-net in the amount of 40.38 million baht, decreased by 11.28 million baht, calculated in percentage as 21.84%, compared to the same period in 2018. The decrease was due to an increase in allowance for inventory in amount of 7.63 million baht, and the materials are sold from the decommissioning power plants in amount of 3.65 million baht.

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	Between 1,826-2,555 Days	75.00
Raw material	Over 2,555 Days	100.00
Work in Process and Finished goods	Between 181 – 365 Days	50.00
Work in Process and Finished goods	Over 365 Days	100.00

Lands, Buildings and Equipment

The Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 677.73 million baht in 2017, 655.11 million baht in 2018 and 657.46 million baht in 2019, calculated by the ratio of the total assets as 28.94%, 25.72% and 30.70% respectively.

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 support the production capacity in the future.

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.

In 2019, the Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 657.46 million baht, having increased 2.35 million baht or 0.36% compared to 2018, Due to investment in machinery and equipment which increased from 2018.

3.2 Liquidity

Cash flow

(Unit: Million Baht)	2017	2018	2019
Net cash from (used in) operating activities	504.39	(54.07)	490.42
Net cash (used in) investing activities	(19.64)	(38.90)	(54.15)
Net cash from (used in) financing activities	(436.98)	53.08	(417.85)
Net cash and cash equivalents (increased) decreased	47.77	(39.89)	18.42

During 2017 to 2018, the Company and its subsidiaries had cash flow from its operating activities in the amount of 504.39 million baht and (54.07) million baht respectively. In 2018, the Company and its subsidiaries had a cash flow from use in operating activities, the payment of debt, trade and other payables increased compared to 2017.

During 2017 to 2018, the Company and its subsidiaries had investing activities in the amount of (19.64) million baht and (38.90) million baht respectively. In 2018, the Company and its subsidiaries had increase in cash payment for short-term loans to other company in amount of 12.28 million baht.

During 2017 to 2018, the Company and its subsidiaries had cash flow from financing activities in the amount of (436.98) million baht and 53.08 million baht respectively. In 2018, the Company and its subsidiaries Increase in bank overdraft and short-term loans from financial institutions in amount of 239.99 million baht and dividend payment of 176.00 million baht.

In 2019, the Company and its subsidiaries had cash flow from its operating activities in amount of 490.42 million baht, having increased 544.49 million baht, compared to the same period in 2018, Due to the increased collection of trade and other receivables compared to the year 2018. According to cash flow used in investing activities was (54.15) million baht. As a result of the investment in fixed assets in amount of 50.32 million baht which increased from the previous year and the company also paid cash from financing activities and bank overdrafts in the amount of 224.52 million baht and dividend payment of 181.50 million baht. The company and its subsidiaries had cash flow from financing activities in the amount of (417.85) million baht.

Liquidity Ratio

Ratios		2017	2018	2019
Liquidity	(Times)	1.91	1.93	2.44
Quick Ratio	(Times)	1.01	1.12	1.40
Mean Debt Collection Time	(Days)	83	85	96
Average Product Selling Time	(Days)	108	108	110
Credit Term Debt Payment Time	(Days)	108	111	105
Cash Cycle	(Days)	83	82	101

The Company and its subsidiaries had the liquidity ratio at the end of 2017 to 2019 at the amount of 1.91, 1.93 and 2.44 respectively, and had the quick ratio at 1.01, 1.12 and 1.40 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 47.26%, 41.72% and 42.25% respectively.

The Company and its subsidiaries had cash cycle equal to 83 days in 2017, 82 days in 2018 and 101 days in 2019. The increased in Cash Cycle, due to The Company had the Mean Debt Collection Time and Average Product Selling Time is slower with a faster repayment period Compared to last year.

3.3 Sources of Capital

Liabilities

The Company and its subsidiaries had debts amount of 842.61 million baht in 2017, 945.01 million baht in 2018 and 587.84 million baht in 2019. Most of the liabilities incurred were mostly trade accounts payable and other 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 96.75% in 2017, 97.57% in 2018 and 93.91% in 2019. The company and its subsidiaries current liabilities were from trade accounts payable and other payables, calculated into percentage as 92.16% of total liabilities at the end of 2017, and most of the Company's debts were current liabilities was trade and other current payables, short-term loans from financial institutions calculated into percentage as 67.20% and 25.39% of total liabilities at the end of 2018.

For the year 2019, the majority of the Company's liabilities of the Company and its subsidiaries are trade accounts payable and other payables, accounting for 90.06% of total liabilities.

The Company's ratio of non-current liabilities had a downward trend to 27.40 million baht in 2017, 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.

At the end of 2019, the Company's non-current liabilities increased by 12.87 million baht, or 56.09% when compared to the same period in 2018 because of the increase in non-current provisions for employee benefits, due to the company The discount rate assumptions are adjusted to reflect the government bond interest rates, resulting in an increase in non-current liabilities for employee benefits from the previous period.

Shareholders' Equity

The Company and its subsidiaries had the value of shareholders in the amount of 1,499.65 million baht in 2017, 1,602.37 million baht in 2018 and 1,553.59 million baht in 2019.

In 2018, the shareholder's equity increased from 2017 with growth rate at 6.85% compared to the same period last year because of the increase in profits from business operation in 2018 the amount of 278.22 million baht, and the dividends paid in the amount of 176.00 million baht.

The value of shareholders increased in 2019 decreased from 2018 by 48.78 million baht or 3.04% when compared to 31 December 2018. Due to the operating profit was at 132.72 million baht and dividend payment was 181.50 million baht in 2019.

Capital Structure Viability

The Company and its subsidiaries had the ratio of debts to equity at 0.56 at the end of 2017, and 0.59 at the end of 2018 and 0.37 at the end of 2019. Which shows that the company There is an effective capital structure.

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, 2019, The Company still has material from the demolition of the net power plant. Which pending sales amount 40.38 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 51.89 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.

On March 20, 2019, the Bankruptcy Division Director considered approving the liquidation of the joint venture whereby the Company declared the intention for the liquidation and proposed to the creditors meeting. On July 1, 2019, the creditors' meeting resolved to carry forward with such liquidation, with the Official Receiver and the Company as joint liquidators. Presently it is in the process of selling the joint venture's assets for liquidation.

The Company's management and its legal counsel believed that the liquidation according to the agreed liquidation plan will not cause any further significant losses from that already provided in the account.

Report of the Board of Directors' 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, 2019



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, 2019, 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, 2019, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Allowance for devaluation of inventories

Risk

As described in Note to Financial Statement No. 11, the Company has allowance for inventories as of December 31, 2019 in the amount of Baht 77.21 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

Audit procedures include:

- I attended the inventories observation at the year ended to assess the condition of the inventories.
- I gained an understanding of the internal control related to the estimation of the allowance for the devaluation of inventories.
- I verified the accuracy of the inventory aging report used for estimating the allowance for the devaluation of inventories in age range classified by inventories type.
- I randomly tested estimated net realizable value of inventories and compare with the book value of inventories.

Revenue from construction services

Risk

The Group has revenues from construction services for the year ended December 31, 2019 in the amount of Baht 511.17 million and recognized the revenues over time when services have been rendered taking into account the stage of completion 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, 2019.

Auditor's Response

My audit procedures included sampling selecting those contracts that could have a significant impact on the Company's financial statements 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 Matter

The consolidated and separate financial statements for the year ended December 31, 2018 of Asefa Public Company Limited and its subsidiaries, and of Asefa Public Company Limited respectively, presented herein as comparative information, were audited by another auditor of the same firm, whose report dated February 22, 2019 expressed an unqualified opinion with an emphasis of matters drawing on attention regarding to the 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.

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.



(Atipong Atipongsakul)
Certified Public Accountant
Registration No. 3500

ANS Audit Co., Ltd.
Bangkok, February 20, 2020

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	6	104,086,563	85,671,063	57,097,831	43,680,176
Trade and other current receivables - net	5, 7	564,158,806	775,542,266	552,720,221	772,593,843
Contract assets	8	107,014,872	168,163,265	67,189,770	151,395,531
Short-term loan to related parties - net	5	-	-	85,893,072	69,458,653
Short-term loan to other company	9	3,508,128	5,098,740	3,508,128	5,098,740
Materials from the decommissioning power plant - net	10	40,384,895	51,664,551	-	-
Inventories - net	11	529,405,120	688,866,588	529,405,120	688,866,588
Total current assets		1,348,558,384	1,775,006,473	1,295,814,142	1,731,093,531
Non-current assets					
Restricted deposits at financial institutions	12	68,565,054	68,442,387	68,565,054	68,442,387
Retention		9,563,875	15,244,759	9,563,875	15,244,759
Investments in subsidiaries - net	13	-	-	17,349,339	17,349,339
Investment property - net	14	18,640,336	1,660,990	18,640,336	1,660,990
Property, plant and equipment - net	15, 18, 21	657,458,626	655,107,309	657,702,419	654,979,342
Intangible assets - net	16	6,451,854	8,024,147	6,451,854	8,024,147
Deferred tax assets - net	17	31,356,534	22,922,777	30,875,424	22,388,337
Other non-current assets		834,935	972,596	834,935	972,596
Total non-current assets		792,871,214	772,374,965	809,983,236	789,061,897
Total assets		2,141,429,598	2,547,381,438	2,105,797,378	2,520,155,428

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	15,485,057	240,000,000	15,485,057	240,000,000
Trade and other current payables	5, 19	529,430,459	635,048,418	504,126,033	620,100,528
Current portion of liabilities					
under financial lease agreements	20	-	249,379	-	249,379
Current portion of long-term					
loans from financial institutions	21	-	8,581,065	-	8,581,065
Accrued income tax		7,106,732	38,188,540	6,720,474	38,010,967
Total current liabilities		552,022,248	922,067,402	526,331,564	906,941,939
Non-current liabilities					
Non-current provisions for employee benefits	22	34,914,129	22,469,186	34,914,129	22,469,186
Non-current liabilities		899,635	475,694	106,500	109,500
Total non-current liabilities		35,813,764	22,944,880	35,020,629	22,578,686
Total liabilities		587,836,012	945,012,282	561,352,193	929,520,625

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2019	2018	2019	2018
Shareholders' Equity					
Share capital					
Authorized share capital					
		550,000,000	550,000,000	550,000,000	550,000,000
550,000,000 ordinary shares, at Baht 1 each					
Issued and fully paid - up					
		550,000,000	550,000,000	550,000,000	550,000,000
550,000,000 ordinary shares, at Baht 1 each					
		386,702,910	386,702,910	386,702,910	386,702,910
Premiums on ordinary shares					
		1,981,036	1,981,036	-	-
Discount on purchase of investments in subsidiaries - net					
13					
Retained earnings					
Appropriated					
		55,000,000	55,000,000	55,000,000	55,000,000
Legal reserve					
23					
Unappropriated					
		579,581,814	620,453,854	552,742,275	598,931,893
Total shareholders' equity attributable to owners of parent		1,573,265,760	1,614,137,800	1,544,445,185	1,590,634,803
Non - controlling interests					
		(19,672,174)	(11,768,644)	-	-
13					
Total shareholders' equity		1,553,593,586	1,602,369,156	1,544,445,185	1,590,634,803
Total liabilities and shareholders' equity		2,141,429,598	2,547,381,438	2,105,797,378	2,520,155,428

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	หมายเหตุ	2019	2018	2019	2018
	3, 5, 25, 26				
Revenues from sales and service		2,551,081,521	3,020,765,317	2,488,279,274	2,931,236,367
Costs of sales and service		(2,018,963,014)	(2,305,347,903)	(1,963,364,813)	(2,223,630,990)
Gross profit		532,118,507	715,417,414	524,914,461	707,605,377
Other income		11,061,156	15,331,561	15,444,788	16,697,413
Profit before expenses		543,179,663	730,748,975	540,359,249	724,302,790
Expenses					
Selling expenses		(208,358,289)	(223,536,600)	(208,358,289)	(223,536,600)
Administrative expenses		(162,790,907)	(155,146,366)	(161,581,605)	(159,590,732)
Total expenses		(371,149,196)	(378,682,966)	(369,939,894)	(383,127,332)
Profit before finance costs and income tax		172,030,467	352,066,009	170,419,355	341,175,458
Finance costs		(1,578,594)	(2,963,138)	(1,578,594)	(2,963,138)
Profit before income tax		170,451,873	349,102,871	168,840,761	338,212,320
Income tax expenses	17	(31,742,872)	(68,341,023)	(30,545,808)	(67,119,131)
Profit for the years		138,709,001	280,761,848	138,294,953	271,093,189
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Actuarial loss - net from tax		(2,984,571)	(2,542,698)	(2,984,571)	(2,542,698)
Total comprehensive income for the years		135,724,430	278,219,150	135,310,382	268,550,491
Profit (loss) attributable to					
Equity holders of the Company		143,612,531	285,072,562	138,294,953	271,093,189
Non-controlling interests		(4,903,530)	(4,310,714)	-	-
		138,709,001	280,761,848	138,294,953	271,093,189
Total comprehensive income (loss) attributable to					
Equity holders of the Company		140,627,960	282,529,864	135,310,382	268,550,491
Non-controlling interests		(4,903,530)	(4,310,714)	-	-
		135,724,430	278,219,150	135,310,382	268,550,491
Basic earnings per share					
Equity holders of the Company		0.26	0.52	0.25	0.49
Weighted average number of issued and fully paid-up ordinary shares (shares)		550,000,000	550,000,000	550,000,000	550,000,000

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

		Consolidated financial statements						
		Retained earnings					Total shareholders' equity attributable to owners of parent	Non-controlling interest
		Issued and Paid-Up Share Capital	Premiums on ordinary shares	Discount on investments	Appropriated Legal Reserve	Unappropriated		
Notes								Total
	Balance as at January 1, 2018	550,000,000	386,702,910	1,981,036	55,000,000	513,923,990	1,507,607,936	(7,957,930)
	Dividend paid	-	-	-	-	(176,000,000)	(176,000,000)	-
	Non-controlling interests increased	-	-	-	-	-	-	500,000
	Total comprehensive income (loss) for the year	-	-	-	-	282,529,864	282,529,864	(4,310,714)
	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)
	Dividend paid	-	-	-	-	(181,500,000)	(181,500,000)	-
	Profit distribution	-	-	-	-	-	-	(3,000,000)
	Total comprehensive income (loss) for the year	-	-	-	-	140,627,960	140,627,960	(4,903,530)
	Balance as at December 31, 2019	550,000,000	386,702,910	1,981,036	55,000,000	579,581,814	1,573,265,760	(19,672,174)

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht					
Separate financial statements					
Notes	Retained earnings				
	Issued and Paid-Up Share Capital	Issued and Paid-Up Share Capital	Appropriated Legal Reserve	Unappropriated	Total
Balance as at January 1, 2018	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 years	-	-	-	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
Dividend paid	24	-	-	(181,500,000)	(181,500,000)
Total comprehensive income for the years	-	-	-	135,310,382	135,310,382
Balance as at December 31, 2019	550,000,000	386,702,910	55,000,000	552,742,275	1,544,445,185

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Operating Activities:				
Profit for the years	138,709,001	280,761,848	138,294,953	271,093,189
Adjustments to reconcile profit to cash provided by (used in) operating activities				
Depreciation and amortization	50,632,242	52,941,547	50,260,482	52,620,157
Allowance for doubtful accounts	11,958,064	4,982,550	12,224,714	5,324,950
Allowance for short-term loans to related party	-	-	7,565,581	12,530,285
Allowance for materials from the decommissioning power plant	7,632,626	6,796,394	-	-
Allowance for inventories devaluation	14,072,440	7,198,599	14,072,440	7,198,599
Gain from disposal of fixed asset	(607,909)	(4,050,073)	(607,909)	(4,050,073)
Gain from disposal of intangible asset	-	(108)	-	(108)
Non-current provisions for employee benefits	8,831,349	2,875,199	8,831,349	2,875,199
Interest expenses	1,578,594	2,963,138	1,578,594	2,963,138
Income tax expenses	31,742,872	68,341,023	30,545,808	67,119,131
Profit from operating activities before changes in operating assets and liabilities	264,549,279	422,810,117	262,766,012	417,674,467
Changes in operating assets (increase) decrease				
Trade and other current receivables	192,694,959	(153,586,529)	200,918,471	(160,284,997)
Contract assets	61,148,393	(108,009,180)	84,205,761	(117,328,961)
Materials from the decommissioning power plant	3,647,030	-	-	-
Inventories	145,389,028	(17,257,159)	145,389,028	(17,257,159)
Other non-current assets	137,661	971,532	137,661	971,532
Changes in operating liabilities increase (decrease)				
Trade and other current payables	(105,312,641)	(133,659,987)	(115,669,177)	(148,406,582)
Other non-current liabilities	423,941	(1,676,963)	(3,000)	18,500
Cash provided by operating activities	562,677,650	9,591,831	577,744,756	(24,613,200)
Employee benefits obligations paid	(117,120)	-	(117,120)	-
Interest paid	(1,632,529)	(2,931,804)	(1,632,529)	(2,931,804)
Income tax paid	(70,512,294)	(60,729,817)	(69,577,245)	(59,051,485)
Net cash from (used in) operating activities	490,415,707	(54,069,790)	506,417,862	(86,596,489)

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash Flows from Investing Activities:				
Restricted deposits at financial institutions increase	(122,667)	(121,701)	(122,667)	(122,667)
Cash received from short-term loans to related parties	-	-	5,000,000	55,000,000
Cash payment for short-term loans to related parties	-	-	(29,000,000)	(30,000,000)
Cash received from short-term loans to other company	1,590,612	7,186,110	1,590,612	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 payment for acquisition of investment property	(4,788,679)	-	(4,788,679)	-
Cash received from disposal of property, plant and equipment	906,203	4,461,346	906,203	4,461,346
Cash payment for acquisition of property, plant and equipment	(50,317,333)	(35,494,088)	(50,317,333)	(35,494,088)
Cash received from disposal of intangible asset	-	141	-	141
Cash payment for acquisition of intangible asset	(1,422,956)	(2,648,227)	(1,422,956)	(2,648,227)
Net cash used in investing activities	(54,154,820)	(38,901,269)	(78,154,820)	(14,401,269)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans				
from financial institutions - net	(224,514,943)	239,990,660	(224,514,943)	239,990,660
Cash payments for long-term loans from financial institutions	(8,581,065)	(10,716,000)	(8,581,065)	(10,716,000)
Cash payments for liabilities under finance lease agreements	(249,379)	(696,145)	(249,379)	(696,145)
Dividend paid	(181,500,000)	(176,000,000)	(181,500,000)	(176,000,000)
Non-controlling interest increase (decrease)	(3,000,000)	500,000	-	-
Net cash (used in) financing activities	(417,845,387)	53,078,515	(414,845,387)	52,578,515
Net cash and cash equivalents increase (decrease)	18,415,500	(39,892,544)	13,417,655	(48,419,243)
Cash and cash equivalents at the beginning of the years	85,671,063	125,563,607	43,680,176	92,099,419
Cash and cash equivalents at the end of the years	104,086,563	85,671,063	57,097,831	43,680,176

Supplemental Disclosures of Cash Flows Information

Non-cash transaction

Increase in Investment properties from debt settlement	12,411,321	-	12,411,32	-
Decrease in accounts payables for purchase of fixed assets	(251,383)	(7,905,317)	(251,383)	(7,905,317)

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 branch.

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

2. BASIS FOR PREPARATION OF THE 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, 2019 and 2018 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) and Contractor for improvement of the underground high voltage distribution system 22 KV in certain areas of the Provincial Electricity Authority 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

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

In the year 2019, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS	15	Revenue from Contracts with Customers
TFRS	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 applying TFRS 15 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.

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

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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
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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.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiaries plans to adopt TFRS 16 using the method of adoption of which the cumulative effect is recognized as at January 1, 2020, and do not retroactively adjust the financial statements for the previous year presented for comparison.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020, is to increase the Group and the Company only assets by approximately Baht 3.71 million, and to increase the Group and the Company only liabilities by approximately Baht 3.71 million.

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 transfer of control the goods to the customers with the amount that reflects the consideration of which the entity expected to be entitled in exchange for sales.

Services from installation are recognised over time when services have been rendered taking into account the stage of completion. The stage of completion is assessed as the ratio of contract costs incurred to total expected contract costs.

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 profit or loss.

Contingent liabilities from penalties are recognized as an expense in the accounting period in which they are incurred.

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.

Contract assets/Contract liabilities

The completed work that has not been delivered yet and the invoice has not yet been billed to customers, shown as "Contract assets" in the statement of financial position, The obligation to provide to a customer for which the Company and its subsidiaries have received from the customer is presented under the caption of "Contract liabilities" under trade and other current payables. Contract liabilities are recognised as revenue when the performance obligations are satisfied.

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 land, buildings and condominium.

Buildings and condominium are stated at cost less accumulated depreciation. Depreciation of condominium is calculated by the straight-line method based on the estimated useful life of 10 - 20 years.

Land is stated at cost and no depreciation is provided.

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
Tools and office equipment	3, 5
Furniture and fixtures	5
Vehicles	5

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

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

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 current 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 financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on the stage of completion which is assessed as the ratio of contract costs incurred to total expected contract costs.

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.

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.

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.

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		
	2019	2018	2019	2018	Pricing policy
Subsidiaries Company					
Asefa & VARS Joint Venture					
Interest income	-	-	-	347,945	5% per annum
Other income	-	-	273,731	661,399	At the agreed price
Profit distribution	-	-	3,000,000	-	As approved by the Subsidiary
Asefa & UMI Joint Venture					
Interest income	-	-	1,457,123	295,890	5% per annum
Other income	-	-	18,799	570,586	At the agreed price
Related company					
Enginar Co., Ltd.					
Sales of inventories	1,124,580	348,320	1,124,580	348,320	Market price
Purchase of inventories	42,935,954	18,382,665	42,935,954	18,382,665	Market price

Significant balances with related parties as at December 31, can be summarized as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivable - related parties				
Enginar Co., Ltd.	40,660	293,522	40,660	293,522
Other receivable				
Asefa Suntech Joint Venture	-	-	1,196,289	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 & UMI Joint Venture	-	-	34,000,000	10,000,000
Total short-term loans to related parties	-	-	123,000,000	99,000,000
Less allowance for doubtful accounts	-	-	(37,106,928)	(29,541,347)
Total short-term loans to related parties - net	-	-	85,893,072	69,458,653
Trade payable - related parties				
Enginar Co., Ltd.	15,540,113	3,213,290	15,540,113	3,213,290

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	
	2019	2018	2019	2018
Asefa Suntech Joint Venture				
Beginning balance at the years	-	-	89,000,000	89,000,000
Decrease during the years	-	-	-	-
Ending balance at the years	-	-	89,000,000	89,000,000
Less allowance for doubtful accounts	-	-	(37,106,928)	(29,541,347)
Ending balance at the years - net	-	-	51,893,072	59,458,653
Asefa & VARS Joint Venture				
Beginning balance at the years	-	-	-	35,000,000
Increase during the years	-	-	-	-
Decrease during the years	-	-	-	(35,000,000)
Ending balance at the years	-	-	-	-
Asefa & UMI Joint Venture				
Beginning balance at the years	-	-	10,000,000	-
Increase during the years	-	-	29,000,000	30,000,000
Decrease during the years	-	-	(5,000,000)	(20,000,000)
Ending balance at the years	-	-	34,000,000	10,000,000

As at December 31, 2019 and 2018, 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	
	2019	2018
Short-term benefits	23,000,897	19,723,400
Post-employment benefits	645,576	396,185
Total management compensation	23,646,473	20,119,585

6. CASH AND CASH EQUIVALENTS

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	580,053	354,761	511,976	256,057
Cash at banks - saving accounts	97,254,097	35,097,607	54,075,929	5,519,688
Cash at banks - current accounts	3,876,363	44,308,389	133,876	31,994,125
Cheque due	2,376,050	5,910,306	2,376,050	5,910,306
Total cash and cash equivalents	104,086,563	85,671,063	57,097,831	43,680,176

7. TRADE AND OTHER CURRENT RECEIVABLES - NET

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivables - related parties	40,660	293,522	40,660	293,522
Trade receivables - other companies				
Returned cheque	10,252,606	10,309,256	5,406,353	5,416,353
Promissory note	-	17,439,849	-	17,439,849
Post-dated cheque	87,411,142	112,601,378	87,121,894	112,092,129
Trade receivables - other	442,989,851	620,442,441	441,107,040	618,549,632
Total trade receivables - other	540,653,599	760,792,924	533,635,287	753,497,963
Total trade receivables	540,694,259	761,086,446	533,675,947	753,791,485
Less Allowance for doubtful accounts				
Beginning balance	(44,358,354)	(45,433,984)	(37,082,243)	(36,768,800)
Increase during the years	(17,704,300)	(7,947,424)	(17,704,300)	(7,947,424)
Decrease during the years	5,746,235	9,023,054	5,479,585	7,633,981
Ending balance	(56,316,419)	(44,358,354)	(49,306,958)	(37,082,243)
Total trade receivables - net	484,377,840	716,728,092	484,368,989	716,709,242
Other current receivables				
Retention receivables	38,159,332	29,880,200	36,196,208	29,880,200
Advance payments	2,155,847	5,376,889	2,155,847	5,376,889
Deposit receivables	24,618,691	10,997,786	19,779,578	10,801,749
Advance payment for goods	182,250	2,165,824	182,250	2,165,824
Prepaid other expenses	4,584,182	3,830,365	4,220,799	3,829,877
Accrued interest income	666,259	548,421	1,409,958	1,292,119
Undued input tax	3,114,635	1,813,264	2,130,096	1,429,872
Revenue Department receivable	2,569,128	807,311	-	-
Other	3,730,642	3,394,114	2,276,496	1,108,071
Total other current receivables	79,780,966	58,814,174	68,351,232	55,884,601
Total trade and other current receivables - net	564,158,806	775,542,266	552,720,221	772,593,843

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related companies				
Overdue				
Not over 3 months	40,660	293,522	40,660	293,522
Total trade receivables - related companies	40,660	293,522	40,660	293,522
Trade receivables - other companies				
Current	356,321,510	494,545,243	356,321,510	494,545,243
Overdue				
Not over 3 months	96,394,658	189,941,608	96,394,658	189,941,608
3 - 6 months	11,057,949	8,632,905	11,057,949	8,632,905
6 - 12 months	3,005,655	20,996,410	3,005,655	20,996,410
Over 12 months	73,873,827	46,676,758	66,855,515	39,381,797
Total trade receivables - other companies	540,653,599	760,792,924	533,635,287	753,497,963

Trade receivables overdue more than 12 months, which the allowance for doubtful account has not been provided, represent the receivables under installment payment terms, having bank guarantees and under the process of negotiation for the settlement of debt by transferring of land and buildings. The Management expects to be able to collect the full amount of such outstanding balances.

8. CONTRACT ASSETS/ CONTRACT LIABILITIES

Contract assets/ Contract liabilities for the year ended December 31, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue recognition from the stage of completion method	511,165,780	515,659,091	452,971,510	426,130,141
Contract assets				
Project value as per contract	635,637,390	585,834,382	520,570,232	533,778,308
Revenue recognition from the stage of completion method	471,840,019	365,050,866	413,645,749	314,446,684
Less Value of total billed	(364,825,147)	(196,887,601)	(346,455,979)	(163,051,153)
Contract assets	107,014,872	168,163,265	67,189,770	151,395,531
Retention receivable as per contracts	9,798,110	1,750,464	9,798,110	1,750,464
Contract liabilities				
Project value as per contract	172,429,061	342,069,000	97,187,005	342,069,000
Value of total billed	83,256,004	27,602,940	59,219,541	27,602,940
Less revenue recognition from the stage of completion method	(70,038,864)	(4,340,687)	(51,669,696)	(4,340,687)
Contract liabilities	13,217,140	23,262,253	7,549,845	23,262,253

9. SHORT-TERM LOANS TO OTHER COMPANY

On August 10, 2018, a company (the Transferor), the Company (the 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	
	2019	2018	2019	2018
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	(312,006,105)	(308,359,075)	-	-
Less allowance for devaluations	(26,088,959)	(18,456,333)	-	-
Materials from the decommissioning power plant - net	40,384,895	51,664,551	-	-

During the year ended December 31, 2017, a joint venture, which is a 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 the subsidiary, but on September 17, 2018, the Official Receiver filed an objection with the Bankruptcy Court.

On March 20, 2019, the Bankruptcy Division Director considered approving the liquidation of the joint venture whereby the Company declared the intention for the liquidation and proposed to the creditors meeting. On July 1, 2019, the creditors' meeting resolved to carry forward with such liquidation, with the Official Receiver and the Company as joint liquidators. Presently it is in the process of selling the joint venture's assets for liquidation.

The Company's management and its legal counsel believed that the liquidation according to the agreed liquidation plan will not cause any further significant losses from that already provided in the account.

11. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2019	2018
Finished goods	37,546,579	46,964,662
Work in process	105,715,379	114,899,820
Raw material	422,794,300	537,276,385
Supplies	36,951,959	41,967,073
Goods in transit	2,442,305	4,735,868
Goods under installation	1,168,573	6,164,315
Total inventories	606,619,095	752,008,123
Less allowance for devaluations	(77,213,975)	(63,141,535)
Total inventories - net	529,405,120	688,866,588

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

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

	Unit: Baht	
	Consolidated and Separate financial statements	
	2019	2018
Fixed Deposits		
UOB Bank PCL.	25,000,000	25,000,000
Kasikorn Bank PCL.	28,000,000	28,000,000
Bank of Ayudhya PCL.	15,565,054	15,442,387
Total restricted deposits at financial institutions	68,565,054	68,442,387

As at December 31, 2019 and 2018, the above fixed deposits of the Group have interest rate of 0.80% - 1.10% per annum and 0.80% - 1.20% per annum, respectively, and are pledged as collaterals for bank overdrafts, short-term loans from financial institutions, and letters of guarantee issued by financial institutions.

13. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2019 and 2018 consisted of:

Company's name	Unit: Thousand Baht							
	Separate Financial Statements							
	Paid-up share capital		% of holding		Cost method		Profit of sharing	
	2019	2018	2019	2018	2019	2018	2019	2018
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	3,000	-
Asefa & UMI Joint Venture	1,000	1,000	50.00	50.00	500	500	-	-
Total investments					18,349	18,349	3,000	-
Less Allowance for impairment on investments					(1,000)	(1,000)	-	-
Total investments - net					17,349	17,349	3,000	-

*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 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. (VARS) to establish the ASEFA & VARS Joint Venture, for jointly investment as a 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 jointly investment as a contractor 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.

On May 13, 2019, the Company entered into an additional agreement annexed to the contract establishing ASEFA & VARS Joint Venture with VARS by jointly investment as a contractor Turnkey project, and construction of underground high voltage 22 KV distribution system in areas of the Provincial Electricity Authority zone 1 (North) (LOT A), Provincial Electricity Authority zone 3 (Central) and the Provincial Electricity Authority zone 1 (Southern) (LOT B) with the Provincial Electricity Authority.

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		
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
99.99%	99.99%	50%	50%	50%	50%	50%	50%			
20,764	20,532	49,427	57,396	27,757	9,779	45,485	29,888	143,433	117,595	
681	734	83	534	-	-	-	-	764	1,268	
(20)	(70)	(101,855)	(95,893)	(21,956)	(103)	(37,497)	(24,777)	(161,328)	(120,843)	
-	-	-	-	(320)	-	(473)	(366)	(793)	(366)	
-	-	(26,173)	(18,982)	2,741	4,838	3,760	2,375	(19,672)	(11,769)	
For the year ended December 31										
341	418	3,157	-	18,394	39,017	41,277	50,604	63,169	90,039	
-	-	(7,191)	(6,599)	903	414	1,385	1,875	(4,903)	(4,310)	
Net cash provided by (used in)										
162	338	2,884	(491)	9,906	31,284	(32,527)	2,061	(19,575)	33,192	
-	-	572	335	-	(35,000)	24,000	10,000	24,572	(24,665)	
162	338	3,456	(156)	9,906	(3,716)	(8,527)	12,061	4,997	8,527	
Share of profit paid to non-controlling interests										
-	-	-	-	3,000	-	-	-	3,000	-	

14. INVESTMENT PROPERTIES - NET

Investment properties as at December 31, 2019, consisted of:

Unit: Baht				
Consolidated and Separate financial statements				
	As at	Movements during the year		As at
	January 1, 2019	Additions/Transfer	Decrease	December 31, 2019
Cost				
Land	-	12,830,000	-	12,830,000
Condominium	4,559,345	-	-	4,559,345
Building	-	4,370,000	-	4,370,000
Total	4,559,345	17,200,000	-	21,759,345
Accumulated depreciation				
Condominium	2,898,355	211,203	-	3,109,558
Building	-	9,451	-	9,451
Total	2,898,355	220,654	-	3,119,009
Book values - net	1,660,990			18,640,336

The fair value of investment property

Unit: Baht		
Consolidated and Separate financial statements		
	2019	2018
Land	12,830,000	-
Condominium	5,559,735	5,368,020
Building	4,370,000	-
Total	22,759,735	5,368,020

The fair values of the investment properties have been determined based on valuations performed by the management of the Company and the independent appraiser. The fair value of land has been determined based on market approach. The fair value of the building has been determined based on depreciated replacement cost method. The fair value of condominium has been determined by the price from the Treasury Department. The fair value hierarchy prioritises of investment property is measured in level 2.

15. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2019, 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, 2019	293,414,945	331,016,967	157,251,220	121,825,597	39,476,973	39,533,445	-	228,027	-	982,747,174	
Add purchase during the year	3,550,000	80,000	1,605,000	7,433,848	604,861	2,527,558	11,178,178	18,636,767	4,449,738	50,065,950	
Transferred in/out during the year	-	4,220,988	160,911	132,195	350,960	-	(160,911)	(254,405)	(4,449,738)	-	
Less disposal during the year	-	-	-	(816,144)	(185,876)	(2,122,477)	-	-	-	(3,124,497)	
Balance as at December 31, 2019	296,964,945	335,317,955	159,017,131	128,575,496	40,246,918	39,938,526	11,017,267	18,610,389	-	1,029,688,627	
Accumulated depreciation :											
Balance as at January 1, 2019	-	95,354,090	84,663,136	90,367,365	31,377,483	25,877,791	-	-	-	327,639,865	
Add depreciation during the year	-	15,569,021	11,840,598	12,301,660	3,820,096	3,884,964	-	-	-	47,416,339	
Less disposal during the year	-	-	-	(698,516)	(155,626)	(1,972,061)	-	-	-	(2,826,203)	
Balance as at December 31, 2019	-	110,923,111	96,503,734	101,970,509	35,041,953	27,790,694	-	-	-	372,230,001	
Net book value :											
Net book value - net Beginning 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	
Net book value - net Ending of year	296,964,945	224,394,844	62,513,397	26,604,987	5,204,965	12,147,832	11,017,267	18,610,389	-	657,458,626	

Unit: Baht

Separate 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, 2019	293,414,945	331,016,967	157,251,220	120,640,150	38,616,304	38,259,714	-	228,027	-	979,427,327
Add purchase during the year	3,550,000	80,000	1,605,000	7,433,848	604,861	2,527,558	11,178,178	18,636,767	4,449,738	50,065,950
Transferred in/out during the year	-	4,220,988	160,911	132,195	350,960	-	(160,911)	(254,405)	(4,449,738)	-
Less disposal during the year	-	-	-	(816,144)	(185,876)	(2,122,477)	-	-	-	(3,124,497)
Balance as at December 31, 2019	296,964,945	335,317,955	159,017,131	127,390,049	39,386,249	38,664,795	11,017,267	18,610,389	-	1,026,368,780
Accumulated depreciation :										
Balance as at January 1, 2019	-	95,354,090	84,663,137	89,175,577	30,729,978	24,525,203	-	-	-	324,447,985
Add depreciation during the year	-	15,569,021	11,840,598	12,024,140	3,647,000	3,963,820	-	-	-	47,044,579
Less disposal during the year	-	-	-	(698,516)	(155,626)	(1,972,061)	-	-	-	(2,826,203)
Balance as at December 31, 2019	-	110,923,111	96,503,735	100,501,201	34,221,352	26,516,962	-	-	-	368,666,361
Net book value :										
Net book value - net Beginning 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
Net book value - net Ending of year	296,964,945	224,394,844	62,513,396	26,888,848	5,164,897	12,147,833	11,017,267	18,610,389	-	657,702,419

Depreciation for the year ended December 31, 2019 and 2018 amounted to Baht 47.42 million and Baht 49.80 million, respectively for the consolidated financial statements, and amounted to Baht 47.04 million and Baht 49.48 million, respectively for the separate financial statements.

As at December 31, 2019 and 2018, the Group's and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 151.06 million and Baht 132.58 million, respectively.

As at December 31, 2019 and 2018, 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, 2019, consisted of:

	Unit: Baht			
	Consolidated and Separate financial statements			
	As at January 1, 2019	Movements during the year		As at December 31, 2019
		Additions /Transfer	Decrease	
Cost				
License fee	1,773,086	506,858	-	2,279,944
Computer software	17,063,890	916,098	-	17,979,988
Total	18,836,976	1,422,956	-	20,259,932
Accumulated amortization				
License fee	1,477,656	351,749	-	1,829,405
Computer software	9,335,173	2,643,500	-	11,978,673
Total	10,812,829	2,995,249	-	13,808,078
Intangible assets - net	<u>8,024,147</u>			<u>6,451,854</u>

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, 2019	Profit or loss	Other comprehensive income	As at December 31, 2019
Deferred tax assets				
Trade and other current receivables	8,044,688	2,497,814	-	10,542,502
Inventories	12,579,992	2,862,803	-	15,442,795
Non-current provisions for employee benefits	4,493,837	1,742,846	746,143	6,982,826
Total deferred tax assets	<u>25,118,517</u>	<u>7,103,463</u>	<u>746,143</u>	<u>32,968,123</u>
Deferred tax liabilities				
Property, plant and equipment (depreciation)	2,195,740	(584,151)	-	1,611,589
Total deferred tax liabilities	<u>2,195,740</u>	<u>(584,151)</u>	<u>-</u>	<u>1,611,589</u>
Deferred tax assets - net	<u>22,922,777</u>	<u>7,687,614</u>	<u>746,143</u>	<u>31,356,534</u>

As at December 31, 2019 and 2018, two subsidiaries have unutilized tax loss carried forward of Baht 34.41 million and Baht 27.67 million, respectively. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

	Unit: Baht			
	Separate financial statement			
	Movements increase (decrease)			
	As at January 1, 2019	Profit or loss	Other comprehensive income	As at December 31, 2019
Deferred tax assets				
Trade and other current receivables	7,310,248	2,551,144	-	9,861,392
Inventories	12,579,992	2,862,803	-	15,442,795
Investments in subsidiaries	200,000	-	-	200,000
Non - current provisions for employee benefits	4,493,837	1,742,846	746,143	6,982,826
Total deferred tax assets	24,584,077	7,156,793	746,143	32,487,013
Deferred tax liabilities				
Property, plant and equipment (depreciation)	2,195,740	(584,151)	-	1,611,589
Total deferred tax liabilities	2,195,740	(584,151)	-	1,611,589
Deferred tax assets - net	22,388,337	7,740,944	746,143	30,875,424

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit before income tax	170,451,873	349,102,871	168,840,761	338,212,320
Income tax rate	20%	20%	20%	20%
Reconciliation list:				
Current income tax expenses as tax rate	34,090,375	69,820,574	33,768,152	67,642,464
Non-deductible expenses by the Revenue Code	2,307,213	2,235,044	2,780,422	4,427,562
Double expenses by the Revenue Code	(6,002,766)	(4,950,895)	(6,002,766)	(4,950,895)
Unutilized tax loss carry forward	1,348,050	1,236,300	-	-
Income tax expenses	<u>31,742,872</u>	<u>68,341,023</u>	<u>30,545,808</u>	<u>67,119,131</u>
The effective tax rate	<u>18.62%</u>	<u>19.58%</u>	<u>18.09%</u>	<u>19.85%</u>

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2019 and 2018.

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	
	2019	2018
Bank overdrafts	15,485,057	-
Promissory note	-	240,000,000
Total bank overdraft and short-term loan from financial institutions	15,485,057	240,000,000

As at December 31, 2019 and 2018, the group and the Company have lines of credit facilities from financial institutions in the form of bank overdrafts, short-term loans, promissory notes, long-term loans, and letters of guarantee as follows:

	Unit: Million Baht	
	2019	2018
Asefa PCL. and its subsidiaries	2,539	2,666
Asefa PCL.	2,539	2,666

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 CURRENT PAYABLES

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - related companies	15,540,113	3,213,290	15,540,113	3,213,290
Trade payables - others	349,244,944	417,843,909	346,082,036	403,330,706
Total trade payables	364,785,057	421,057,199	361,622,149	406,543,996
Other current payables				
Advances received for goods	49,686,755	51,420,456	49,686,755	51,420,456
Contract liabilities	13,217,140	23,262,253	7,549,845	23,262,253
Accrued royalty expenses	1,901,500	7,567,276	1,901,500	7,567,276
Accrued commission expenses	21,015,749	30,126,527	21,015,749	30,126,527
Accrued plate expenses	973,683	398,131	973,683	398,131
Accrued sub-contractors expenses	24,677,285	37,099,335	9,660,627	37,026,782
Accrued staff welfare expenses	928,360	4,456,265	928,360	4,456,265
Withholding tax payables	3,264,842	4,602,407	3,263,338	4,558,695
Revenue Department payable	8,945,660	4,325,455	7,789,802	4,325,455
Retention payables	19,347,799	14,695,753	19,347,799	14,695,753
Payable for purchase of fixed assets	5,706,073	5,957,456	5,706,073	5,957,456
Accrued other expenses	14,980,556	30,079,905	14,680,353	29,761,483
Total other current payables	164,645,402	213,991,219	142,503,884	213,556,532
Total trade and other current payables	529,430,459	635,048,418	504,126,033	620,100,528

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	
	2019	2018
Due within 1 year		
Minimum payments	-	252,687
Deferred interest	-	(3,308)
Present value of minimum payment	-	249,379
Due over 1 year not exceeding 5 years		
Minimum payments	-	-
Deferred interest	-	-
Present value of minimum payment	-	-
Net book value of asset under financial lease	-	875,734

As at December 31, 2018, the Group has vehicles with certain companies under financial lease agreements for periods of 4 years. These bear interest rate of 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	
	2019	2018
Long-term loans	-	8,581,065
Less Current portion	-	(8,581,065)
Total long-term loans from financial institutions - net	-	-

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 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. On October 22, 2019, the Company already made the repayment of the principal in full amount of this agreement.

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	
	2019	2018
Provision for long-term employee benefits		
as at January 1,	22,469,186	16,415,614
Included in profit or loss:		
Current service costs	2,823,100	2,197,917
Past service costs*	5,083,062	-
Cost of interest	925,187	677,282
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	2,107,058	(100,611)
Experience adjustments	1,623,656	3,278,984
Payment during the year	(117,120)	-
Provision for long-term employee benefits		
as at December 31,	<u>34,914,129</u>	<u>22,469,186</u>

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	
	2019	2018
Current service costs	2,823,100	2,197,917
Past service costs*	5,083,062	-
Actuarial defined employee benefit plans	925,187	677,282
Total employee benefits expenses	<u>8,831,349</u>	<u>2,875,199</u>

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	
	2019	2018
Costs of sales	5,417,464	1,900,123
Selling expenses	1,860,413	644,774
Administrative expenses	1,553,472	330,302
Total employee benefits expenses	<u>8,831,349</u>	<u>2,875,199</u>

Principal actuarial assumptions at the valuation date are as follow:

	Percentage	
	Consolidated and Separate financial statements	
	2019	2018
Discount rate		
Monthly salary	1.80	3.11
Daily salary	1.80	3.08
Future monthly salary increase rate	7.00	7.67
Future daily salary increase rate	7.00	7.62
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 are summarised below:

	Unit: Baht	
	Consolidated and Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	33,179,082	36,788,330
Salary increase rate	36,682,596	33,264,269
Turnover rate	32,683,297	37,335,931

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

	Unit: Baht	
	Consolidated and Separate financial statements	
	2019	2018
Over 1 and up to 5 years	9,580,531	8,555,498
Over 5 and up to 10 years	16,076,957	11,815,906
Over 10 years	15,375,422	9,969,624

*On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment. The Group and the Company reflect the effect of the change by recognising past service costs of Baht 5.08 million. The Company and its subsidiaries record the impact of these changes by recognizing past service costs as an immediate expense in the profit or loss for the year in effect of the law.

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 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 2019 on April 24, 2019 has resolved to pay a dividend from a net profit for the year 2018, amounting to Baht 181.50 million to shareholders of 550 million shares at the rate of Baht 0.33 per share. Dividends were paid to shareholders on May 22, 2019.

The Annual General Meeting of Shareholders for the year 2018 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.

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	
	2019	2018	2019	2018
Changes in finished goods and work in process (increase) decrease	23.60	(35.88)	23.60	(35.88)
Raw materials and consumable materials used	1,283.09	1,561.05	1,283.09	1,561.05
Director and employee's benefits expenses	478.02	474.96	478.02	474.96
Sales promotion expenses	61.42	71.30	61.42	71.30
Service fees for installation subcontracts	261.64	310.05	261.64	310.05
Rental and service expenses	39.53	40.16	38.90	39.51
Depreciation and amortization	50.63	52.94	50.26	52.62
Vehicles and travel expenses	54.53	49.05	54.53	49.04
Allowance for inventory devaluation	21.71	14.00	14.07	7.20
Allowance of doubtful accounts	11.96	4.98	19.79	17.85

26. OPERATING SEGMENTS

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

Unit: Thousand Baht										
Consolidated financial statements										
	Manufacturing business			Trading business			Services business			Total
	2019	2018		2019	2018		2019	2018		
Revenues	1,553,163	1,968,785		323,959	392,351		670,804	659,629		2,551,082
Segment profit	322,836	485,428		81,415	104,817		128,359	125,172		532,119
Other income										15,811
Selling expenses										(4,750)
Administrative expenses										(1,876)
Finance costs										(208,358)
Income tax expenses										(7,486)
Profit for the years										(31,743)
										128,716
										262,753
Operating assets as at December 31, consisted of:										
Property, plant and equipment - net										657,786
Others										1,592,209
Total operating assets										2,249,995
										(327)
										(406)
										657,459
										1,483,971
										2,141,430
										280,762
										655,107
										1,892,274
										2,547,381

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 cash and cash equivalent, short - term loan to other Company, restricted deposits at financial institutions, bank overdrafts and short-term loans from financial institutions, liabilities under financial lease agreements and long-term loans from financial institutions. 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, 2019					
Description	Notes	Floating interest rate	Fixed interest rates	No interest rate	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	99,630	-	4,457	104,087
Trade and other current receivables	7	-	-	564,159	564,159
Contract assets	8	-	-	107,015	107,015
Short-term loan to other company	9	-	3,508	-	3,508
Restricted deposits at financial institutions	12	-	68,565	-	68,565
<u>Financial liabilities</u>					
Bank overdrafts and short - term loans					
from financial institutions	18	15,485	-	-	15,485
Trade and other current payables	19	-	-	529,430	529,430

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
Contract assets	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

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, 2019					
Description	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Short-term loan to other company	9	3,508	-	3,508	5%
Restricted deposits at financial institutions	12	68,565	-	68,565	0.80 - 1.10%

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	5.67%

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. 1987. 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, 2019 and 2018, the Company contributed to the fund amounting to Baht 13.39 million and Baht 13.57 million, respectively.

29. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at December 31, 2019 and 2018, the Group had the following commitments and contingent liabilities as follows:

29.1 As at December 31, 2019 and 2018, 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	
	2019	2018	2019	2018
Due within 1 year	6.59	6.86	6.59	6.86
Due over 1 year not exceeding 5 years	1.98	3.64	1.98	3.64
Due over 5 year	0.40	0.65	0.40	0.65
Total	8.97	11.15	8.97	11.15

29.2 As at December 31, 2019 and 2018, the Group is contingently liable for bank guarantees issued by the banks amounting to Baht 177.82 million and Baht 261.55 million, respectively.

29.3 As at December 31, 2019 and 2018, the Company has the commitment from trade receivables, which have been sold with recourse to financial institution at a discount totaling of Baht 3.41 million and Baht 19.09 million, respectively.

29.4 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.

29.5 As at December 31, 2019, the Group has the commitment from the turnkey contract for improvement of the underground high voltage distribution system 22 KV in the area of the Provincial Electricity Authority zone 1 (North) (LOT A), Provincial Electricity Authority zone 3 (Central) and the Provincial Electricity Authority zone 1 (Southern) (LOT B) with the Provincial Electricity Authority of Baht 43.60 million.

30. EVENT AFTER THE REPORTING PERIOD

Board of Directors' Meeting No. 1/2020, held on February 20, 2020, resolved to pay a dividend from its operating result for the year ended December 31, 2019 for 550 million shares at the rate of Baht 0.20 per share, amounting Baht 110 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued on February 20, 2020.



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