

บริษัท เอเชีย ฟา จำกัด (มหาชน)



ASEFA PUBLIC COMPANY LIMITED



2020 ANNUAL REPORT

www.asefa.co.th

Vision and Mission	3
Objectives and Business Goals	5
Financial Highlights	7
Message from the Board of Directors	9
Company's General and Important Information	10

 Business Overview	11
Shareholding Structure	12
Major Changes and Developments	14

 Nature of Business Operation	
Revenue Structure	18
Product and Service Descriptions	19
Industrial Trend and Competition	22

 Major Shareholders	24
---	-----------

 Dividend Policy	25
--	-----------

 Corporate Structure	
Organization Chart	26
The Board of Directors and Management	27
Management Structure	36
Remunerations	40

 Good Corporate Governance	
Corporate Governance Policy	43
Report of the Audit Committee	58
Report of the Executive Committee	61
Shareholding of the Board of Directors and Managements	62

 Sustainable Development	63
--	-----------

 Internal Control	75
---	-----------

 Risk Management	80
--	-----------

 Related Transaction	85
--	-----------

 Analysis of Operating Results and Financial Position	
---	--

Financial Status and Operational Results	91
Management's Discussion and Analysis of Business Operation	100
Report of the Board of Directors' Responsibilities for Financial Statements	112
Independent Auditor's Report	113
Financial Statements	118
Notes to Financial Statements	126





Vision

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



Mission

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



Development of New Technologies, Products and Process



Development of Customer Satisfaction



Development of Environment and Social Responsibility



Development of Human Resources Management and staff's Opportunity

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:



Company Strategy

Company's Strategy determines to be consistent with Objectives and Business Goals in 4 areas which are Business Growth, Return on Investment, People Development and Sustainability 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 is committed to seeks for opportunity to establish thriving and sustainable business growth by own company operation or expansion of 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 build a learning organization for sustainable growth with a focus on 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 to increase the human potential and support sustainable growth.
- To determine Policy and Plan of career path, including the preparation of successor plans for important positions to support the current and future business expansion.

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. With a focus on the implementation of digital transformation in management and operations in all dimensions. To increase the efficiency of machinery and equipment with digital technology Development and integration of information technology systems to increase productivity. Managing the use of valuable resources. Enriching society in Corporate Social Responsibility is striving.

Financial Highlight

For the Fiscal year ended December 31 st	Consolidated Financial Statements			Separate Financial Statements		
	2020	2019	2018	2020	2019	2018
Stock Data						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value (Baht)	2.98	2.82	2.91	2.95	2.81	2.89
Earning per share (Baht) *	0.40	0.26	0.52	0.38	0.25	0.49
Operating (Unit: million baht)						
Revenues from sales and service	2,688.89	2,551.08	3,020.77	2,606.37	2,488.28	2,931.24
Total income	2,712.35	2,562.14	3,036.10	2,628.99	2,503.72	2,947.93
Net profit (Equity holders of the Company)	218.50	143.61	285.07	207.30	138.29	271.09
Balance Sheet (Unit: million baht)						
Current assets	1,694.61	1,348.56	1,775.01	1,643.85	1,295.82	1,731.09
Total assets	2,475.39	2,141.43	2,547.38	2,441.89	2,105.80	2,520.15
Current liabilities	785.25	548.86	922.02	778.12	526.33	906.94
Total liabilities	833.64	587.84	945.01	819.66	561.35	929.52
Paid-up capital	550.00	550.00	550.00	550.00	550.00	550.00
Shareholders' equity (Equity holders of the Company)	1,662.25	1,573.26	1,614.14	1,622.23	1,544.45	1,590.63
Financial Ratio						
Returns on shareholders' equity (ROE) (%)	13.51	9.01	18.26	13.09	8.82	17.55
Returns on fixed assets (%)	38.79	28.45	52.11	36.45	27.60	49.63
Returns on assets (ROA) (%)	11.11	7.34	14.40	10.75	7.37	14.05
Gross profit margin (%)	21.39	20.86	23.68	21.80	21.10	24.14
Net profit margin (%)	8.06	5.61	9.39	7.89	5.52	9.20
Current assets ratio to items of current liabilities (time)	2.16	2.44	1.93	2.11	2.46	1.91
Liquidity ratio to liabilities (time)	1.34	1.40	1.12	1.25	1.29	1.07
Debt ratio to shareholders' equity (D/E) (time)	0.50	0.37	0.59	0.51	0.36	0.58

Note :

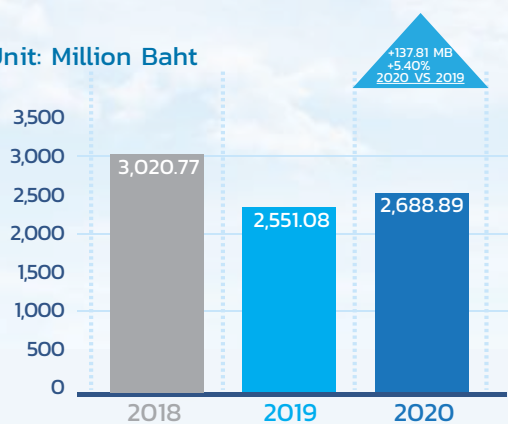
* In year 2020 the use of the weighting average ordinary share numbers of 548,847,213 shares.

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

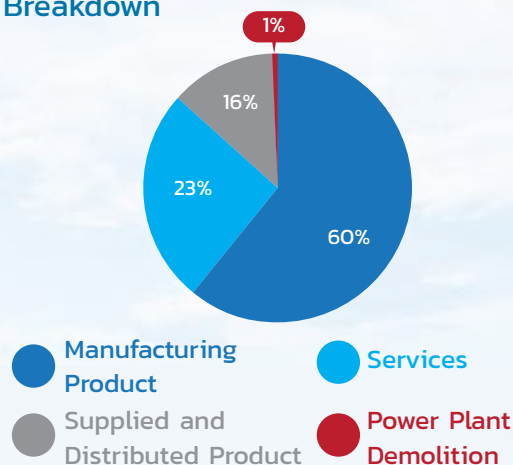
In year 2018 the use of the weighting average ordinary share numbers of 550,000,000 shares.

Revenue from Sales and Services

Unit: Million Baht

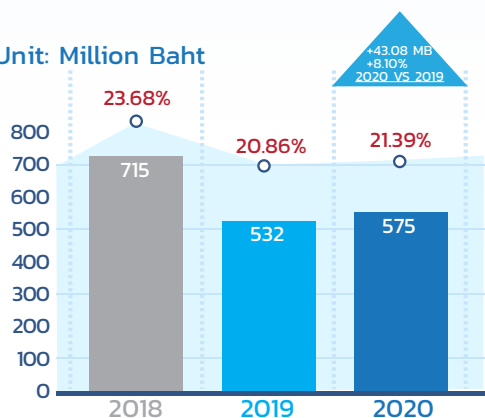


Revenue from Sales and Services Breakdown



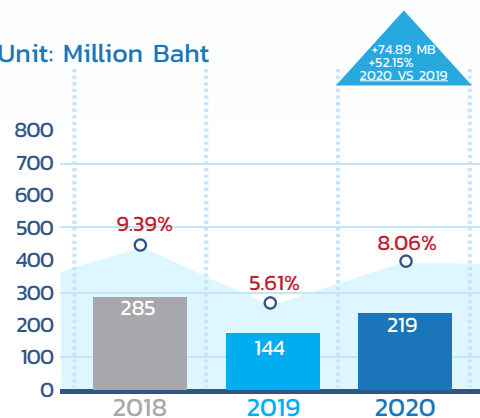
Gross Profit / Gross Profit Rate

Unit: Million Baht



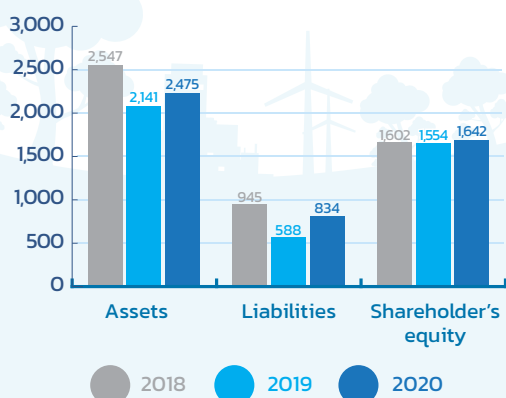
Net Profit / Net Profit Rate

Unit: Million Baht



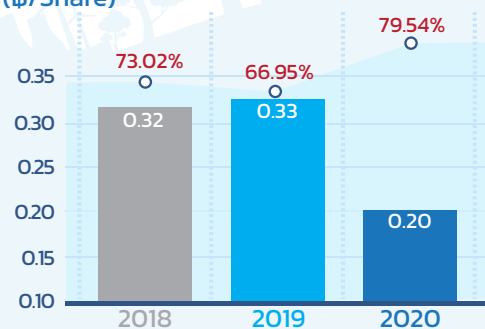
Financial Status

Unit: Million Baht



Dividend Per Share

Dividend Per Share (฿/Share)





Mr. Phaiboon Ungkanakornkul

Director/
Chairman of the Executive Board/
Managing Director

Mr. Soracit Phungsuk

Independent Director

Message from the Board of Directors

In the year 2020, the world and Thailand have been affected by the COVID-19 pandemic situation. It has resulted in a severe economic recession both inside and outside the country and around the world which leads to the changes in society, businesses, and consumer behavior in this new normal with the Thai economy expanding by -6.4 percent, compared to 2.4 percent in 2019.

From the above challenging situations, the company places great emphasis on business continuity management and organizational development to be more successful. We aim to build strength from within through improving work processes to be more flexible, work styles to be faster and more efficient, including the development of personnel to have more knowledge and abilities by being proactive and applying digital technology to develop innovations and solutions that meet customer needs. As for the performance in the year 2020, it is a good opportunity that the company is not directly affected. The company has total income of 2,712.35 million baht, an increase of 150.21 million baht or 5.56 percent and net profit of 218.50 million baht, an increase of 74.89 million baht or 52.15 percent. The net profit margin increased from 5.61 percent to 8.06 percent compared to the same period of last year. The increase in net profit was the result of a strategy to diversify risks among customers in the government sector who continue to pursue a long-term investment plan to compensate for the slowdown of the market conditions in related industries. The private sector has slowed its investment. The market condition has increased price competition resulting in the economic recession. The company has added importance and attention to the management of production costs, as well as controlling the selling and administrative expenses in accordance with the economic conditions, including the financial costs which continued to decrease from the previous year. As a result, the turnover for 2020 improved from the previous year.

The operational policy framework of the company focuses on driving sustainability by placing importance on the three components which are the "Economy-Society-Environment" called "Triple Bottom Line" or the tri-net profit to create returns for the sustainability of the business. The policy focuses on People-Planet-Profit or the importance of appreciation and assessing the organizational success in a balanced manner in all three aspects, namely economy (growing the business), society (contributing to society), and environment (caring for the environment), including operating with transparency and good governance, and to adapt to the digital transformation. Digital technology will play a huge role in business operations with a focus on adaptation in three important areas: Business Transformation, Technology Transformation, and Organization Transformation to support the operational goals of the company both in the short and long-term.

The Board of Directors would like to thank the shareholders, the joint venture, the business partners, customers, and all related parties that have always supported the operations. Also, we would like to thank all ASEFA staff for their dedication and hard work during times of crisis to prepare the organization to be ready to face the uncertain situation and get through it with strength. ASEFA is also committed to drive the business and adapt to keep pace with the changes for the organization to grow steadily and sustainably.

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 Moo 1 Rama II Road, Khok-kra-bue, Mueang Samutsakhon, 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	1. Varitek Company Limited
	2. ASEFA Suntech Joint Venture
	3. Asefa and VARS Joint Venture
	4. Asefa and UMI Joint Venture

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	<table><tr><td>Mr. Atipong Atipongsakul</td><td>CPA License No.3500</td></tr><tr><td>Mr. Vichai Ruchitanont</td><td>CPA License No.4054</td></tr><tr><td>Mr. Sathien Vongsnan</td><td>CPA License No.3495</td></tr><tr><td>Ms. Kultida Pasurakul</td><td>CPA License No.5946</td></tr><tr><td>Ms. Kanittha Siripattanasomchai</td><td>CPA License No.10837</td></tr></table> ANS Audit Company Limited. 100/72, 22 nd Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok, 10320 Thailand Telephone +66(0) 2645-0109 Fax. +66(0) 2645-0110		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. Kanittha Siripattanasomchai	CPA License No.10837
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. Kanittha Siripattanasomchai	CPA License No.10837											

Business Overview

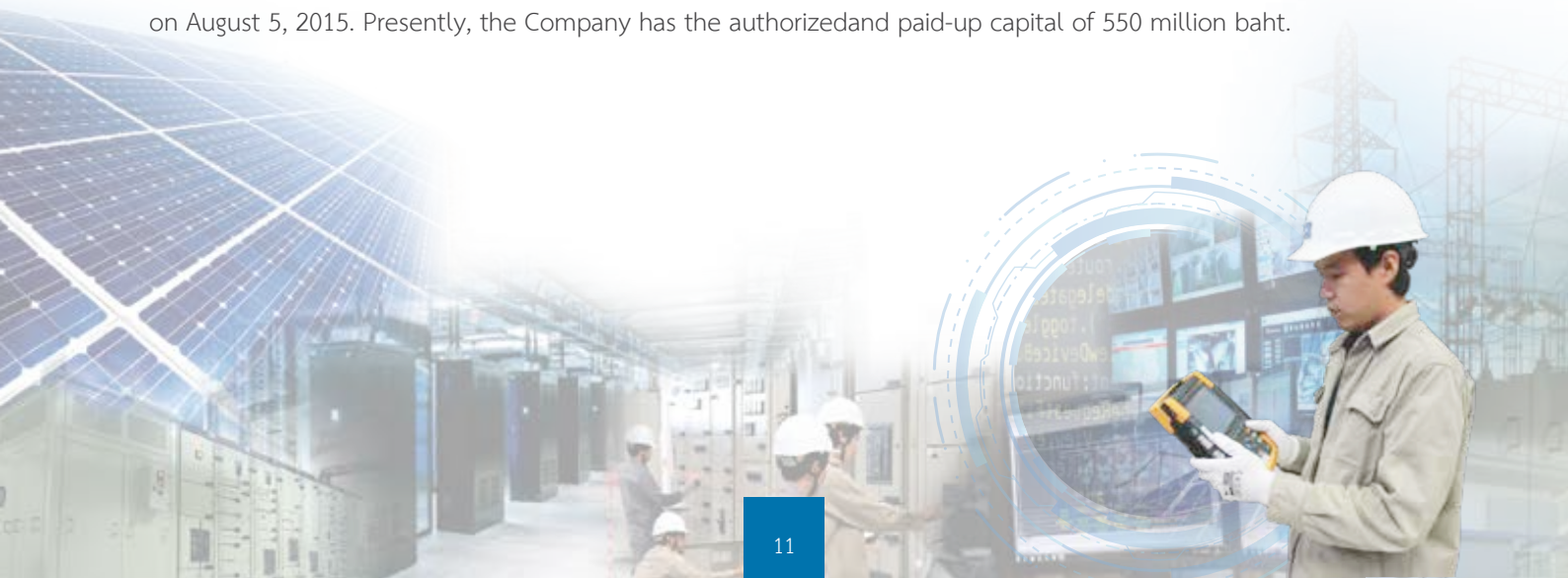
ASEFA Public Company (“The Company”) was registered as a business on March 24, 1997, with the authorized capital of 1 million baht. The Company’s operates the business under the brand “ASEFA” that manufactures and supplies switchboards. The function of a switchboard is to direct and control electricity 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 manufacture and assemble a type-tested switchboard by leading companies such as Schneider Electric Industries S.A. and Socomec S.A. from France and the Metropolitan Electricity Authority (MEA), etc. there have already been six 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 related systems of 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:

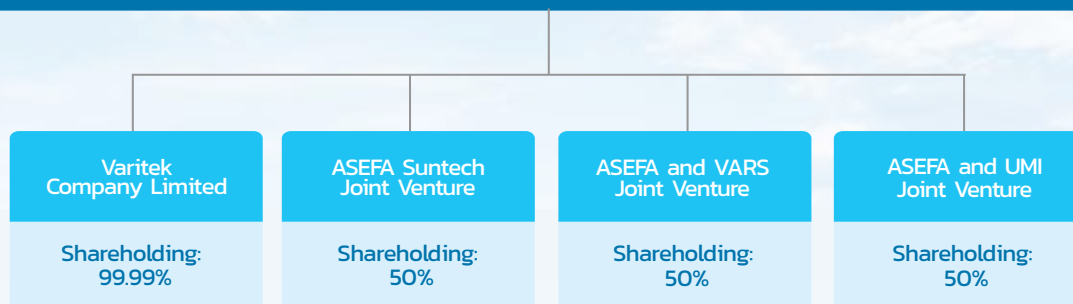
- | | |
|---------------|--|
| 1. Guarantee | We guarantee all our products and services |
| 2. Quality | We provide the best products and services |
| 3. Standards | We are committed to international standards |
| 4. Ethics | We deliver all goods to our customers’ specifications and requirements |
| 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

ASEFA Public Company Limited (Paid-up capital of 550 million baht)



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.

Major Changes and Developments

Milestone developments of the company during the period of years 2015 – 2020

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

2016



Management Company (TRM) and Mineral Insulated Cable (MICC) Company Limited from England.

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



Relocated the metalworking facility from Bang Bon District to merge with Rama II facility. The registration of business cancellation with the Department of Business Development, Ministry of Commerce, was finalized on December 27, 2016.



On December 27, 2016, the company registered the expansion of business with the Department of Business Development, Ministry of Commerce, adding 3 more branches consisting of Nakhon Ratchasima Branch, Ubon Ratchathani Branch, and Songkhla Branch.



Purchased 4 acres of land located at Khok-Krabue District (near the railroad crossing), Mueang Samutsakhon, Samutsakhon Province, an added attachment to the two plots previously purchased by the company as a business plan for future expansion.

2017



On March 15, 2017, The signing of the Letter of Intent with Nawarat Pattanakam 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

2017

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.

2018

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 aspect 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.

2019

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.

Products and Services

- 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 VENTURE 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.

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 (MorYorSor) from the Department of Labor.

2019

- 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.

Major changes and developments in 2020



Coperation with business partners and new innovations

- DTAC business cooperates with ASEFA alliance to develop monitoring system for electrical equipment to reduce unnecessary energy consumption for businesses and industries, develop monitoring system for electrical equipment used in switchboard cabinets with the Smart Monitoring and Service Care for Electric Switchboard solutions.
- Consortium agreement with Fuji Electric Thailand in participating in the auction.
- The Company is licensed to manufacture and distribute the Pix MV. SWB. and Prisma LV. SWB. switchboards from Schneider Electric Company.



Establishing and ASEFA Academy Center Opening

ASEFA Academy. The company focuses on and places great emphasis on the development of personnel to have more knowledge and abilities. Therefore, ASEFA Academy Learning Center has been established to enhance capabilities and work efficiency, including creating a competitive advantage which is consistent with the vision, objectives, goals, and strategies of the company. In addition, The company places great importance on promoting a wide variety of innovative technologies and new innovations for the engineering and innovation industry for sustainability by organizing ASEFA Innovation Day 2020 on 17-18 December 2020 under the concept of “Innovation for Sustainability.” There are various activities in the event such as open house, technology seminars, Automation IoT electrical and energy products and solutions exhibition from government and private agencies, and educational institution, touring the modern production line, machinery, equipment, products, and innovations, etc.



Development new solution business models by consulting, design, procurement, installation, and one stop services.



Awards and Certificates

- The Company received the Corporate Governance Report of Thai Listed Companies CGR for the year 2020 from "good level" to "excellence level" from the Thai Institute of Directors Association (IOD) with support from the Stock Exchange of Thailand (SET).
- The company has been certified Thai labour standards from the Ministry of Labour for the year 2020, receiving the award for the second consecutive year.
- The company had received a plaque of honour as an establishment that supports the management of the bilateral system of vocational education to meet the quality standard.
- The company had received the Clean Food Good Taste standard in “excellence level” in 2020 from the Department of Health, Ministry of Public Health for the eight-consecutive year.

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 4) business under joint venture agreement to decommissioning of the power plant. The Company's and subsidiaries' structure of revenue between 2018- 2020 is shown as follows.

Products	Operator	2020		2019		2018	
		MB	%	MB	%	MB	%
Manufacturing Products							
Switchboards designed and developed by the Company	ASEFA	967.54	35.67	892.12	34.82	1,162.73	38.30
Licensed Products	ASEFA	538.36	19.85	532.36	20.78	675.98	22.26
Other	ASEFA	101.66	3.75	128.68	5.02	130.08	4.29
Total Manufacturing Product Revenue		1,607.56	59.27	1,553.16	60.62	1,968.79	64.85
Supplied and Distributed Products							
Electrical and control products	ASEFA, VRT	107.46	3.96	68.25	2.66	63.66	2.10
Electrical power distribution products	ASEFA	266.06	9.81	201.86	7.88	271.70	8.95
Lighting Equipment	ASEFA	20.53	0.76	22.07	0.86	12.35	0.41
Mineral Insulated Cable	ASEFA	0.08	0.00	0.17	0.01	3.99	0.13
Other	ASEFA, VRT	58.82	2.17	31.61	1.24	40.65	1.33
Total Supplied and Distributed Products Revenue		452.95	16.70	323.96	12.65	392.35	12.92
Services							
Integrated engineering services	ASEFA, JV	498.92	18.39	541.93	21.15	547.97	18.05
After sales services	ASEFA	117.39	4.33	128.87	5.03	111.66	3.68
Total Service Revenue		616.31	22.72	670.80	26.18	659.63	21.73
Power plant demolition	JV	12.07	0.45	3.16	0.12	-	-
Other incomes*	ASEFA, VRT, JV	23.46	0.86	11.06	0.43	15.33	0.50
Grand Total		2,712.35	100.00	2,562.14	100.00	3,036.10	100.00

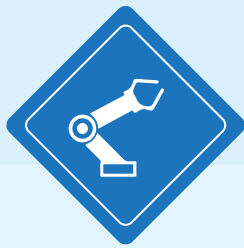
Note *Other sources of income in 2020, consists of revenue from sales of scrap materials (copper, steel, electrical wire) of 12.88 million baht, gains on the sale of assets 2.08 million baht, interest income of 1.42 million baht, and rental income of 1.38 million baht, etc.



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.



Schneider
Electric
Licensee

Socomec
Licensee



Manufacturing Products

- ASEFA Modular Switchboard
- Metal Trunking & Ladder
- Luminaire
- Licensed Type Tested Switchboard
- Prefabricated Mobile Unit
- Metal Sheet Fabrication



Supplied and Distributed Products

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



System Integration

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



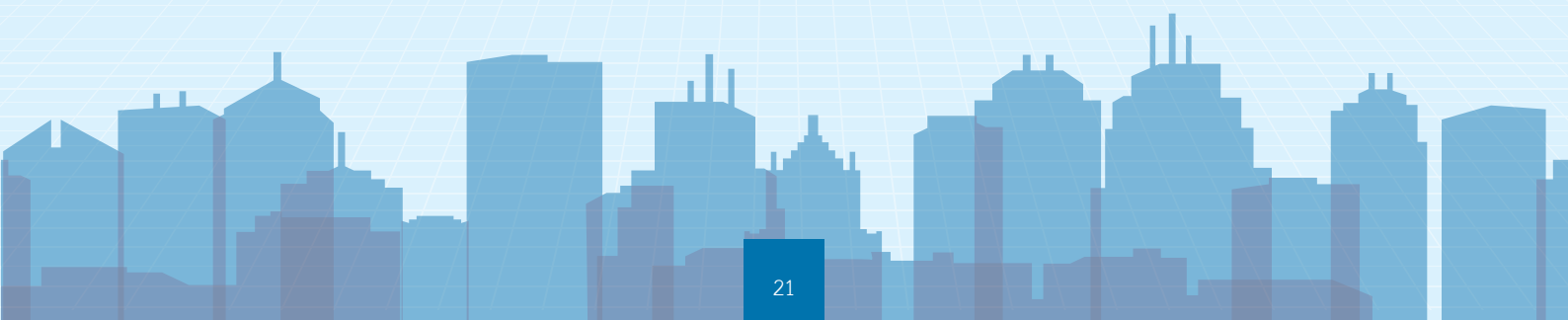
Engineering Service Provider

- Electrical Power Distribution Solution
- Automation and Smart Control
- Pumping Station
- Renewable Energy
- Electrical communications Mechanical
- Data Center
- Energy Conservation
- Substation
- Others



After Sales Services

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



Industrial Trend and Competition

Industry conditions

In the year 2020, the world and Thailand have been affected by the COVID-19 pandemic situation. It has resulted in an economic recession both inside and outside the country and around the world. Almost all economic activity was interrupted in both productions throughout the supply chain. Public and private investment slowed down due to the decreased income and purchasing power. In the year 2020, the Thai economy expanding by -6.4 percent, compared to 2.4 percent in 2019. Such situations had little impact on the Company's business operation. The Company operates business related to electric power and various related engineering services, which cover many business groups whether industrial factories, power plants, residences, commercial buildings, office buildings, telecommunications, hospitals and various public utilities, etc. Most of the company's business operations involve investing in the public and private sectors which will be a factor that helps support the growth of the company's business operations.

The competitions

Energy system is a back-office system that is essential to flow business operations in the digital age. Energy security is not only limited to the context of demand and supply, but also management. The business of ASEFA company is related to electrical power, electrical power distributor, power supply, electrical switchboard, automatic control system, power energy management system, after sales services, and related engineering 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. In addition, the Company also focuses on developing new innovations by bringing IoT technologies and solutions to develop products and services to manage the energy system, helping businesses to manage every part of their work smartly and save the costs that meet the needs of all groups of customers.

The company's business opportunity

The Company growth has major growth supporting factors from public and private investment projects such as government and private sectors' mega projects, public utility and infrastructure modification projects, Eastern Economic Corridor (EEC) 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, as well as promoting and supporting investments in energy conservation and various renewable energy which will be a supporting factor for the Company's business operations.

Upcoming projects

The company operates its business in according to the objectives and goals of the company specified in order to build and maintain competitiveness, personnel development to be more knowledgeable and competent, including using digital technology to develop innovations and solutions that meet the needs of customers, determining to drive business along with adaptation to keep pace with changes for the organization to grow steadily and sustainably. The company continues to focus on business expansion and investment plans as follows:

- 1) Business Partner with a specific expertise and startups business.
- 2) Offering products and services that meet the needs of customers across all groups, such as new copyright products. Smart Control System, Automatic control system, Internet of things (IoT), solar cells, equipment related to energy conservation and renewable energy, maintenance and engineering of various systems involved.
- 3) Expanding various distribution channels and approaches such as using digital marketing to reach and cover all target customer groups.
- 4) Procurement and provide a full range of services.

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, 2020, 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	182,300	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	221,021,500	40.20
2	Mr.Sa-Ngeam Klomchitcharoen	60,265,700	10.96
3	Mr.Pornchai Uraisin	59,658,900	10.85
4	Mr.Chairat Tangtivaja	58,780,000	10.69
5	N.C.B.TRUST LIMITED-CBLDN-OP CUSTODY LTD CLIENT A/C EUR	8,825,300	1.60
6	FWD Life Insurance Public Company Limited	8,011,600	1.46
7	Asefa Public Company Limited	4,351,700	0.79
8	Ms.Thatsanee Chaowachiwakaset	3,711,400	0.67
9	Mrs.Patcharin Mitsuntisuk	3,390,000	0.62
10	Mr.Amnart Rerksawat	3,369,000	0.61
	Total	431,385,100	78.43

Remarks:

- List of shareholders was compiled by Thailand Securities Depository Company Limited, the company's securities registrar.
- Ms.Wantana Thanwiset is the wife of Mr.Phaiboon Ungkanakornkul.
- On May 7, 2020, the Board of Directors meeting passed a resolution approving the Treasury Stock scheme for internal financial management. The maximum amount was 120 million baht and the maximum shares to be repurchased was 35,000,000 shares or representing not to exceed 6.36% of the total paid-up shares of the company by being an acquisition in the Stock Exchange of Thailand, and there was a period of 6-months share repurchase from May 21, 2020 to November 20, 2020. The treasury shares were conditional to be sold after 6 months but not to exceed 3 years from the completion of the share repurchase date.

On December 31, 2020, the company repurchased 4,351,700 ordinary shares under the mentioned scheme, totaling 13,496,104 baht. It was presented as a separate item in shareholders' equity and deductions in equity in the consolidated financial statements including allocated retained earnings as a reserve for treasury shares in the same amount.

Limitation of foreign shareholders

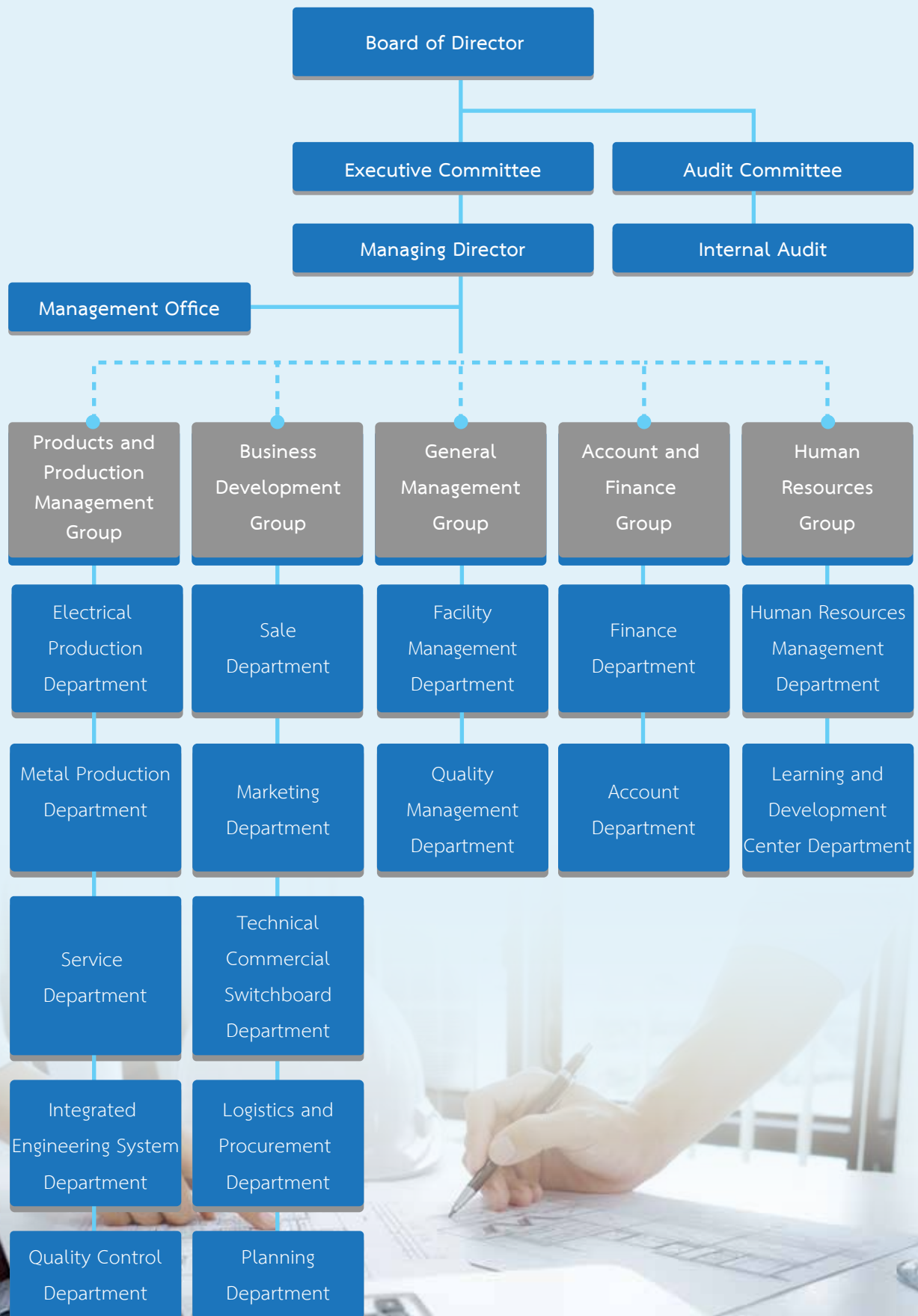
The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of December 30, 2020, the foreign shareholders held 2.15 percent of total shares.

Dividend Policy

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



Organization Chart



The Board of Directors and Management

The Board of Directors



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



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



Mr. Chairat Tangtivaja
Director
(Authorized Director)



Mr. Sa-Ngeam Klomchitcharoen
Director
(Authorized 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. 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 2020)

- 73 years old

Year of Director

- 13 years from 2007

Ratio of the Company's Shares Held (30/12/20)

- 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

2019–Present Associate Judge, Samutsakhon Juvenile and family Court

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 2020)

- 53 years old

Year of Director

- 23 years from 1997

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 55 years old

Year of Director

- 23 years from 1997

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 54 years old

Year of Director

- 23 years from 1997

Ratio of the Company's Shares Held (30/12/20)

- 10.96 %

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 2020)

- 57 years old

Year of Director

- 23 years from 1997

Ratio of the Company's Shares Held (30/12/20)

- 10.85 %

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 2020)

- 79 years old

Year of Director

- 13 years from 2007

Ratio of the Company's Shares Held (30/12/20)

- 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 Engi-
neering Co., Ltd
Business Type: Designs Electrical
Engineering System



Mr. Thanomsak Chotikaprakai

Independent Director/
Audit Committee Director

Age (End of 2020)

- 57 years old

Year of Director

- 1 year from 2019

Ratio of the Company's Shares Held (30/12/20)

- -

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

2020-Present	Independent/ Audit Committee Director Company's Titles: CIGNA Insurance Public Company Limited Business Type: Insurance.
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 2020)

- 50 years old

Year of Director

- 5 years from 2015

Ratio of the Company's Shares Held (30/12/20)

- 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. Choosak Sukhathammoo

Executive Committee/
Senior Department Manager,
Sales and Marketing Department

Age (End of 2020)

- 54 years old

Year of Director

- 5 years from 2015

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 54 years old

Year of Director

- 2 years from 2018

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 48 years old

Year of Director

- 2 year (Since May 2018)

Ratio of the Company's Shares Held (30/12/20)

- -

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 2020)

- 42 years old

Year of Director

- 5 years from 2015

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 41 years old

Year of Director

- 5 years from 2015

Ratio of the Company's Shares Held (30/12/20)

- 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 2020)

- 50 years old

Year of Chief Financial Officer

- 2 years from 2019

Ratio of the Company's Shares Held (30/12/20)

- -

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, 7 persons and executives, with names and scope of authority as follows

The Board of Directors

The Board of Directors as of December 31, 2020, there are 7 persons. comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Independent Director/ Chairman	July 23 rd , 2020
2. Mr. Phaiboon Ungkanakornkul	Director	April 24 th , 2018
3. Mr. Chairat Tangtivaja	Director	July 23 rd , 2020
4. Mr. Sa-Ngeam Klomchitcharoen	Director	April 24 th , 2019
5. Mr. Pornchai Uraisin	Director	April 24 th , 2019
6. Asst. Prof. Prasit Pittayapat	Independent Director	April 24 th , 2019
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)	
	2020	2019
1. Mr. Soracit Phungsuk	7/7	5/5
2. Mr. Phaiboon Ungkanakornkul	7/7	5/5
3. Mr. Chairat Tangtivaja	7/7	5/5
4. Mr. Sa-Ngeam Klomchitcharoen	7/7	5/5
5. Mr. Pornchai Uraisin	7/7	5/5
6. Asst. Prof. Prasit Pittayapat	7/7	5/5
7. Mr. Thanomsak Chotikaprakai	7/7	-

The Audit Committee

The Audit Committee as of December 31, 2020, there are 3 persons comprises of the following members:

Name	Position	Date of Appointment
1. Mr. Soracit Phungsuk	Chairman of the Audit Committee	July 23 rd , 2020
2. Asst. Prof .PrasitPittayapat	Audit Committee	April 24 th , 2019
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 Directorserving on the Board, at least three (3) of whom shall be Independent Directors. Each Director shall serve at three years 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)	
	2020	2019
1. Mr. Soracit Phungsuk	4/4	4/4
2. Asst. Prof. Prasit Pittayapat	4/4	4/4
3. Mr. Thanomsak Chotikaprakai	4/4	-

The Executive Committee

The Executive Committee as of December 31, 2020, there are 7 persons comprises of the following members:

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

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

Management

The Management as of December 31, 2020, there are 12 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. Burin Phraemongkol	Senior Department Manager - Planning Dept.
4. Mr. Choosak Sukhathammoo	Senior Department Manager - Sales Dept.
5. Mr. Sanya Chindaphan	Senior Department Manager - Account Dept.
6. Mr. Wichai Soontornvutikul	Senior Department Manager
7. Mr. Pichai Panchan	Department Manager - Corporate Finance Dept and Company Secretary
8. Mrs. Nanchalisa Rattanasittarn	Chief Financial Officer (CFO)
9. Ms. Thatsane Chowvasevakasad	Senior Department Manager - Marketing Dept.
10. Mr. Amphan Supawaha	Senior Department Manager - Sales Dept.
11. Ms. Padewrada Junda	Senior Department Manager - Marketing Dept.
12. 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.	-

Remark: ⁽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 2020, on July 23, 2020 resolved to determine the directors' remuneration for the year 2020 by paying the directors' remuneration on a monthly basis. The details are as follows:

Position	Monthly Compensation Year 2020 (Baht)	Monthly Compensation Year 2019 (Baht)
Chairman	40,000.00	40,000.00
Audit Committee (per person)	30,000.00	30,000.00
Director (per person)	25,000.00	25,000.00

The Remunerations for the Board of Directors Year 2019– 2020 areas belows:

Name	Number of meetings attended/ Total number of meetings Year 2020	Compensation Year 2020 (Baht)	Number of meetings attended/ Total number of meetings Year 2019	Compensation Year 2019 (Baht)
1. Mr.Soracit Phungsuk	7/7	480,000.00	5/5	480,000.00
2. Mr.Phaiboon Ungkanakornkul	7/7	300,000.00	5/5	300,000.00
3. Mr.Chairat Tangtivaja	7/7	300,000.00	5/5	300,000.00
4. Mr.Sa-Ngeam Klomchitcharoen	7/7	300,000.00	5/5	300,000.00
5. Mr.Pornchai Uraisin	7/7	300,000.00	5/5	300,000.00
6. Asst. Prof.Prasit Pittayapat	7/7	360,000.00	5/5	360,000.00
7. Mr.Suphan Settapanich*	-	-	3/5	270,000.00
8. Mr.Thanomsak Chotikaprakai**	7/7	360,000.00	-	30,000.00
Total		2,400,000.00		2,340,000.00

Note : * Mr. Suphan Settapanich, Independent Director / Audit Committee Member, resigned on September 13, 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 December 4, 2019.

In addition to the above remuneration No additional compensation

Management's Remunerations

In 2020 and 2019, the Company paid remuneration to the executive committee and the person taking the highest responsibility in finance and accounting of 19.24 million baht and 20.66 million baht, respectively, reduced by 1.42 million baht or 6.83 percent. Such remuneration includingsalaries, bonuses, Incentive, provident fund and other welfare.

Year	Number of Management (people)	Remuneration in cash (Baht)
2020	8	19,249,263
2019	9	20,660,896

Remarks During Year 2020, one executive who is a retired the executive committee.

Other remunerations

None

Personnel

Number of employees

As of December 31, 2020 and December 31, 2019: The company has employees 1,056 and 1,119 employees, respectively. The list is detailed as bellows

Department	Number of(people)	
	Year 2020	Year 2019
1. Management Office	29	21
2. Products and Production Management Group	587	649
3. Business Development Group	334	335
4. General Management Group	35	39
5. Account and Finance Group	33	33
6. Human Resources Group	38	42
Total	1,056	1,119

Employees' Remunerations

Monetary Remuneration

In 2020 and 2019, the company paid compensation to employees. (Excluding the Executive Committee) in the amount of 422.90 million baht and 430.53 million baht, respectively, reduced by 7.63 million baht or 1.77 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 encourages employees to grow along with the Company, both position-wise and income-wise, by raising their wage-level in comparison with other leading companies, not to mention paying for other compensations and incentives, such as bonus, saving funds, and other welfares.
5. The Company provides the employees with a safe working place, which can subsequently induce work efficiency, by supplying the knowledge of safety in workplace and personal protective equipment (PPE), as well as monitoring and managing environmental quality in both offices and the Company surroundings.

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 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 B.E. 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 person 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 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 character 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 2020

Self assessment of the performance of the board of committee	%
1) Self-assessment of the entire board	89.04
2) Self-assessment of the sub-committee which includes	
2.1 Audit committee	88.75
2.2 Executive committee	78.96
3. Self-assessment of the board of committee and sub-committee individually	86.89

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 February 18, 2021, 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 81.48 percent. Which has increased scores from the year 2019. 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 2021.

Auditor's remuneration

The 2020 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 2020 is set at 1,980,000 baht (2019: 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.

In the year 2021, 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 2021 is set at the amount of 1,880,000 baht, an decreased of year 2019. 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.

Unit: Baht			
Description	2021 Propose to the shareholders for approval.	2020	2019
Auditor's remuneration	1,880,000	1,980,000	1,980,000

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.

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 2020, customer satisfaction survey will cover product and service quality, the result as follows

Organizational quality target: Satisfaction for the year 2020

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	87.92%	83.81%	85.43%	86.86%
2	Group B- Related group	97.22%	93.33%	0.00%	92.59%
3	Group C- User group	88.20%	85.00%	88.00%	87.64%
Total		88.16%	84.82%	86.36%	87.33%

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

- | | | | |
|-----------------------|---|--------|-------------------|
| 1. Direct buyer group | The average satisfaction survey results are | 86.86% | Pass the criteria |
| 2. Related group | The average satisfaction survey results are | 92.59% | Pass the criteria |
| 3. User group | The average satisfaction survey results are | 87.64% | 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 2020, the company will not have any new entities.

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 qualifications 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 2020, the board set the 2021 and 2022'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.	Audit Committee Meeting		Board of Director Meeting	
1	February 18, 2021	1.30 pm – 3.00 pm	February 18, 2021	3.00 pm – 5.00 pm
2	May 12, 2021	1.30 pm – 3.00 pm	May 12, 2021	3.00 pm – 5.00 pm
3	August 5, 2021	1.30 pm – 3.00 pm	August 5, 2021	3.00 pm – 5.00 pm
4	November 4, 2021	1.30 pm – 3.00 pm	November 4, 2021	3.00 pm – 5.00 pm
5	February 17, 2022	1.30 pm – 3.00 pm	February 17, 2022	3.00 pm – 5.00 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 2020, 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	<ul style="list-style-type: none"> • Covid-19 Crises or opportunities for employees and organizations • Digital Economy by Schneider (Thailand) Co.,Ltd. • Direction for selling and expanding the product market
2	Mr. Boontherd Thongsamrit	Executive Committee	<ul style="list-style-type: none"> • Electrical safety law • Covid-19 Crises or opportunities for employees and organizations • IoT with ASEFA • Engineer potential development • Energy Management • Digital Economy by Schneider (Thailand) Co.,Ltd. • Direction for selling and expanding the product market • Lean management
3	Mr. Choosak Sukhathammoo	Executive Committee	<ul style="list-style-type: none"> • Sales and marketing development • Engineer potential development • Digital Economy by Schneider (Thailand) Co.,Ltd.
4	Mr. Wichai Soontornvutikul	Executive Committee	<ul style="list-style-type: none"> • ICONS Online Training • Sales and marketing development • IoT with ASEFA • Digital Economy by Schneider (Thailand) Co.,Ltd.
5	Mr. Pichai Panchan	Executive Committee	<ul style="list-style-type: none"> • Knowledge of Provident Fund • Covid-19 Crises or opportunities for employees and organizations • Digital Economy by Schneider (Thailand) Co.,Ltd. • Finance skills • Accounting Information System • Direction of energy in Thailand
6	Mr. Burin Phraemongkol	Executive Committee	<ul style="list-style-type: none"> • Sales and marketing development • Covid-19 Crises or opportunities for employees and organizations • IoT with ASEFA • Engineer potential development • Digital Economy by Schneider (Thailand) Co.,Ltd.

No.	Name	Position	Training course
7	Mr. Sanya Chindaphan	Executive Committee	<ul style="list-style-type: none"> • Knowledge of Provident Fund • Covid-19 Crises or opportunities for employees and organizations • Digital Economy by Schneider (Thailand) Co.,Ltd. • Case from the audit of the auditors, mistakes in financial statements that book keepers must not fail • Royalty Payment Issues that affect Taxes and Customs • Direction of energy in Thailand
8	Mrs. Nanchalisa Rattanasittarn	Chief Financial Officer (CFO)	<ul style="list-style-type: none"> • Knowledge of Provident Fund • Covid-19 Crises or opportunities for employees and organizations • Digital Economy by Schneider (Thailand) Co.,Ltd. • Finance skills

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.

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. Thanomsak Chotikaprakai as members of the Audit Committee. During 2020, 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 2020, 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. Thanomsak Chotikaprakai	Audit Committee	attending 4/4 meetings

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

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

- Improve the internal audit quality and elevate the operation of risk management system to build the Company's reliability, efficiency, and effectiveness as well as image, and to prevent corruption by supporting the internal auditors to receive an adequate internationally-recognized trainings in order to update and increase their knowledge to be well-versed and abreast of current and future changes.
- Keep update on urgent issues to assure the quality of management.
- Follow up on the risk management of the organization and anti-corruption operations.
- 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 2020, 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 2020 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 2020, 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 annually nominate candidates to be the Company's auditor to the Board of Directors, who then proposes these nominees to the B.E.2563 (2020) Annual General Meeting for appointment and the AGM unanimously approved of the selection of ANS Audit Co., Ltd., to be the B.E.2563 (2020) Auditor for the Company and subsidiaries.

In consideration of appointing financial auditors, candidates are scrutinized for their qualifications, including their knowledge, capabilities, business auditing experience, proposed auditing guidelines, independence per accounting ethics of the Federation of Accounting Professions and requirements of the Office of the Securities Exchange Committee and the Stock Exchange of Thailand, and appropriate auditing fees.

7. Disclose the Audit Committee Report.

The Audit Committee has prepared the report correctly and sufficiently. Which was disclosed in the annual report 2020.

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 2020 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 7 directors and executives are Mr. Phaiboon Ungkanakornkul, President of the Executive Committee and there are 6 executive directors, which are 1) Mr. Boontherd Thongsamrit, 2) Mr. Choosak Sukhathammoo, 3) Mr. Burin Phraemongkol, 4) Mr. Sanya Chindaphan, 5) Mr. Wichai Soontornvutikul, 6) Mr. Pichai Panchan, which Ms. Chamamas Promsakul is a Secretary to Board of Management.

In the year 2020, 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. Supervise and monitor the Company's business operations 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.
5. Other duties as assigned by the Board of Directors.

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)
President of the Executive Committee

Shareholding of the Board of Director and Managements

Shareholding of the Board of Director, Spouse and underage children on December 30, 2020

Name	Ordinary shares		
	December 30, 2020	December 30, 2019	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	60,265,700	60,020,000	245,700
Spouse	170,000	170,000	-none-
4. Mr. Pornchai Uraisin	59,658,900	59,436,000	222,900
Spouse	180,000	60,000	120,000
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, 2020

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

Name	Ordinary shares		
	December 30, 2020	December 30, 2019	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. Utoorn Srathong	55,000	55,000	-none-
4. Mr. Choosak Sukhathammo	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	3,711,400	3,422,900	288,500
11. Mr. Ampham Supawaha	-none-	-none-	-none-
Spouse	100,000	100,000	-none-
12. Ms. Padewrada Junda	150,000	135,000	15,000
13. Ms. Pornthip Ungkanakornkul	20,599,200	20,599,200	-none-

Sustainable Development

ASEFA has been stepping forward to the 23th of stable business intentions in order to maintain continual growth of the company as well as to create sustainable value together with the stakeholders as provisioned by our 3-balancing scopes which are Economic, Social, and Environmental under our good principles of corporate governance.

ASEFA prioritizes and adheres to 3-P Strategic Plan: Profit-People-Planet, 3 factors of the Bottom Line revenue which are Economy, Society, and Environment literately “Triple Bottom Line” or triple net earnings, to regenerate turnovers to the sustainability development of the business.

Triple Bottom Line focuses on value overviewing and achievement assessment in the following three aspects equivalently: Economy (growth of business), Society (community and social support), and Environment (environmental maintenance), as well as the transparency and good governance of business operation collectively.



Corporate Governance

Organize the business to be transparent, fair, and verifiable



Business growth together with the mutual benefit with stakeholders



Social responsibility and stakeholders' life quality development



Environmental management: pollution prevention, sustainable resources use, global warming adaptation, and environmental protection

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	shareholder/partner/creditor customer/partner partner partner customer
 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

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.

Last year, 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.





Economic Sustainable Development Activities

The growth of ASEFA's business is expanding along with the collaborative prosperity to our stakeholders. ASEFA has been applying measurements and declaring the business earnings which are from financial and accounting indicators under the corporate governance: transparent, fair, verifiable, and not taking advantage from subsidiary stakeholders. Besides the good earnings and stability, the company intends to develop products and services together with the development of our partners and customer satisfaction maintenance significantly.

TEMCA FORUM & INNOVATION BANGKOK 2020

Thai Electrical & Mechanical Contractors Association had the exhibition "TEMCA FORUM & INNOVATION BANKOK 2020" at CDC Crystal Design Center Under the concept of "THE NEXT DAY" in which ASEFA Public Company Limited participated in the exhibition booth to present the innovation and technology in electrical and mechanical to the entrepreneurs in the fields involved in this event.



ASEFA INNOVATION DAY 2020

The event was a venture demonstrating technological variety and benefits for engineering and innovations under the concept of "INNOVATION X SUSTAINABILITY". Activities in the event were as follows.

- Open House
- Technology Forum and Seminar
- Product Exhibition in Electrical Solution and IoT Automation Energy from government, individual, and academic institute partnerships.
- Production line visit and observation on machinery, devices, products and modern innovation.
- Academic activity: The signing ceremony of the Memorandum of Understanding
- on dual vocational education and learning with institutions
- Robot Battle Tournament
- ASEFA ACADEMY Opening Ceremony



Collaborated with Dtac in the development of IoT/ Electrical Switchboard Smart Monitoring and Service Care (MDB Care)

in order to manage energy and non-conformity of electrical system in a switchboard with 15 customers interested to install the new systems.



Collaborated with Dtac in the development 5G network solution for Smart Factory

for management, production, energy consumption, and machinery maintenance for global resource sustainable consumption.

Digital Transformation: Organization's digital transformation

The Company uses technology in its management systems and product development such as MDB Care, Technology 4G, 5G, Automation Control, IoT, Online Marketing, Software & Application, as well as energy development, applying various technologies to the work process to create the modern, convenient, fast work process, including continuous improvement in work process to prepare and adapt for a new digital world.

New Products and Solutions

- To be authorized to manufacture and distribute electrical switchboards (New License) Pix MV. SWB. and LV. SWB. Series
- To expand One Stop Service System Engineering, Engineering Solution, Power Quality Solution.

Developed mobile applications for internal use

and for convenient access of the employees e.g., App ASEFA or ASEFA Family to manage, reserve, release a meeting room, welfare management, and to reduce resource consumption efficiently.

Work from Home Anywhere

Policy which is accessible from everywhere to reduce travelling issues by online communication, for example, Line or Zoom.



Technology, Designing, Construction, Installation, Testing, and “Underground Electrical System Infrastructure” Project Management Workshop

ASEFA participated, supported, and introduced our new product in Power Monitoring, MDB Care, in the exhibition event for participants as well as organized MDB Care Application demonstration.

Human Resource Potential Development in Building and Public Health Environment Partnership Workshop

ASEFA collaborated by an exhibition booth and introducing Isolation Panel products and MDB Care products.

Digital Population and Smart City Development

ASEFA joined DEPA with an exhibition booth with MDB Care demonstration.

Business visits by a group of customers and business partners

22 group

Opportunity Day

Performance Announcement for 4th Quarter of 2019 and 2nd Quarter of 2020

2020 Annual Shareholders Meeting

at Grand Mercure Bangkok Fortune Hotel,
Bangkok



Social Sustainable Development Activities

ASEFA has been aware of and realized the importance of social activity practices as well as to support and promote good organizational attitude and cultures in order to raise responsibility toward society. In an aspect of consumer responsibility, the company assures and delivers quality and international standardized products and services to our valued customers as prescribed in provisions and agreements as well as sharing and distributing knowledges and technology to every part of the society, donation for disadvantaged, needy, and disaster sufferers in quality of living and public health.

Project 'Youth Education'

The company had hosted and arranged trainings and seminars in Electrical Engineer for college and university students consecutively 14 years for university projects and 8 years for vocational colleges. In 2020, there were



Higher education

2

Institutions

- Rajamangala University of Technology Lanna, Chiang Rai Campus
- Phayao University



Diploma levels

2

Institutions

- Angthong Technical College
- Rayong Technical College



In addition, the company had signed the memorandum of understanding (MOU) with nationwide colleges in total

38 Institutions

in the admission for students to work and train as trainees in the company, and the company had supported education for youth by submitting the students from Kampong Sapeu Institute of Technology, Cambodia to train in a Royal Project to support education of the Kingdom of Cambodia in Her Royal Highness Princess Sirindhorn's Initiative Idea. The company had still worked in Vocational Teacher Skills and Knowledges Increase Project. This project has been operated for 3 years time to increase knowledges and introduce new innovations in Electrical field to faculty and teachers from various academic institutes.



Project 'Academic Seminar for Public'

The company had organized seminars and training to exchange knowledge in electrical engineering for the general Public with collaboration from government sections, government enterprises, and private sections in which experts and engineers from each subject were instructors, and had been organized throughout 2020.



seminars and
training

31

sessions



ASEFA National Youth Day Activity

ASEFA supported 7 schools and organizations by contributing scholarships and funds in order to support education and development of students.

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.

ASEFA Supports Medical Personnel in COVID-19 Crisis

ASEFA donated PPE kits for Samutsakorn Hospital and donated funds for hospitals under the Ministry of Public Health, and ASEFA had add fund for aspirators in Innovation against COVID-19 project of King Mongkut's Institute of Technology Ladkrabang.



ASEFA Volunteers on National Mother's Day

ASEFA employees had cooked food and donated food to 60th Anniversary Honor Public Health Center, Khok Krabue Sub-District and had performed conservation and restoration operations on natural resources and environment of Khok Kham Sub-District for Her Majesty the Queen Sirikit, the Queen Mom, Anniversary on 12th, August.

Project: Asefa Blood Donation

Employee's blood Donation to Thai Red Cross

ASEAF Volunteers in Contributions for His Majesty the King Rama IX

- Donated fund to support Emergency Admission building of Samutsakorn Hospital.
- Donated food and insect traps for students at Samutsakorn Special Education Center.

ASEFA Safety Standard Increase

ASEFA provided 8 manual fire alarms for academic institutes in school safety project in Safety Officers in Workplace event held in Samutsakorn Industrial Estate.

Human Resource Development

The company supports the performance development of directors and employees in every aspect, so the company has provided opportunity in studying and developing performance continually through various training types including online training courses which ignited ASEFA Academy Center to contribute knowledges and develop Electrical Engineering specialists with knowledges and quality. In 2020, ASEFA organized 142 seminars and trainings.



In-company
seminars & trainings

91

Public
seminars & trainings

51



Besides knowledge development, ASEFA had utilized applications for work to lead the company to Digital Era. Applications e.g., Line, App ASEFA, App ASEFA Family, Zoom, and Wolf Approve, and non-office work or Work from Home were used for increase skills and efficiencies in order to fully activate Digital Transformation.

Career Path Support

Job Enlargement Policy



Increasing opportunities, progression and responsibilities
Employee should be multitasking.

Upskill



Increasing values and improving existing skills to become an expert

Reskill



Learning essential skills

Job Rotation Policy



To appropriately match jobs with employees, the company provides opportunities for employees to request job rotations, or managers to request incompatible employee transfers.



Happy Workplace

- Songkran in COVID-19
- Loy Krathong at ASEFA
- Mini Meeting
- Monthly Dining
- Morning Talk
- 5S



Occupational Health and Safety

- The company organized risk assessments and risk management plan continually. The result of safety operation of 2020 reported 16 accidents in workplace (first aid injury level).
- The company arranged consecutive occupational health trainings for employees.
- The company provided yearly medical examination for employees.
- In COVID-19 situation, the company issues measures and guidelines in order to prevent and monitor employees and visitors including in-house regulations and on-site regulations to follow strictly.

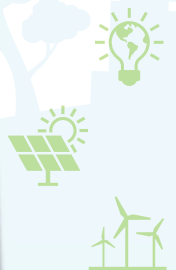
Environmental Sustainable Development Activities

The expansion of environmental awareness is spreading worldwide. ASEFA realizes and pays strong intention to the trend, so the company prioritizes environment managements in waste management, air pollution control, waste water treatment, energy conservation, hazardous chemical substance control, and green industry. The company applies technologies to support environment management efficiency increasement. Besides, the company set major goal at raising awareness in environment conservation and social responsibility among employees to realize the value of such limited resources.



Innovative energy-saving devices used in buildings

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



Other Environmental Managements



- Waste Sorting under Reduce, Reuse, and Recycle Policy
- Working via Communication device instead of office working to reduce fuel cost such as using LINE application for business session or meeting.
- Paperless office such as using database on the Intranet/ App ASEFA/ ASEFA Family and App Wolf Approve
- Tree planting and field construction
- No foam for food containers campaign, cooperated with Department of Health
- No plastic containers campaign
- Car Pool Project to reduce fuel consumption.

Awards and Certificates in 2020

- Levitated from Good Level to Very Good Level via Domestic Registered Corporate Governance Assessment CGR 2020 from Thai Institute of Directors by supports from Stock Exchange of Thailand (SET)



- Certified Thai Labor Standards 2020 for 2 consecutive years from Ministry of Labor



- Honor Award for Dual Vocational Education to Standard Quality Support Business
- 8-Year consecutive Certified Clean Food Good Taste (very good level) from the Department of Health, Ministry of Public Health

Internal Control

ASEFA Public Company Limited takes internal control seriously, focusing on a system that is comprehensive in scope of activities as well as adequate and suitable for its businesses to achieve these objectives:

1. Operation

Ensure efficient, effective management of resource consumption, together with stewardship of assets through prevention or reduction of errors, damage, waste, or fraud

2. Reporting

Ensure that financial and other reports developed for internal and external consumption are accurate, transparent, credible, and timely

3. Compliance

Ensure strict compliance with laws, regulations, directives, cabinet resolutions, and policies as well as management's protocols dealing with the organization's business.

In this regard, in the Board of Directors' Meeting No. 1/2021 on February 18, 2021, 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 2020, 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 moneyrelated 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 decisionmaking 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 2020 for the total of 7 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.

The Audit Committee's Opinion about Internal Control

In 2020, Dharmniti Internal Audit Co.,Ltd., which is an Independent Internal Audit Firm, examined and tracked several management systems, which 4 quarters, including, compliance with consisting of 1. Product planning system, manufacturing product 2. Switchboard manufacturing system 3. Quality control system (QC) 4. Quality management system (ISO) and Quality Assurance (QA). Including giving some advices to the Company for improving check and balance in every Performance Systems which it would help develop the quality of Internal Control Systems continually and cause the Company to have good governance system. The Company has operated in solving issues as Dharmniti Internal Audit Co., Ltd. had advised already.

Notice of Auditor about the Company's Internal Control

ANS Audit Co., Ltd., as the Company's accounting auditors, had proposed notice report and advices after examining financial statements 2018-2020 as follows:

In 2018, the Company's Auditor informed in the Board of Directors meeting session 1/2019 on February 22, 2019 that after examining financial statements for the year ended December 31, 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 20, 2020 that after examining financial statements for the year ended December 31, 2019, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

In 2020, the Company's Auditor informed in the Board of Directors meeting session 1/2021 on February 18, 2021 that after examining financial statements for the year ended December 31, 2020, Auditor didn't notice or give any advice about the Company's internal control in accounting system.

Actions of the Audit Committee

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. Thanomsak Chotikaprakai, 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 2020, the Audit Committee held a total of 4 meetings with the following key topics:

1. The Audit Committee has examined the quarterly financial statements and the financial statement for 2020 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 where by the findings of the annual internal audit in 2020 discover no indication of fraud, risk issues and no errors in terms of key internal controls. Also consider approving the internal audit plan for 2021.
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. Kaniittha | Siripattanasomchai | 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.

The person responsible for the internal audit

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.

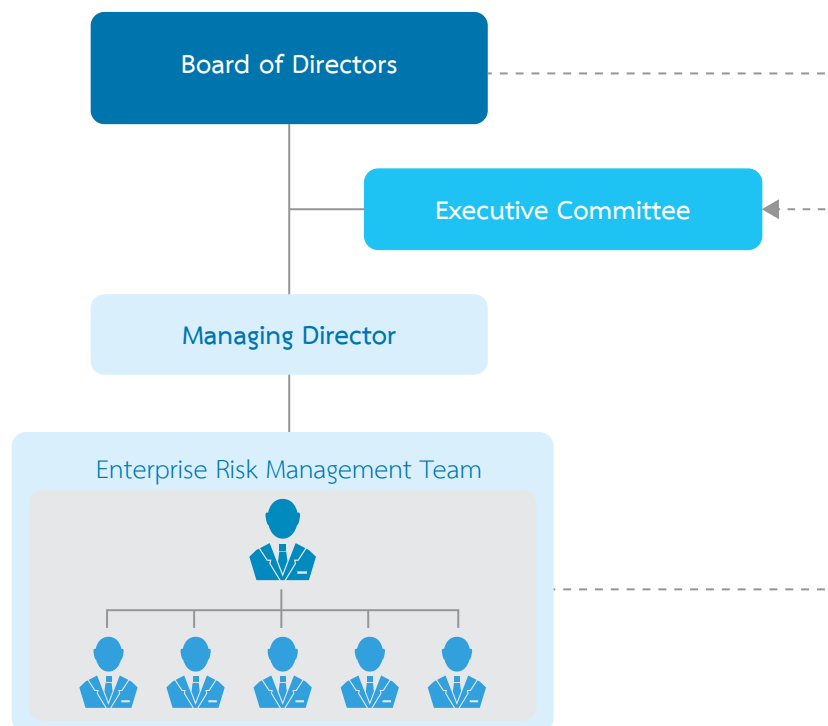
Risk Management

In the year 2020, the company encountered with many impacts from the spread of COVID-19 which affects the economy. With the dramatic changes in the business environment, risk management is an important process that helps to manage and plan to handle business uncertainties systematically and a tool for business continuity management. The company has applied the international standard: COSO ERM to every level in the company. The company has formulated an organization's risk management plan to cover all business groups and departments in order to ensure that company will achieve short-term and long-term goals and follow the guidelines for sustainable business development in line with the environment and society.

ASEFA Public Company Limited emphasizes on risk management in corporate level. The 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.



Corporate Risk Management Structure

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

From various critical situations that happened in the year 2020, the Company analyzes internal and external factors of business environment including economic trend, political circumstance, technology, industry, competitor and other concerned factors in order to indicate important risk factors for current and future business operations, including new risks that can be summarized as an organizational risk factor. The organization has prepared a management plan to build confidence to achieve the organization's goal. The Enterprise Risk are as follows:

Enterprise Risk Factors	Important Risk Management Measures
<p>1. Risk from inefficient people management</p> <p>People is the significant factor to push company to achieve its goal. Increasing skill and professional working of people will definitely support business growth. The 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.</p>	<p>The Company determines risk mitigation plans which are</p> <ul style="list-style-type: none">• Improve and review number and qualification of manpower with preparation of recruitment plans for personnel with knowledge and capability who has appropriate qualifications to align with business strategy both at present and in the future.• Improve the human resource management which includes plan to promote talented employees (Talent Program). Establish ASEFA Academy Learning Center for ongoing training in academic, technical, and soft skill. Also, 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 be more efficient, can be measured, and 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 in the organization.
<p>2. Risk from incompatible business plan and strategy with company's Vision, Mission, and Objective</p> <p>Business plan and Strategy are an important plan for company to achieve its goal. 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 keep up with the changes that occur. The working system is flexible, and the operation is highly efficient</p>	<p>The Company determines risk mitigation plans which are</p> <ul style="list-style-type: none">• Review and improve the process of preparing business plan or annual strategy and the organization's goal. Establishing a joint strategy between CEO and Executive Management to come up with a comprehensive and engaging concept in both short-term and long-term plans. Strategy and Goal will be cascaded to Management and employees to acknowledge the goal and strategy in the same direction, as well as building company culture to achieve Goal and Objective.• Improve procedure of budgeting in corporate and department level. Budget Monitoring and Reporting is required constantly.• Educate and strengthen the concept of organizational strategy for Executive Management to be used for review. Convey the ideal of

Enterprise Risk Factors	Important Risk Management Measures
<p>which help to achieve future goal and manage disruption for the company's survival and growth sustainably.</p>	<p>Strategy to Executive Management for short-term and long-term.</p> <ul style="list-style-type: none"> • 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 to prepare measures to support it in time.
<p>3. Risk from missed Sale Forecast</p> <p>In the current situation, 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.</p>	<p>Company determines risk mitigation plans which are</p> <ul style="list-style-type: none"> • Execute Sale Forecast Plan to be related with annual Budgeting together with KPI of all involved levels with a close follow-up report. • Increase work performance by integrating technology with Sale plan. Expand approachable sale 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.
<p>4. Risk from incompatible machinery and Information Technology with Operation</p> <p>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, the risks associated with Machinery and Information Technology are not the only operational risk, but they become one of the major business risks. The Company is aware of such risks.</p>	<p>Company determines risk mitigation plans which are</p> <ul style="list-style-type: none"> • 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. • Make a plan to support the use of information technology systems and drive digital transformation operations used in business operations and ERP systems. Recruit the Professional Consultant to make long-term plans to support the operations of the company and business expansion, and to achieve Objective and Goal.

Enterprise Risk Factors	Important Risk Management Measures
<p>5. Risk from the violation of law, regularity, and rules</p> <p>As the company's business operations are becoming more diverse and complex which involve in law, regularity and rules, company realizes the effect of damage or risk from violation of law, regularity, and rules.</p>	<p>Company determines damage and risk mitigation plans which are</p> <ul style="list-style-type: none"> • 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 continuously and up to date. • Manage plan to review all licenses to comply with government legal restriction by considering current operations and compare to the requirements, laws, rules and regulations, and then proceed to fix. • Corporate legal issues, regularity and rules related to business are required to train for all management and employees continuously. • Recruit Legal Consultant or Specialist to increase work efficiency in corporate and operational levels.
<p>6. Risk from corruption</p> <p>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 operate with sustainability according to the commitment and goals. The management team also consider the importance of this matter</p>	<p>Company determines risk mitigation plans which are</p> <ul style="list-style-type: none"> • Issue Anti-corruption policy to encourage Board of Committee, management, and employees to perform duties with honesty, transparency, and avoid conflict of interest to benefit oneself and connected persons. Serious 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.
<p>7. Risk from co-operation with new partners</p> <p>Investment with new partners is Strategy to enhance business growth and sustainability. Company constantly invested with new partners and are likely to increase now and 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 and review the adequacy of risk assessment and risk mitigation plan to approve mega Investment.</p>	<p>Company determines risk mitigation plans which are</p> <ul style="list-style-type: none"> • 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, including monitoring work progress and risk mitigation plan to ensure that the Company's investment projects will be able to proceed as planned. • 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, employees, and explicit evaluation performance to support new investment. • Plan for fund sourcing to suffice demand and balance financial ratio.

Enterprise Risk Factors

8. Pandemic Risk Factors

The COVID-19 outbreak since the beginning of 2020 result in the economic slowdown as well as providing a risk to employees who may be infected and may result in the cessation of important activities such as production and delivery, causing the interruption of business operations, etc. Therefore, the Company emphasizes on strict prevention measures against the risk of infection in order to minimize the impact on stakeholders such as customers, business partners, shareholders, communities.

Important Risk Management Measures

Company determines risk mitigation plans which are

- Announce the Emergency Response Policy, establish an operational team structure of business continuity plan (BCP), establish the COVID-19 Prevention and Control Committee to ensure compliance with applicable laws and notices. Supervise and establish the company group's effective preventive measures from the COVID-19 outbreak.
- Monitor the situation of the epidemic closely, including review of preventive measures according to the situation.
- Establish a Business Continuity Plan (BCP) and rehearse the BCP plan in key business groups or operational processes, as well as revising and improving the results of the drill to ensure that they can handle properly in the event of a real incident.
- Provide work from home as much as possible and strict infection prevention guidelines are required for employees who need to work in the workplace. They must wear medical masks, measure fever, wash hands with alcohol, and keep a social distance.
- Use digital system in reporting, tracking health and employee travel; therefore, screening and surveillance to prevent the spread of COVID-19 can be carried out quickly.
- There are measures to monitor and manage employees according to the level and opportunity of exposure. There are personnel arrangements with equipment for emergencies; therefore, the company can manage timely.
- There are screening and preventive measures to prevent the spread of the COVID-19 for individuals who come in contact with the company such as customers, contractors, including measures to monitor third parties entering the company, etc.
- Communicate the policy, regulations, including various important practices to employees continuously to prevent the spread of the COVID-19.

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	Type of Relationship																													
<p>Enginar Co., Ltd. (“ENG”)</p> <p>The distributor of electrical equipment, air conditioning and electrical installation.</p> <ul style="list-style-type: none">• ATS (Automatic Transfer Switch) brand ASCO in Emerson Industrial Automation Group, which is a high quality Double Throw that can have uninterrupted power supply during power failure. Lasting longer than the typical ATS, ATS has higher cost more than other brands, so it is for quite specific customer who only uses ATS's ASCO.• Clipsal – Bus lighting System, Driver computerized lighting system.• Cirpark System, navigation system for parking• Room Control Unit System (RCU) Control temperature and lighting system in the room.	<ul style="list-style-type: none">• Has Authorized Director together: Mr. Chairat Tangtivaja and Mr. Sa-Ngeam Klomchitcharoen• Shareholders together <table><tr><th rowspan="2">Shareholders</th><th colspan="2">ASEFA</th><th colspan="2">ENG</th></tr><tr><th>share</th><th>%</th><th>share</th><th>%</th></tr><tr><td>1. Mr. Phaiboon Ungkanakornkul*</td><td>221,021,500</td><td>40.20</td><td>2,500</td><td>5.00</td></tr><tr><td>2. Mr. Sa-Ngeam Klomchitcharoen</td><td>60,265,700</td><td>10.96</td><td>22,000</td><td>44.00</td></tr><tr><td>3. Mr. Chairat Tangtivaja</td><td>58,780,000</td><td>10.69</td><td>22,000</td><td>44.00</td></tr><tr><td>4. Mr. Pornchai Uraisin</td><td>59,658,900</td><td>10.85</td><td>2,500</td><td>5.00</td></tr></table> <p>Note: Shareholders data as of December 30th, 2020</p> <p>* Total holding of the Person concerned Ungkanakornkul's Family</p> <p>Mr. Chairat Tangtivaja, Mr. Sa-Ngeam Klomchitcharoen and Mr. Pornchai Uraisin confirmed to the Company that he will not engage in any business that has the same nature and not engage in competition company, also not be a partner, a shareholder or a director in other companies that has the same nature with the Company.</p>	Shareholders	ASEFA		ENG		share	%	share	%	1. Mr. Phaiboon Ungkanakornkul*	221,021,500	40.20	2,500	5.00	2. Mr. Sa-Ngeam Klomchitcharoen	60,265,700	10.96	22,000	44.00	3. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00	4. Mr. Pornchai Uraisin	59,658,900	10.85	2,500	5.00
Shareholders	ASEFA		ENG																											
	share	%	share	%																										
1. Mr. Phaiboon Ungkanakornkul*	221,021,500	40.20	2,500	5.00																										
2. Mr. Sa-Ngeam Klomchitcharoen	60,265,700	10.96	22,000	44.00																										
3. Mr. Chairat Tangtivaja	58,780,000	10.69	22,000	44.00																										
4. Mr. Pornchai Uraisin	59,658,900	10.85	2,500	5.00																										
<p>Varitek Co., Ltd. (VRT)</p>	<ul style="list-style-type: none">• Operate a business as a distributor of Electrical, Water supply and air conditioning system, by the Company holding 99.99 % of the shares. At present, the registered of capital is 15 million baht.																													
<p>ASEFA-Suntech Joint Venture</p>	<ul style="list-style-type: none">• A joint venture company with Suntech Engineering Co., Ltd. The Company holds 50.00 percent (the percentage of share of profits from the project) 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, The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 2 million baht. The purpose of the joint investment to operate in the underground electrical distribution system and other related engineering tasks.
ASEFA and UMI Joint Venture	<ul style="list-style-type: none"> A joint venture between the company and UMI Engineering Co., Ltd., The Company holds 50.00 percent (the percentage of share of profits from the project) with the registered of capital is 1 million baht. The purpose to operate 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 director positions. Shareholder of 221,021,500 shares (Total holding of the person concerned.), percentage 40.20 of the number of shares sold of the Company at December 30th, 2020.
Mr. Sa-Ngeam Klomchitcharoen	<ul style="list-style-type: none"> Being in charge of Director. Shareholder 60,265,700 shares, percentage 10.96 of the number of shares sold of the Company at December 30th, 2020.
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, 2020.

Related Transaction Details

In 2019- 2020, 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
		2020	2019	
Enginar Co., Ltd. ("ENG")	Goods sale	0.88	1.12	The Company sold switchboard (structure) and electrical equipment to ENG that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.
	Trade Accounts Rceivable	-	0.04	
Varitek Co., Ltd. ("VRT")	Goods sale	0.49	-	The Company sold electrical equipment to VRT that was based on the ordinary course of business and market prices. The Audit Committee has considered the issue and holds the view that the aforementioned sale of goods and services transaction is one of the company's normal and valid trading types.
	Trade Accounts Rceivable	0.08	-	

(2) Other Revenue

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/ Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2020	2019	
ASEFA and VARS Joint Venture	Guarantee fee (BG)	0.21	0.27	Guarantee fee for letters of guarantee from the company Charged from a joint venture, due to the company Have previously reserved the fee. The Audit Committee has considered the issue and holds the view that the aforementioned transaction is one of the company's normal and reasonable

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/ Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2020	2019	
ASEFA and UMI Joint Venture	Guarantee fee (BG)	-	0.02	<p>Guarantee fee for letters of guarantee from the company Charged from a joint venture, due to the company Have previously reserved the fee.</p> <p>The Audit Committee has considered the is-sue and holds the view that the aforementioned transaction is one of the company's normal and reasonable</p>
Varitek Co., Ltd. ("VRT")	Service income	0.95	-	It is a service fee that the company charges from VRT because the company gives advice in the work.
	Checks that are due	0.99	-	The Audit Committee has considered the issue and holds the view that the aforementioned transaction is one of the company's normal and reasonable.

(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
		2020	2019	
Enginar Co., Ltd. ("ENG")	Buy Goods	39.56	42.94	<p>Bought automatic transfer switch brand ASCO from ENG, who is the major distributors, according to customer's needs. Due to ATS brand ASCO has higher price, the company will buy it according to customer's spec only that was based on the ordinary course of business and market prices.</p> <p>The Audit Committee has considered the issue and holds the view that the management fee as compensation to employees is actual and reasonable.</p>
	Trade Accounts Payable	11.99	15.54	

(4) Loans

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/ Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2020	2019	
ASEFA Suntech Joint Venture	Balance, beginning of period	89.00	89.00	In 2014, the company has provided a loan to the Asefa Suntech Joint Venture to a turnover in the operation. In 2019 and 2018 the interest rate is 5 percent per year, a rate that is close to market rates.
	<u>Loan</u> during the period	-	-	
	<u>Repayment</u> during the period	-	-	
	<u>Allowance</u> during the period	42.07	37.11	The Audit Committee has considered the issue and holds the view that The transaction is appropriate and beneficial to the Company. The joint venture will result in increased revenues, earnings and business prospects of the company.
	Balance at the end of period	46.93	51.89	
	Interest received	-	-	
	Accrued interest received	0.74	0.74	
ASEFA and UMI Joint Venture	Balance, beginning of period	34.00	10.00	In 2018, the company has provided a loan to the Asefa and UMI Joint Venture to a turnover in the operation. In 2019 and 2020 the interest rate is 5 percent per year, a rate that is close to market rates.
	<u>Loan</u> during the period	-	29.00	
	<u>Repayment</u> during the period	34.00	5.00	
	<u>Allowance</u> during the period	-	-	The Audit Committee has considered the issue and holds the view that The transaction is appropriate and beneficial to the Company. The joint venture will result in increased revenues, earnings and business prospects of the company.
	Balance at the end of period	-	34.00	
	Interest received	0.32	1.46	
	Accrued interest received	-	-	

(5) Other receivables

Persons/Corporation With Potential Conflicts of Interest	Transaction Type	Related Transaction Value/ Outstanding (Million Baht)		Necessity and Validity of Related Transactions
		2020	2019	
ASEFA Suntech Joint Venture	Other Receivable	2.39	1.20	<p>This is the rental fee for material storage from the demolition of the power plant that the Company charges from the joint venture. Because the company Have reserved the fee before</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>

Measures or Procedures for Approving Related Transactions

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

Furthermore, the Company has set forth measures to prevent executives or stakeholders from participating in the approval of transactions in which executives or stakeholders may obtain director indirect gains or losses. 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. 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.

Analysis of Operating Results and Financial Position

1. Financial Status and Operational Results

Audit Report Summary

(A) 2018 Financial Statement as Audited by Mr. Yuttapong Chuamuangpan, Certified Auditor, License No. 9445, from SNS 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.

(B) 2019 Financial Statement as Audited by Mr. Atipong Atipongsakul, Certified Auditor, License No. 3500, from SNS 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.

(C) 2020 Financial Statement as Audited by Ms. Kanittha Siripattanasomchai, Certified Auditor, License No. 10837, from SNS 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, 2020, 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	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	101.99	4.18	57.10	2.71	43.68	1.73
Trade and other current receivable -net	623.06	25.52	497.72	23.64	772.59	30.66
Current portion of installment receivable	5.60	0.23	-	-	-	-

Statement of Financial Position	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Current contract assets	250.96	10.28	122.19	5.80	151.39	6.01
Short-term loan to related party-net	46.93	1.92	85.89	4.08	69.46	2.76
Short-term loan to other company	3.14	0.13	3.51	0.17	5.10	0.20
Inventories-net	612.17	25.07	529.41	25.14	688.87	27.53
Total current assets	1,643.85	67.32	1,295.82	61.54	1,731.09	68.69
<u>Non-current Assets</u>						
Restricted deposits at financial institutions	68.64	2.81	68.57	3.26	68.44	2.72
Non-current trade receivables-net	5.33	0.22	-	-	-	-
Installment receivable-net	0.96	0.04	-	-	-	-
Non-current contract assets	8.05	0.33	9.56	0.45	15.24	0.60
Investments in subsidiaries-net	17.35	0.71	17.35	0.82	17.35	0.69
Investment property-net	33.10	1.36	18.64	0.89	1.66	0.07
Property, plant and equipment-net	617.68	25.30	657.70	31.23	654.98	25.99
Right-of-use assets-net	2.59	0.11	-	-	-	-
Intangible assets-net	7.74	0.32	6.45	0.31	8.02	0.32
Deferred tax assets-net	36.26	1.48	30.88	1.47	22.39	0.89
Other non-current assets	0.34	0.01	0.83	0.04	0.98	0.04
Total non-current assets	798.04	32.68	809.98	38.46	789.06	31.31
Total assets	2,441.89	100.00	2,105.80	100.00	2,520.15	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans						
from financial institutions	110.00	4.50	15.48	0.74	240.00	9.52
Trade and other current payables	567.77	23.25	446.89	21.22	620.10	24.61
Current contract liabilities	82.88	3.39	57.24	2.72	-	-
Current portion of lease liabilities	1.15	0.05	-	-	0.25	0.01
Current portion of long-term						
loans from financial institutions	-	-	-	-	8.58	0.34
Accrued income tax	16.32	0.67	6.72	0.32	38.01	1.51
Total current liabilities	778.12	31.87	526.33	25.00	906.84	35.99
<u>Non-Current Liabilities</u>						
Lease liabilities-net	0.99	0.04	-	-	-	-
Non-current provisions for employee benefits	40.46	1.66	34.91	1.66	22.47	0.89
Non-current liabilities	0.10	0.00	0.11	0.01	0.11	0.00
Total non-current liabilities	41.55	1.70	35.02	1.66	22.58	0.90
Total liabilities	819.67	33.57	561.35	26.66	929.52	36.88

Statement of Financial Position	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
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	22.52	550.00	26.12	550.00	21.82
Premiums on ordinary shares	386.70	15.84	386.70	18.36	386.70	15.34
Retained earnings						
Appropriated						
Legal reserve	55.00	2.25	55.00	2.61	55.00	2.18
Treasury shares reserve	13.50	0.55	-	-	-	-
Unappropriated	630.52	25.82	552.75	26.25	598.93	23.77
Treasury shares	(13.50)	(0.55)	-	-	-	-
Total shareholders' equity	1,622.22	66.43	1,544.45	73.34	1,590.63	63.12
Total liabilities and shareholders' equity	2,441.89	100.00	2,105.80	100.00	2,520.15	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,606.37	99.14	2,488.28	99.38	2,931.24	99.43
Other income	22.62	0.86	15.44	0.62	16.69	0.57
Total revenues	2,628.99	100.00	2,503.72	100.00	2,947.93	100.00
Expenses						
Costs of sales and service	2,038.16	77.53	1,963.36	78.42	2,223.63	75.43
Selling expenses	203.14	7.73	208.36	8.32	223.54	7.58
Administrative expenses	143.20	5.45	161.58	6.45	159.59	5.41
Total expenses	2,384.50	90.70	2,333.30	93.19	2,606.76	88.43
Profit before finance costs and income tax	244.49	9.30	170.42	6.81	341.17	11.57
Finance costs	0.21	0.01	1.58	0.06	2.96	0.10
Profit before income tax	244.28	9.29	168.84	6.74	338.21	11.47
Income tax expenses	36.98	1.41	30.55	1.22	67.12	2.28
Profit for the years	207.30	7.89	138.29	5.52	271.09	9.20
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.38		0.25		0.49	

Statements of Cash Flows

(Unit: Million Baht)	2020	2019	2018
Cash Flows from Operating Activities:			
Profit before income tax	207.30	138.29	338.21
Adjustments to reconcile profit before income tax to cash			
Provided by (used in) operating activities			
Depreciation and amortization	48.59	50.26	52.62
Expected credit loss of accounts receivable	7.94	12.22	5.32
Allowance for short-term loans to related party	4.97	7.57	12.53
Allowance for inventories devaluation	6.85	14.07	7.20
(Gain) Loss from disposal of asset	(2.02)	(0.61)	(4.05)
Provision for long-term employee benefits	4.62	8.83	2.88
Interest paid	0.20	1.58	2.96
Income tax paid	36.98	30.55	67.12
Profit from operating activities before changes in operating assets and liabilities	315.43	262.76	417.67
Operating assets (increased) decreased			
Trade and other current receivables	(142.33)	211.63	(160.28)
Current contract assets	(128.77)	79.17	(117.33)
Inventories	(89.61)	145.39	(17.26)
Non-current contract assets	1.51	(5.68)	-
Other non-current assets	(0.01)	0.14	0.97
Changes in operating liabilities increase (decrease)			
Trade and other current payables	116.13	(98.22)	(148.41)
Current contract liabilities	25.64	(17.45)	-
Other non-current liabilities	(0.001)	(0.003)	0.02
Cash provided by operating activities	97.99	577.75	(24.62)
Employee benefits obligations paid	(2.89)	(0.12)	-
Interest paid	(0.20)	(1.63)	(2.93)
Income tax paid	(31.26)	(69.58)	(59.05)
Net cash from operating activities	63.64	506.42	(86.60)
Cash Flows from Investing Activities			
Restricted deposits at financial institutions increase	(0.10)	(0.12)	(0.12)
Cash received from short-term loans to related parties	34.00	5.00	55.00
Cash payment for short-term loans to related parties	-	(29.00)	(30.00)
Cash received from short-term loans to other company	3.57	1.59	7.19
Cash payment for short-term loans to other company	(3.20)	-	(12.28)
Cash payment for acquisition of investment property	-	-	(0.50)
Cash received from disposal of property, plant and equipment	(10.93)	(4.79)	-

(Unit: Million Baht)	2020	2019	2018
Cash payment for acquisition of property, plant and equipment	6.61	0.91	4.46
Cash payment for acquisition of intangible asset	(14.27)	(50.32)	(35.50)
Restricted deposits at financial institutions increase	(3.69)	(1.42)	(2.65)
Net cash from (used in) investing activities	11.99	(78.15)	(14.40)
Cash Flows from Financing Activities:			
Bank overdraft and short-term loans from financial institutions Increased (decreased)-net	94.52	(224.52)	239.99
Cash repayments for long-term loans from financial institutions	-	(8.58)	(10.72)
Cash payments for liabilities under finance lease agreements	(1.76)	(0.25)	(0.69)
Cash payments for treasury shares	(13.50)	-	-
Dividend paid	(110.00)	(181.50)	(176.00)
Net cash used in financing activities	(30.74)	(414.85)	52.58
Net cash and cash equivalents increase	44.89	13.42	(48.42)
Cash and cash equivalents at the beginning of the years	57.10	43.68	92.10
Cash and cash equivalents at the end of the years	101.99	57.10	43.68

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2020	2019	2018
Liquidity Ratio				
Liquidity	(Times)	2.11	2.46	1.91
Quick Ratio	(Times)	1.25	1.29	1.07
Cash Flow Liquidity	(Times)	1.10	0.71	(0.10)
Trade Debtors' Circulation	(Times)	4.43	3.76	4.19
Mean Debt Collection Time	(Days)	82	97	87
Circulating Inventory	(Times)	3.57	3.22	3.25
Average Product Selling Time	(Days)	102	113	112
Creditors' Circulation	(Times)	3.53	3.49	3.18
Credit Term Debt Payment Time	(Days)	103	104	114
Cash Cycle	(Days)	81	106	85
Profit Making Ability Ratios				
Gross Profit	(%)	21.80	21.10	24.14
Profit from Operating Activities	(%)	8.51	6.23	11.07
Cash per Profit	(%)	44.16	372.80	(7.59)
Net Profit	(%)	7.89	5.52	9.20
Return on Equity Shareholders' Returns (ROE)(%)		13.09	8.82	17.55
Performance Effectiveness Ratios				
Returns from Assets (ROA)	(%)	10.75	7.37	14.05
Returns from Fixed Assets	(%)	36.45	27.60	49.63

Key Financial Ratios		2020	2019	2018
Asset Circulation	(Times)	1.16	1.08	1.21
Financial Policy Analysis Ratios				
Debt per Shareholders' Equity (D/E)	(Times)	0.51	0.36	0.58
Interest Payment Ability	(Times)	1,184.50	107.96	115.14
Obligation Payment Ability cash basis	(Times)	0.45	2.05	(0.38)
Dividend Payment	(%)	53.06	131.24	64.92

2.2 Summary of Consolidated Financial Statements

Statement of Financial Position	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	157.52	96.36	104.09	4.86	85.67	3.36
Trade and other current receivable-net	630.60	25.47	507.20	23.69	775.54	30.44
Current portion of installment receivable	5.60	0.23	-	-	-	-
Current contract assets	259.04	10.46	163.98	7.65	168.17	6.60
Short-term loan to other company	3.14	0.13	3.51	0.16	5.10	0.20
Materials from the decommissioning-power plant-net	26.54	1.07	40.38	1.89	51.66	2.03
Inventories-net	612.17	24.73	529.41	24.72	688.87	27.04
Total current assets	1,694.61	68.46	1,348.56	62.97	1,775.01	69.68
<u>Non-current Assets</u>						
Restricted deposits at financial institutions	68.64	2.77	68.57	3.20	68.44	2.69
Non-current trade receivables-net	5.33	0.22	-	-	-	-
Installment receivable-net	0.96	0.04	-	-	-	-
Non-current contract assets	8.05	0.33	9.56	0.45	15.24	0.60
Investment property-net	33.10	1.34	18.64	0.87	1.66	0.07
Property, plant and equipment-net	617.35	24.94	657.46	30.70	655.11	25.72
Right-of-use assets-net	2.59	0.10	-	-	-	-
Intangible assets-net	7.74	0.31	6.45	0.30	8.02	0.31
Deferred tax assets-net	36.68	1.48	31.36	1.46	22.92	0.90
Other non-current assets	0.34	0.01	0.83	0.04	0.98	0.04
Total non-current assets	780.78	31.54	792.87	37.03	772.37	30.32
Total assets	2,475.39	100.00	2,141.43	100.00	2,547.38	100.00
<u>Liabilities and Shareholders' Equity</u>						
<u>Current Liabilities</u>						
Bank overdrafts and short-term loans						
from financial institutions	110.00	4.44	15.48	0.72	240.00	9.42
Trade and other current payables	574.44	23.21	463.36	21.64	635.05	24.93
Current contract liabilities	82.88	3.35	62.90	2.94	-	-

Statement of Financial Position	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Current portion of lease liabilities	1.15	0.05	-	-	0.25	0.01
Current portion of long-term loans from financial institutions	-	-	-	-	8.58	0.34
Accrued income tax	16.78	0.68	7.11	0.33	38.19	1.50
Total current liabilities	785.25	31.72	548.86	25.63	922.07	36.20
<u>Non-Current Liabilities</u>						
Lease liabilities-net1	0.99	0.04	-	-	-	-
Non-current provisions for employee benefits	40.46	1.63	34.91	1.63	22.47	0.88
Non-current liabilities	6.95	0.28	4.06	0.19	0.47	0.02
Total non-current liabilities	48.40	1.96	38.98	1.82	22.94	0.90
Total liabilities	833.65	33.68	587.84	27.45	945.01	37.10
<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	22.22	550.00	25.68	550.00	21.59
Premiums on ordinary shares	386.70	15.62	386.70	18.06	386.70	15.18
Discount on purchase of investments						
in subsidiaries-net	1.98	0.08	1.98	0.09	1.98	0.08
Retained earnings						
Appropriated						
Legal reserve	55.00	2.22	55.00	2.57	55.00	2.16
Treasury shares reserve	13.50	0.55	-	-	-	-
Unappropriated	668.57	27.01	579.58	27.07	620.46	24.36
Treasury shares	(13.50)	(0.55)	-	-	-	-
Total shareholders' equity attributable	1,662.25	67.15	1,573.26	73.47	1,614.14	63.36
Non-controlling interests	(20.51)	(0.83)	(19.67)	(0.92)	(11.77)	(0.46)
Total shareholders' equity	1,641.74	66.32	1,553.59	72.55	1,602.37	62.90
Total liabilities and shareholders' equity	2,475.39	100.00	2,141.43	100.00	2,547.38	100.00

Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenues from sales and service	2,688.89	99.14	2,551.08	99.57	3,020.77	99.50
Other income	23.46	0.86	11.06	0.43	15.33	0.50
Total revenues	2,712.35	100.00	2,562.14	100.00	3,036.10	100.00
Expenses						
Costs of sales and service	2,113.69	77.93	2,018.96	78.80	2,305.35	75.93
Selling expenses	203.19	7.49	208.36	8.13	223.54	7.36
Administrative expenses	138.97	5.12	162.79	6.35	155.15	5.11
Total expenses	2,455.85	90.54	2,390.11	93.29	2,684.04	88.40
Profit before finance costs and income tax	256.50	9.46	172.03	6.71	352.06	11.60
Finance costs	0.21	0.01	1.58	0.06	2.96	0.10
Profit before income tax	256.29	9.45	170.45	6.65	349.10	11.50
Income tax expenses	38.62	1.42	31.74	1.24	68.34	2.25
Profit for the years	217.67	8.03	138.71	5.41	280.76	9.25
Total comprehensive income for the years-Equity holders of the Company	218.50	8.06	143.61	5.61	285.07	9.39
Net Profit (Loss) per share (Fully Diluted) (Baht)	0.40		0.26		0.52	

Statements of Cash Flows

(Unit: Million Baht)	2020	2019	2018
Cash Flows from Operating Activities:			
Profit before income tax	217.67	138.71	349.10
Adjustments to reconcile profit before income tax to cash			
Providedby (used in) operating activities			
Depreciation and amortization	48.67	50.63	52.94
Expected credit loss of accounts receivable	7.61	11.96	4.98
Allowance for short-term loans to related party	(4.47)	7.63	6.80
Allowance for inventories devaluation	6.85	14.07	7.20
(Gain) Loss from disposal of asset	(2.02)	(0.61)	(4.05)
Provision for long-term employee benefits	4.62	8.83	2.88
Interest paid	0.20	1.58	2.96
Income tax paid	38.62	31.74	-
Profit from operating activities before changes in operating assets and liabilities	317.75	264.55	422.81

(Unit: Million Baht)	2020	2019	2018
Operating assets (increased) decreased			
Trade and other current receivables	(140.06)	203.41	3(153.39)
Current contract assets	(95.0)	56.12	(108.01)
Materials from the decommissioning power plant	18.32	3.65	-
Inventories	(89.61)	145.39	(17.26)
Non-current contract assets	1.51	(5.68)	-
Other non-current assets	(0.01)	0.14	0.97
Changes in operating liabilities increase (decrease)			
Trade and other current payables	106.32	(96.70)	(133.65)
Current contract liabilities	19.98	(11.78)	-
Other non-current liabilities	2.89	3.58	(1.68)
Cash provided by operating activities	142.03	562.68	9.59
Employee benefits obligations paid	(2.89)	(0.12)	-
Interest paid	(0.20)	(1.63)	(2.93)
Income tax paid	(32.76)	(70.51)	(60.73)
Net cash from operating activities	106.18	490.42	(54.07)
Cash Flows from Investing Activities			
Restricted deposits at financial institutions increase	(0.10)	(0.12)	(0.12)
Cash received from short-term loans to related parties	3.57	1.59	7.19
Cash payment for short-term loans to other company	(3.20)	-	(12.28)
Cash payment for acquisition of investment property	(10.93)	(4.79)	-
Cash received from disposal of property, plant and equipment	6.61	0.91	4.46
Cash payment for acquisition of property, plant and equipment	(14.27)	(50.32)	(35.50)
Cash payment for acquisition of intangible asset	(3.69)	(1.42)	(2.65)
Net cash from (used in) investing activities	(22.01)	(54.15)	(38.90)
Cash Flows from Financing Activities:			
Bank overdraft and short-term loans from financial institutions Increased (decreased)-net	94.52	(224.52)	239.99
Cash repayments for long-term loans from financial institutions	-	(8.58)	(10.72)
Cash payments for liabilities under finance lease agreements	(1.76)	(0.25)	(0.69)
Cash payments for treasury shares	(13.50)	-	-
Dividend paid	(110.00)	(181.50)	(176.00)
Non-controlling interest decrease	-	(3.00)	0.50
Net cash used in financing activities	(30.74)	(417.85)	53.08
Net cash and cash equivalents increase	53.43	18.42	(39.89)
Cash and cash equivalents at the beginning of the years	104.09	85.67	125.56
Cash and cash equivalents at the end of the years	157.52	104.09	85.67

Table Showing a Summary of Essential Financial Ratios

Key Financial Ratios		2020	2019	2018
<u>Liquidity Ratio</u>				
Liquidity	(Times)	2.16	2.44	1.93
Quick Ratio	(Times)	1.34	1.40	1.12
Cash Flow Liquidity	(Times)	0.16	0.67	(0.06)
Trade Debtors' Circulation	(Times)	4.48	3.81	4.28
Mean Debt Collection Time	(Days)	81	96	85
Circulating Inventory	(Times)	3.70	3.31	3.37
Average Product Selling Time	(Days)	99	110	108
Creditors' Circulation	(Times)	3.56	3.47	3.27
Credit Term Debt Payment Time	(Days)	102	105	111
Cash Cycle	(Days)	78	101	82
<u>Profit Making Ability Ratios</u>				
Gross Profit	(%)	21.39	20.86	23.68
Profit from Operating Activities	(%)	8.67	5.92	11.38
Cash per Profit	(%)	60.95	349.56	2.85
Net Profit	(%)	8.06	5.61	9.39
Return on Equity Shareholders' Returns (ROE)(%)		13.51	9.01	18.26
<u>Performance Effectiveness Ratios</u>				
Returns from Assets (ROA)	(%)	11.11	7.34	14.40
Returns from Fixed Assets	(%)	38.79	28.45	52.11
Asset Circulation	(Times)	1.17	1.09	1.24
<u>Financial Policy Analysis Ratios</u>				
Debt per Shareholders' Equity (D/E)	(Times)	0.50	0.37	0.59
Interest Payment Ability	(Times)	1,242.72	108.98	118.82
Obligation Payment Ability (cash basis)	(Times)	0.75	1.99	(0.24)
Dividend Payment	(%)	50.34	126.38	61.74

Management's Discussion and Analysis of Business Operation

1. Overall Past Performance

The company's business involves electric power and various engineering related services. That are important to running the business smoothly. In the digital age Energy security, it is not limited to the context of demand and supply only but also management. ASEFA's business is related to electric power and distribution, electrical switchboard, automatic control system, Energy management system, after sales service and related systems engineering 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 electric power.

The Group's operations are divided by categorized as follows: 1) products that are manufactured and distributed by the company 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 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 Same 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.

Operating results for the year 2020, the company and its subsidiaries had total revenues of 2,712.35 million baht, an increased by 150.21 million baht or by 5.86%, with a net profit of 218.50 million baht, an increase of 74.89 million baht or by 52.15% when compared to the same period of last year. The net profit margin increased from 5.61% to 8.06%. The increase in net profit was due to effective cost management and production cost control, resulting in an increased gross margins. As well as a decreased in selling and administrative expenses, amounting to 28.98 million baht or by 7.81%, due to the company has managed and controlled such expenses to be in line with the economic and market conditions in the related industries that are still slowing.

2. Analysis of Operating Results

2.1 Revenues

Product Group	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from sales						
- Products manufactured and distributed by the Company	1,607.56	59.27	1,553.16	60.62	1,968.79	64.85
- Products distributed by the Company	452.95	16.70	323.96	12.65	392.35	12.92
Total revenues from sales	2,060.51	75.97	1,877.12	73.27	2,361.14	77.77
2. Revenues from services	616.31	22.72	670.80	26.18	659.63	21.73
3. Revenue from power plant demolition	12.07	0.45	3.16	0.12	-	-
4. Other incomes	23.46	0.86	11.06	0.43	15.33	0.50
Total Revenues	2,712.35	100.00	2,562.14	100.00	3,036.10	100.00

The Company and its subsidiaries' total revenues 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 total revenues consist of sales and 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.

In 2020, 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 75.97%, 22.72%, 0.45% and 0.86% of the total revenues respectively.

Revenues from sales

Product Group	Operated by	2020		2019		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
Products manufactured and distributed by the Company							
Switchboards designed and developed by The Company	ASEFA	967.54	46.96	892.12	47.53	1,162.73	49.24
Licensed Products	ASEFA	538.36	26.13	532.36	28.36	675.98	28.63
Other products	ASEFA	101.66	4.93	128.68	6.85	130.08	5.51
Total revenue from products manufactured and distributed by the Company		1,607.56	78.02	1,553.16	82.74	1,968.79	83.38
Products distributed by the Company							
Electrical and control products	ASEFA/VRT	107.46	5.22	68.25	3.64	63.66	2.70
Electrical power distribution products	ASEFA	266.06	12.91	201.86	10.75	271.70	11.51
Lighting and equipment	ASEFA	20.53	1.00	22.07	1.18	12.35	0.52
Mineral Insulated Cable	ASEFA	0.08	0.00	0.17	0.01	3.99	0.17
Other products	ASEFA/VRT	58.82	2.85	31.61	1.68	40.65	1.72

Product Group	Operated by	2020		2019		2018	
		Million Baht	%	Million Baht	%	Million Baht	%
Total revenue from products distributed by the Company		452.95	21.98	323.96	17.26	392.35	16.62
Total revenue from sales		2,060.51	100.00	1,877.12	100.00	2,361.14	100.00

Sales revenue during 2018-2020 composed the revenue from products manufactured and distributed by the Company, and the revenue from products distributed by Company. 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.

In 2020, 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 1,607.56 million baht and 452.95 million baht, or 78.02% and 21.98% 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 turnings and luminaires, which are calculated in percentage as 83.38%, 82.74%, and 78.02% of the total sales revenues from 2018 to 2020 respectively. The majority of revenues came from manufacturing and distributing switchboards designed and developed by the company under the trademark 'ASEFA' which is calculated in percentage as 49.24%, 47.53% and 46.96% of the total sales revenue from 2018 to 2020 respectively.

Products distributed by the Company

From 2018 - 2020, the Company and its subsidiaries earned the revenues from the product distributed by the Company in the amount of 392.35 million baht, 323.96 million baht and 452.95 million baht respectively, or calculated in percentage as 16.62%, 17.26% and 21.98% 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	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Services						
Integrated engineering services	498.92	80.95	541.93	80.79	547.97	83.07
After sales services	117.39	19.05	128.87	19.21	111.66	16.93
Total revenue from services	616.31	100.00	670.80	100.00	659.63	100.00

The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 659.63 million baht in 2018 and 670.80 million baht in 2019 which it was increased 11.17 million baht, or 1.69%. In 2020, The Company and its subsidiaries earned the revenue from integrated engineering services in the amount of 616.31 million baht which it was decreased from last year 54.49 million baht, or 8.12%. Revenues from related engineering services has decreased, since to the decrease in project engineering service related work belongs to the completing project period.

Revenue from power plant demolition

Product Type	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from power plant demolition	12.07	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 2018, 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.

For the year 2020, The Company and its subsidiaries earned the revenue from the Bangpakong power plant demolition project 12.07 million baht, increased by 8.91 million baht or 281.96% when compared to the same period in 2019. Presently it is in the process of selling the joint venture's assets for liquidation.

Other incomes

Product Type	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Other income	23.46	0.86	11.06	0.43	15.33	0.50

From 2018-2020, The Company and its subsidiaries earned the revenue from other incomes in the amount of 15.33 million baht, 11.06 million baht and 23.46 million baht respectively; the growth rates were calculated to 0.50%, 0.43% and 0.86% of the total revenues. In 2020, the other incomes of the Company and its subsidiaries consists of revenue from sales of scrap materials (copper, steel, electrical wire) of 12.88 million baht, gains on the sale of assets 2.08 million baht, interest income of 1.42 million baht, and rental income of 1.38 million baht, etc.

2.2 Cost of Sales and Expenses

Cost and Expenses	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and service	2,113.69	77.93	2,018.96	78.81	2,305.35	75.93
Selling expenses	203.19	7.49	208.36	8.13	223.54	7.36
Administrative expenses	138.97	5.12	162.79	6.35	155.15	5.11
Finance cost	0.21	0.01	1.58	0.06	2.96	0.10
Total Expenses	2,456.06	90.55	2,391.69	93.35	2,687.00	88.50
Total revenue	2,712.35		2,562.14		3,036.10	

The major of expense of the Company and its subsidiaries include cost of sales and service, selling expenses, administrative expenses, and finance cost. During 2018 to 2020, the Company and its subsidiaries had the expenses at 2,687.00 million baht, 2391.696 million baht and 2456.06 million baht respectively, or estimated at 88.50%, 93.35% and 90.55% of the total revenues.

Cost of sales and service

Product Group	2020		2019		2018	
	Million Baht	GP %	Million Baht	GP %	Million Baht	GP %
Cost of sales-Products manufactured and distributed by the Company	1,263.45	21.41	1,230.33	20.79	1,483.36	24.66
Cost of sales-Products distributed by the Company	368.32	18.68	242.54	25.13	287.53	26.71
Cost of sales-Service	468.08	24.05	542.44	19.14	534.46	18.98
Cost of sales-power plant demolition	13.85	(14.69)	3.65	(15.56)	-	-
Cost of sales and service	2,113.69	21.39	2,018.96	20.86	2,305.35	23.68

During 2018 to 2019, the Company and its subsidiaries had the cost of sales and services at the amount of 2,305.35 million baht and 2,018.96 million baht, calculated in percentage as 75.93% and 78.80% of the total revenues; the cost of sales and services in 2019 decreased by 286.39 million baht, or at 12.42% compared to 2018, which was proportionate to the decrease of production and sales.

In 2020, the cost of sales and service was at 2,113.69 million baht, having increased by 94.73 million baht, or 4.69% calculated in percentage as 77.93% of the total revenues, which the increased in cost of sales and services in line with the increase of sales.

Gross Margin

During 2018 to 2019, the Company and its subsidiaries had the gross margin at 715.42 million baht and 535.12 million baht, having decreased by 183.30 million baht, or 25.62%, calculated 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.

In 2020, the Company and its subsidiaries had the gross margin at 575.20 million baht, having increased by 43.08 million baht, or increased in percentage as 8.10%, by the gross margin ratio at 20.86%, having increased by 21.39%, when compared to the same period of last year. Since the company has more efficient in cost management and cost control efficiency improved from the previous year.

Selling expenses

During 2018 to 2019 the Company and its subsidiaries had the selling expense in the amount of 223.54 million baht and 208.36 million baht, calculated in percentage as 7.36% and 8.13% of the total revenue. In 2019, the selling expense decreased by 15.18 million baht, or 6.79%, compared to same period of 2018 because, the decrease in sales expenses in terms of sales promotion and marketing.

In 2020, the Company and its subsidiaries had the selling expense in the amount of 203.19 million baht, having decreased by 5.17 million baht, or 2.48% compared to same period of last year. The major reduction in expenses was sales expenses in terms of sales promotion and marketing, due to the delay in organizing promotional activities in the COVID-19 situation

Administrative expenses

During 2018 to 2019, the Company and its subsidiaries had the administrative expenses in the amount of 155.15 million baht and 162.79 million baht, calculated in percentage as 5.11% and 6.35% of the total revenue.

In 2019, the administrative expenses 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.

In 2020, the Company and its subsidiaries had the administrative expenses in the amount of 138.97 million baht or calculated in percentage as 5.12% of the total revenues, having decreased by 23.82 million baht, or 14.63% compared to same period of 2019. The decrease in administrative expenses was mainly due to reserve for allowance for obsolete inventory decreased by 7.23 million baht, reserve for receivable was decreased by 4.02 million baht and the allowance for loan from related parties decreased by 2.60 million baht.

Finance cost

During 2018 to 2019, the Company and its subsidiaries had the financial cost in the amount of 2.96 million baht and 1.58 million baht, by decreased in amount of 1.38 million baht, calculated in percentage as 46.62%, compared to the 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.

In 2020, the Company and its subsidiaries had financial cost in the amount of 0.21 million baht, having decreased by 1.38 million baht, or 87.34% compared to same period of 2019 because as the Company Having excess working capital from operation, the short-term borrowing facility has been reduced from the previous year.

2.3 Net Profit

During 2018 to 2019, the Company and its subsidiaries had earned the net profit in the amount of 285.07 million baht and 143.61 million baht respectively, calculated in percentage as 9.39% and 5.61%. The decrease in the net profit in 2019 was 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 cost per unit increased in the group of products manufactured and sold by the company. The company has added the importance and attention to the management of production costs. As well as control of selling and administrative expenses and for finance costs which have continued to decline from the previous year.

In 2020, the Company and its subsidiaries had earned the net profit in the amount of 218.50 million baht, having increased 74.89 million baht, calculated in percentage as 52.12%, with the net profit ratio of 8.06%, having increased 2.45% compared to same period of 2019. In 2020, the increase in net income was due to effective cost management and production cost control, resulting in an increased gross margins. As well as a decreased in selling and administrative expenses, amounting to 28.98 million baht or by 7.81%, due to the company has managed and controlled such expenses to be in line with the economic and market conditions in the related industries that are still slowing.

3. Financial Position

Consolidated Financial Statement	2020 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)
Current assets	1,694.61	1,348.56	1,775.01
Non – current assets	780.78	792.87	772.37
Total assets	2,475.39	2,141.43	2,547.38
Liabilities	833.64	587.84	945.01
Shareholders' equity	1,641.75	1,553.59	1,602.37
Total Liabilities and shareholders' equity	2,475.39	2,141.43	2,547.38

3.1 Asset

During 2018 to 2020, the Company and its subsidiaries had the total assets in the amount of 2,547.38 million baht, 2,141.43 million baht and 2,475.39 million baht respectively, with the growth ratio at 8.75%, (15.94%) and 15.59%. The major asset of the Company and its subsidiaries include trade and other current receivables, inventories and property, plant and equipment as below;

Trade receivables

In 2018 to 2020, there were trade receivables before allowance of doubtful accounts for 761.09 million baht, 521.89 million baht and 652.36 million baht respectively, calculated in percentage as 29.87%, 24.37% and 26.35% 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 85 days in 2018, 96 days in 2019 and 81 days in 2020.

From the table above, the Company and its subsidiaries had the ratio of overdue trade receivables, from 2018-2020, at 64.98%, 64.88% and 66.59% 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 25.00%, 18.47% and 16.50% respectively. In 2019, the ratio of the current trade receivables had decreased from 64.98% to 64.68%, and the ratio of trade receivables overdue more than 3 months had increased from 10.02% to 16.86%. An increase of 11.64 million baht of accounts receivable, 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.

At the end of 2020, the Company and its subsidiaries had trade receivables overdue over 3 months, increasing from 87.94 million baht in 2019 to 110.30 million baht. or 16.91%, 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. In this regard, the Company has also used statistical data in determining the allowance for doubtful accounts as well.

Inventory

Inventory	As at 31 Dec, 2020		As at 31 Dec, 2019		As at 31 Dec, 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	45.44	7.49	37.55	6.19	46.96	6.24
Work in process	136.17	22.45	105.72	17.43	114.90	15.28
Raw material	472.29	77.86	422.79	69.70	537.28	71.45
Supplies	40.67	6.70	36.95	6.09	41.97	5.58
Goods under installation	0.98	0.16	1.17	0.19	6.16	0.82
Goods in transit	0.68	0.11	2.44	0.40	4.74	0.63
Total inventories	696.23	100.00	606.62	100.00	752.01	100.00
Less allowance for devaluations	(84.06)		(77.21)		(63.14)	
Total inventories-net	612.17		529.41		688.87	

The Company and its subsidiaries had the net inventory-net at the end of 2018 to 2020 at the amount of 688.87 million baht, 529.41 million baht and 612.17 million baht respectively, which consists of raw materials, work in progress and finished goods.

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 2020, was in the amount of 612.17 million baht, increased by 82.76 million baht, or 15.63% compared to 2019. The increase due to the quantity of raw materials and equipment, Because the company have a reserved of raw materials for electrical equipment used for production and distribution to accommodate the current and future order.

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

Raw material Type	Aging of inventory	Criteria of provision (%)
Raw material	Between 366-730 Days	15.00
Raw material	Between 731-1,095 Days	35.00
Raw material	Between 1,096-1,825 Days	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 655.11 million baht in 2018, 657.46 million baht in 2019 and 617.35 million baht in 2020, calculated by the ratio of the total assets as 25.72%, 30.70% and 24.93% respectively.

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.

In 2020, the Company and its subsidiaries had the net of lands, buildings and equipment in the amount of 617.35 million baht, having decreased 40.11 million baht or 6.10% compared to 2019, due to decreasing from depreciation and asset write-off during the period.

3.2 Liquidity

Cash flow

(Unit: Million Baht)	2020	2019	2018
Net cash from (used in) operating activities	106.18	490.42	(54.07)
Net cash used in investing activities	(22.01)	(54.15)	(38.90)
Net cash from (used in) financing activities	(30.74)	(417.85)	53.08
Net cash and cash equivalents (increased) decreased	53.43	18.42	(39.89)

During 2018 to 2019, the Company and its subsidiaries had cash flow from its operating activities in the amount of (54.07) million baht and 490.42 million baht respectively. In 2019, the Company and its subsidiaries had a cash flow from use in operating activities, due to the collection of debt repayment from trade receivables and other receivables increased when compared to the year 2018.

During 2018 to 2019, the Company and its subsidiaries had investing activities in the amount of (38.90) million baht and (54.15) million baht respectively. In 2019, The Company and its subsidiaries invested in fixed assets amounting to 50.32 million baht.

During 2018 to 2019, the Company and its subsidiaries had cash flow from financing activities in the amount of 53.08 million baht and (417.85) million baht respectively. In 2019, the Company and its subsidiaries cash was used to pay for short-term loans from financial institutions amounting to 224.52 million baht and dividend payment of 181.50 million baht.

In 2020, the Company and its subsidiaries had cash flow from its operating activities in amount of 106.18 million baht, having decreased 384.24 million baht, compared to the same period in 2019, This was due to the increase in inventories and trade payables and other current payables compared to the year 2019. In terms of cash flow used in investing activities, amounted to (22.01) million baht from fixed assets investment of 14.28 million baht, a decrease from the previous year. And cash payments for short-term loans from financial institutions decreased by 94.51 million baht and dividend payments of 110 million baht, resulted in the Company's cash flow used in financing activities in the amount of (30.74) million baht.

Liquidity Ratio

Ratios		2020	2019	2018
Liquidity	(Times)	2.16	2.44	1.93
Quick Ratio	(Times)	1.34	1.40	1.12
Mean Debt Collection Time	(Days)	81	96	85
Average Product Selling Time	(Days)	99	110	108
Credit Term Debt Payment Time	(Days)	102	105	111
Cash Cycle	(Days)	78	101	82

The Company and its subsidiaries had the liquidity ratio at the end of 2018 to 2020 at the amount of 1.93 Times, 2.44 Times and 2.16 Times respectively, and had the quick ratio at 1.12 Times, 1.40 Times and 1.34 Times 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 41.72%, 42.25% and 37.69% respectively.

The Company and its subsidiaries had cash cycle equal to 82 days in 2018, 101 days in 2019 and 78 days in 2020. The decreased in Cash Cycle, due to The Company had the Mean Debt Collection Time and Average Product Selling Time is faster with a faster repayment period Compared to last year.

3.3 Sources of Capital

Liabilities

The Company and its subsidiaries had debts amount of 945.01 million baht in 2018, 587.84 million baht in 2019 and 833.64 million baht in 2020. Most of the liabilities incurred were mostly trade and other current 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 97.57% in 2018, 93.36% in 2019 and 94.19% in 2020. In 2018 The company and its subsidiaries current liabilities were from trade and other current payables, calculated into percentage as 67.20% of total liabilities and 2018, and most of the Company's debts were current liabilities was trade and other current payables, calculated into percentage as 90.06% of total liabilities.

For the year 2020, the majority of the Company's liabilities of the Company and its subsidiaries are trade and other current payables accounting for 68.90% of total liabilities.

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.

At the end of 2020, the Company's non-current liabilities increased by 9.42 million baht, or 24.15% when compared to the same period in 2019 because of the increase in non-current provisions for employee benefits.

Shareholders' Equity

The Company and its subsidiaries had the value of shareholders in the amount of 1,602.37 million baht in 2018, 1,553.59 million baht in 2019 and 1,641.75 million baht in 2020.

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.

The value of shareholders increased in 2020 increased from 2019 by 88.15 million baht or 5.67% when compared to 31 December 2019. Due to the operating profit was at 214.62 million baht and dividend payment was 110 million baht in 2020.

Capital Structure Viability

The Company and its subsidiaries had the ratio of debts to equity at 0.59 Times at the end of 2018, and 0.37 Times at the end of 2019 and 0.50 Times at the end of 2020. Which shows that the company There is an effective capital structure.

Report of the Board of Directors' Responsibilities for Financial Statements

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, internal control system, as well as a risk management 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 Committee



ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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, 2020, the consolidated and separate statements of 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, 2020, 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. 12, the Company has allowance for inventories as at December 31, 2020 in the amount of Baht 84.06 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, 2020 in the amount of Baht 498.92 million which 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, 2020.

Auditor's Response

My audit procedures included sampling selecting those contracts that could have a significant impact on the Group'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 compare the stage of completion derived from the actual costs incurred to the stage of completion estimated by the Company's project engineers / the project managers.

Other Matter

The consolidated and separate financial statements for the year ended December 31, 2019 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 20, 2020 expressed an unqualified opinion.

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.

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

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.



(Kanittha Siripattanasomchai)

Certified Public Accountant

Registration No. 10837

ANS Audit Co., Ltd.

Bangkok, February 18, 2021

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	5, 6	157,521,189	104,086,563	101,987,255	57,097,831
Trade and other current receivables - net	5, 7, 32	630,601,436	507,195,937	623,065,875	497,720,475
Current portion of installment receivable	8	5,596,334	-	5,596,334	-
Current contract assets	9, 32	259,036,051	163,977,741	250,958,142	122,189,516
Short-term loan to related parties - net		-	-	46,925,755	85,893,072
Short-term loan to other company	5	3,140,000	3,508,128	3,140,000	3,508,128
Materials from the decommissioning	10				
power plant - net	11	26,536,441	40,384,895	-	-
Inventories - net	12	612,174,351	529,405,120	612,174,351	529,405,120
Total current assets		<u>1,694,605,802</u>	<u>1,348,558,384</u>	<u>1,643,847,712</u>	<u>1,295,814,142</u>
Non-current assets					
Restricted deposits at financial institutions	13	68,636,643	68,565,054	68,636,643	68,565,054
Non-current trade receivables - net	7	5,327,780	-	5,327,780	-
Installment receivable - net	8	960,097	-	960,097	-
Non-current contract assets	9, 32	8,051,768	9,563,875	8,051,768	9,563,875
Investments in subsidiaries - net	14	-	-	17,349,339	17,349,339
Investment property - net	15	33,104,792	18,640,336	33,104,792	18,640,336
Property, plant and equipment - net	16, 19	617,348,797	657,458,626	617,675,159	657,702,419
Right-of-use assets - net		2,594,635	-	2,594,635	-
Intangible assets - net		7,738,301	6,451,854	7,738,301	6,451,854
Deferred tax assets - net	17	36,676,512	31,356,534	36,261,751	30,875,424
Other non-current assets	18	342,855	834,935	342,855	834,935
Total non-current assets		<u>780,782,180</u>	<u>792,871,214</u>	<u>798,043,120</u>	<u>809,983,236</u>
Total assets		<u><u>2,475,387,982</u></u>	<u><u>2,141,429,598</u></u>	<u><u>2,441,890,832</u></u>	<u><u>2,105,797,378</u></u>

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

	หมายเหตุ	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and Shareholders' Equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	110,000,000	15,485,057	110,000,000	15,485,057
Trade and other current payables	5, 20, 32	574,438,752	463,363,657	567,771,773	446,889,433
Current contract liabilities	9, 32	82,881,224	62,903,894	82,881,224	57,236,600
Current portion of lease liabilities	21	1,146,026	-	1,146,026	-
Accrued income tax		16,783,707	7,106,732	16,316,410	6,720,474
Total current liabilities		785,249,709	548,859,340	778,115,433	526,331,564
Non-current liabilities					
Lease liabilities - net	21	986,750	-	986,750	-
Non-current provisions for employee benefits	22	40,456,004	34,914,129	40,456,004	34,914,129
Non-current liabilities	32	6,950,280	4,062,543	105,500	106,500
Total non-current liabilities		48,393,034	38,976,672	41,548,254	35,020,629
Total liabilities		833,642,743	587,836,012	819,663,687	561,352,193

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' Equity					
Share capital					
Authorized share capital					
550,000,000 ordinary shares, at Baht 1 each		550,000,000	550,000,000	550,000,000	550,000,000
Issued and fully paid - up					
550,000,000 ordinary shares, at Baht 1 each		550,000,000	550,000,000	550,000,000	550,000,000
Premiums on ordinary shares		386,702,910	386,702,910	386,702,910	386,702,910
Discount on purchase of investments in subsidiaries - net	14	1,981,036	1,981,036	-	-
Retained earnings					
Appropriated					
Legal reserve	23	55,000,000	55,000,000	55,000,000	55,000,000
Treasury shares reserve	24	13,496,104	-	13,496,104	-
Unappropriated		668,567,764	579,581,814	630,524,235	552,742,275
Treasury shares	24	(13,496,104)	-	(13,496,104)	-
Total shareholders' equity attributable to owners of parent		1,662,251,710	1,573,265,760	1,622,227,145	1,544,445,185
Non - controlling interests		(20,506,471)	(19,672,174)	-	-
Total shareholders' equity		1,641,745,239	1,553,593,586	1,622,227,145	1,544,445,185
Total liabilities and shareholders' equity		2,475,387,982	2,141,429,598	2,441,890,832	2,105,797,378

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
	4, 5, 26, 27				
Revenues from sales and service		2,688,893,149	2,551,081,521	2,606,370,672	2,488,279,274
Costs of sales and service		(2,113,690,916)	(2,018,963,014)	(2,038,162,488)	(1,963,364,813)
Gross profit		575,202,233	532,118,507	568,208,184	524,914,461
Other income		23,461,766	11,061,156	22,617,358	15,444,788
Profit before expenses		598,663,999	543,179,663	590,825,542	540,359,249
Expenses					
Distribution costs		(203,195,118)	(208,358,289)	(203,145,697)	(208,358,289)
Administrative expenses		(138,969,827)	(162,790,907)	(143,198,016)	(161,581,605)
Total expenses		(342,164,945)	(371,149,196)	(346,343,713)	(369,939,894)
Profit before finance costs and income tax		256,499,054	172,030,467	244,481,829	170,419,355
Finance costs		(206,401)	(1,578,594)	(206,401)	(1,578,594)
Profit before income tax		256,292,653	170,451,873	244,275,428	168,840,761
Income tax expenses	18	(38,622,878)	(31,742,872)	(36,975,346)	(30,545,808)
Profit for the years		217,669,775	138,709,001	207,300,082	138,294,953
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss - net from tax		(3,046,490)	(2,984,571)	(3,046,490)	(2,984,571)
Total comprehensive income for the years		214,623,285	135,724,430	204,253,592	135,310,382
Profit (loss) attributable to					
Equity holders of the Company		215,457,582	143,612,531	207,300,082	138,294,953
Non-controlling interests		(834,297)	(4,903,530)	-	-
		217,669,775	135,724,430	207,300,082	138,294,953
Total comprehensive income (loss) attributable to					
Equity holders of the Company		215,457,582	140,627,960	204,253,592	135,310,382
Non-controlling interests		(834,297)	(4,903,530)	-	-
		214,623,285	135,724,430	204,253,592	135,310,382
Basic earnings per share					
Equity holders of the Company		0.40	0.26	0.38	0.25
Weighted average number of issued and fully paid-up ordinary shares (shares)		548,847,213	550,000,000	548,847,213	550,000,000

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

Consolidated financial statements											
Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Discount on investments	Retained earnings		Unappropriated	Treasury shares	Other component of shareholders' equity	Total shareholders' equity attributable to owners of parent	Non-controlling interest	Total
				Appropriated				Actuarial loss - net of income tax			
				Legal reserve	Treasury shares reserve						
Balance as at January 1, 2019	550,000,000	386,702,910	1,981,036	55,000,000	-	620,453,854	-	-	1,614,137,800	(11,768,644)	1,602,369,156
Dividend paid	25	-	-	-	-	(181,500,000)	-	-	(181,500,000)	(3,000,000)	(184,500,000)
Total comprehensive income (loss) for the year	-	-	-	-	-	143,612,531	-	(2,984,571)	140,627,960	(4,903,530)	135,724,430
Transfer to retained earnings	-	-	-	-	-	(2,984,571)	-	2,984,571	-	-	-
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)	1,553,593,586
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	3	-	-	-	-	(2,975,528)	-	-	(2,975,528)	-	(2,975,528)
Balance as at January 1, 2020 - as restated	550,000,000	386,702,910	1,981,036	55,000,000	-	576,606,286	-	-	1,570,290,232	(19,672,174)	1,550,618,058
Dividend paid	25	-	-	-	-	(110,000,000)	-	-	(110,000,000)	-	(110,000,000)
Total comprehensive income (loss) for the year	-	-	-	-	-	218,504,072	-	(3,046,490)	215,457,582	(834,297)	214,623,285
Transfer to retained earnings	-	-	-	-	-	(3,046,490)	-	3,046,490	-	-	-
Treasury shares reserve	24	-	-	-	13,496,104	(13,496,104)	-	-	-	-	-
Treasury shares	24	-	-	-	-	-	(13,496,104)	-	(13,496,104)	-	(13,496,104)
Balance as at December 31, 2020	550,000,000	386,702,910	1,981,036	55,000,000	13,496,104	668,567,764	(13,496,104)	-	1,662,251,710	(20,506,471)	1,641,745,239

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Baht

			Separate financial statements					
			Retained earnings				Other component of shareholders' equity	
			Appropriated					
Notes	Issued and Paid-Up Share Capital	Premiums on ordinary shares	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Actuarial loss - net of income tax	Total
Balance as at January 1, 2019	550,000,000	386,702,910	55,000,000	-	598,931,893	-	-	1,590,634,803
Dividend paid	25	-	-	-	(181,500,000)	-	-	(181,500,000)
Total comprehensive income (loss) for the year		-	-	-	138,294,953	-	(2,984,571)	135,310,382
Transfer to retained earnings		-	-	-	(2,984,571)	-	2,984,571	-
Balance as at December 31, 2019	550,000,000	386,702,910	55,000,000	-	552,742,275	-	-	1,544,445,185
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	3	-	-	-	(2,975,528)	-	-	(2,975,528)
Balance as at January 1, 2020 - as restated	550,000,000	386,702,910	55,000,000	-	549,766,747	-	-	1,541,469,657
Dividend paid	25	-	-	-	(110,000,000)	-	-	(110,000,000)
Total comprehensive income (loss) for the year		-	-	-	207,300,082	-	(3,046,490)	204,253,592
Transfer to retained earnings		-	-	-	(3,046,490)	-	3,046,490	-
Treasury shares reserve	24	-	-	13,496,104	(13,496,104)	-	-	-
Treasury shares	24	-	-	-	-	(13,496,104)	-	(13,496,104)
Balance as at December 31, 2020	550,000,000	386,702,910	55,000,000	13,496,104	630,524,235	(13,496,104)	-	1,622,227,145

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash Flows from Operating Activities:				
Profit for the years	217,669,775	138,709,001	207,300,082	138,294,953
Adjustments to reconcile profit for the years to cash provided by (used in) operating activities				
Depreciation and amortization	48,673,983	50,632,242	48,591,414	50,260,482
Expected credit loss of accounts receivable	7,608,194	11,958,064	7,939,942	12,224,714
Allowance for short-term loans to related party	-	-	4,967,317	7,565,581
(Reversal) allowance for materials from the decommissioning power plant	(4,469,515)	7,632,626	-	-
Allowance for inventories devaluation	6,846,682	14,072,440	6,846,682	14,072,440
Gain from disposal of fixed asset	(2,024,602)	(607,909)	(2,024,602)	(607,909)
Non-current provisions for employee benefits	4,620,427	8,831,349	4,620,427	8,831,349
Interest expenses	206,401	1,578,594	206,401	1,578,594
Income tax expenses	38,622,878	31,742,872	36,975,346	30,545,808
Profit from operating activities before changes in operating assets and liabilities	317,754,223	264,549,279	315,423,009	262,766,012
Changes in operating assets (increase) decrease				
Trade and other current receivables	(140,060,883)	203,408,649	(142,332,532)	211,632,161
Current contract assets	(95,058,310)	56,115,587	(128,768,626)	79,172,955
Materials from the decommissioning power plant	18,317,969	3,647,030	-	-
Inventories	(89,615,913)	145,389,028	(89,615,913)	145,389,028
Non-current contract assets	1,512,107	(5,680,884)	1,512,107	(5,680,884)
Other non-current assets	(7,920)	137,661	(7,920)	137,661
Changes in operating liabilities increase (decrease)				
Trade and other current payables	106,324,679	(96,696,735)	116,131,924	(98,223,068)
Current contract liabilities	19,977,330	(11,778,814)	25,644,624	(17,446,109)
Other non-current liabilities	2,887,736	3,586,849	(1,000)	(3,000)
Cash provided by operating activities	142,031,018	562,677,650	97,985,673	577,744,756
Employee benefits obligations paid	(2,886,664)	(117,120)	(2,886,664)	(117,120)
Interest paid	(198,716)	(1,632,529)	(198,716)	(1,632,529)
Income tax paid	(32,760,376)	(70,512,294)	(31,260,233)	(69,577,245)
Net cash from operating activities	106,185,262	490,415,707	63,640,060	506,417,862

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2563	2562	2563	2562
Cash Flows from Investing Activities:				
Restricted deposits at financial institutions increase	(71,589)	(122,667)	(71,589)	(122,667)
Cash received from short-term loans to related parties	-	-	34,000,000	5,000,000
Cash payment for short-term loans to related parties	-	-	-	(29,000,000)
Cash received from short-term loans to other company	3,568,128	1,590,612	3,568,128	1,590,612
Cash payment for short-term loans to other company	(3,200,000)	-	(3,200,000)	-
Cash payment for acquisition of investment property	(10,939,458)	(4,788,679)	(10,939,458)	(4,788,679)
Cash received from disposal of property, plant and equipment	6,607,596	906,203	6,607,596	906,203
Cash payment for acquisition of property, plant and equipment	(14,275,938)	(50,317,333)	(14,275,938)	(50,317,333)
Cash payment for acquisition of intangible asset	(3,697,160)	(1,422,956)	(3,697,160)	(1,422,956)
Net cash from (used in) investing activities	(22,008,421)	(54,154,820)	11,991,579	(78,154,820)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	94,514,943	(224,514,943)	94,514,943	(224,514,943)
Cash payments for long-term loans from financial institutions	-	(8,581,065)	-	(8,581,065)
Cash payments for lease liabilities	(1,761,054)	(249,379)	(1,761,054)	(249,379)
Cash payments for treasury shares	(13,496,104)	-	(13,496,104)	-
Dividend paid	(110,000,000)	(181,500,000)	(110,000,000)	(181,500,000)
Non-controlling interest decrease	-	(3,000,000)	-	-
Net cash used in financing activities	(30,742,215)	(417,845,387)	(30,742,215)	(414,845,387)
Net cash and cash equivalents increase	53,434,626	18,415,500	44,889,424	13,417,655
Cash and cash equivalents at the beginning of the years	104,086,563	85,671,063	57,097,831	43,680,176
Cash and cash equivalents at the end of the years	157,521,189	104,086,563	101,987,255	57,097,831
Supplemental Disclosures of Cash Flows Information				
Non-cash transaction				
Increase in Investment properties from debt settlement	-	12,411,321	-	12,411,321
Purchase of investment properties that have not been paid in cash	3,968,168	-	3,968,168	-
Purchase of equipment that have not been paid in cash	774,563	251,383	774,563	251,383
Installment receivable that have not yet been paid	6,556,431	-	6,556,431	-
Increase right-of-use assets from lease liabilities	3,893,830	-	3,893,830	-

ASEFA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 December 26, 2019, 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.

Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

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, 2020 and 2019 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

Subsidiaries	Nature of business	Percentage of holding
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.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE

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

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek 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 financial statements of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

TFRSs related to financial instruments consists of the following five accounting standards and interpretations

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs, related to financial instruments, make stipulations related 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.

TFRS16 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.

Impacts on the financial information

The Group has adopted these two group of reporting standards from January 1, 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

Unit: Baht

Consolidated financial statements				
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Trade and other current receivables - net	564,158,806	(3,719,410)	-	560,439,396
Non-current assets	-	-	3,893,830	3,893,830
Right-of-use assets - net				
Deferred tax assets - net	31,356,534	743,882	-	32,100,416

Liabilities and shareholders' equity				
Current liabilities				
Current portion of				
lease liabilities - net	-	-	1,761,055	1,761,055
Non-current liabilities				
Lease liabilities - net	-	-	2,132,775	2,132,775
Shareholders' equity				
Retained earnings	579,581,814	(2,975,528)	-	576,606,286

Unit: Baht

	Separate financial statements			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Trade and other current receivables - net	552,720,221	(3,719,410)	-	549,000,811
Non-current assets				
Right-of-use assets - net	-	-	3,893,830	3,893,830
Deferred tax assets - net	30,875,424	743,882	-	31,619,306
Liabilities and shareholders' equity				
Current liabilities				
Current portion of				
lease liabilities- net	-	-	1,761,055	1,761,055
Non-current liabilities				
Lease liabilities - net	-	-	2,132,775	2,132,775
Shareholders' equity				
Retained earnings	552,742,275	(2,975,528)	-	549,766,747

The total impact on the retained earnings as at January 1, 2020 is as follows:

Unit: Baht

	Consolidated financial statements	Separate financial statements
Unappropriated retained earnings as at December 31, 2019	579,581,814	552,742,275
Increase in loss allowance for trade and other current receivables	(2,975,528)	(2,975,528)
Unappropriated retained earnings as at January 1, 2020	576,606,286	549,766,747

Financial instruments

Impairment of financial assets

The Group has trade receivables that are subject to the expected credit loss model. The Company has trade receivables and short-term loans to related parties that are subject to the expected credit loss model.

Trade receivables

The Group applies the simplified approach to measuring expected credit losses, which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

On that basis, the loss allowance for trade receivables as at January 1, 2020, was as follows:

Unit: Baht

	Consolidated financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Receivables amount	356,321,510	96,435,318	11,057,949	3,005,655	73,873,827	540,694,259
Loss allowance	(1,005,506)	(462,530)	(1,137,358)	(474,454)	(56,955,981)	(60,035,829)

Unit: Baht

	Separate financial statements					
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months	Total
As at January 1, 2020						
Receivables amount	356,321,510	96,435,318	11,057,949	3,005,655	66,855,515	533,675,947
Loss allowance	(1,005,506)	(462,530)	(1,137,358)	(474,454)	(49,946,520)	(53,026,368)

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

Unit: Baht

	Consolidated financial statements	Separate financial statements
Loss allowance for trade receivables		
As at December 31, 2019	(56,316,419)	(49,306,958)
Amounts restated through opening unappropriated retained earnings	(3,719,410)	(3,719,410)
Opening loss allowance as at January 1, 2020	(60,035,829)	(53,026,368)

Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group and the Company's incremental borrowing rates applied to the lease liabilities as at January 1, 2020 is 4.75 %.

For leases previously classified as finance leases applying TAS 17, the Group recognized the carrying amount of the lease assets and lease liabilities immediately before adoption of TFRS 16 as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application.

The lease liabilities as at January 1, 2020, and Operating lease commitments as at December 31, 2019 which is disclosed in accordance with TAS 17 are reconciled as follow:

Unit: Baht	
	Consolidated and Separate financial statements
Obligation under the lease agreement disclosed as at December 31, 2019	8,968,222
Less The agreement is considered as a service agreement	(4,747,222)
Less Deferred interest expenses	(327,170)
Lease liabilities as at January 1, 2020	3,893,830
Of which are:	
Current lease liabilities	1,761,055
Non-current lease liabilities	2,132,775
Lease liabilities as at January 1, 2020	3,893,830

The recognised right-of-use assets relate to the following types of assets:

Unit: Baht		
	Consolidated and Separate financial statement	
	As at December 31, 2020	As at January 1, 2020
Land	1,060,547	1,226,657
Building and building improvements	1,534,088	2,667,173
Total right-of-use assets	2,594,635	3,893,830

(b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

1) Rent concessions to lessees as a result of the COVID-19 pandemic:

A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.

2) Lease modifications as a result of interest rate benchmark reform:

This will be effective for fiscal periods beginning on or after January 1, 2022.

The management of the Group has believed that the adoption of these financial reporting standards does not have any significant impact on the financial statements.

(c) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19.”

The Accounting Treatment Guidance was published in the Royal Government Gazette on April 22, 2020, and is effective for financial statements prepared for reporting periods between January 1, 2020 and December 31, 2020.

Among the temporary relief measures on accounting alternatives, the Company has elected:

- Not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

However, the management believes that there will have no significant effects to the financial statements after the relief.

4. 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

Accounting policies adopted before January 1, 2020

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.

Accounting policies adopted since January 1, 2020

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities

Classification and measurement of financial assets and financial liabilities

Classification

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

-Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

-FVOCI: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

-FVPL: An asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

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" in the statement of financial position. 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.

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

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

Intangible asset

Deferred license fees are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line method based on the term of agreements.

Program computer are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line basis over their estimated useful lives of 3-10 years.

Impairment of non-financial assets

Land, buildings and equipment and other assets are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Leases

Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- A change in an index or a rate used to determine those payments
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and will be gradually reduced against the income over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Trade and other current payables

Trade and other current payables are stated at cost.

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.

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.

Treasury stock

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury stock and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury stock within equity. When treasury stock are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury stock sold, calculated using the weighted average method, to the treasury stock account and transferring the equivalent amount back from treasury stock reserve to retained earnings. Surpluses on the sale of treasury stock are taken directly to a separate category within equity, "Premium on treasury stock". Net deficits on sale or cancellation of treasury stock are debited to retained earnings after setting off against any remaining balance of premium on treasury stock.

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:

Level1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level3 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 paid-up ordinary shares in issue during the years, adjusted for treasury shares.

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 expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for devaluations

In determining an allowance for diminution in inventory value, the management needs to make judgment with respect to estimating loss from slow moving and deteriorated inventories, including the effect from declines in net realisable values of inventories.

Impairment of investment in subsidiaries

The Company treats investment in its subsidiaries 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

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to 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		Pricing policy
	2020	2019	2020	2019	
Subsidiaries Company					
Varitek Co., Ltd.					
Sales of inventories	-	-	485,920	-	At the agreed price
Service income	-	-	950,000	-	At the agreed price
ASEFA & VARS Joint Venture					
Other income	-	-	213,803	273,731	At the agreed price
Profit distribution	-	-	-	3,000,000	As approved by the Subsidiary
ASEFA & UMI Joint Venture					
Interest income					
Other income	-	-	320,492	1,457,123	5% per annum
Related company					
Enginar Co., Ltd.					
Sales of inventories	875,740	1,124,580	875,740	1,124,580	Market price
Purchase of inventories	39,560,230	42,935,954	39,560,230	42,935,954	Market price

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cheque due				
Varitek Co., Ltd.	-	-	988,000	-
Trade receivable - related parties				
Enginar Co., Ltd.	-	40,660	-	40,660
Varitek Co., Ltd.	-	-	79,929	-
Other receivable				
ASEFA Suntech Joint Venture	-	-	2,387,289	1,196,289
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
Total short-term loans to related parties	-	-	89,000,000	123,000,000
<u>Less</u> loss allowance	-	-	(42,074,245)	(37,106,928)
Total short-term loans to related parties - net	-	-	46,925,755	85,893,072
Trade payable - related parties				
Enginar Co., Ltd.	11,986,459	15,540,113	11,986,459	15,540,113

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
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 loss allowance	-	-	(42,074,245)	(37,106,928)
Ending balance at the years - net	-	-	46,925,755	51,893,072
ASEFA & UMI Joint Venture				
Beginning balance at the years	-	-	34,000,000	10,000,000
Increase during the years	-	-	-	29,000,000
Decrease during the years	-	-	(34,000,000)	(5,000,000)
Ending balance at the years	-	-	-	34,000,000

As at December 31, 2020 and 2019, 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	
	2020	2019
Short-term benefits	21,649,263	23,000,897
Post-employment benefits	547,644	645,576
Total management compensation	22,196,907	23,646,473

6. CASH AND CASH EQUIVALENTS

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	472,450	580,053	411,597	511,976
Cash at banks - saving accounts	126,325,318	97,254,097	80,297,412	54,075,929
Cash at banks - current accounts	11,452,412	3,876,363	1,019,237	133,876
Cheque due	19,271,009	2,376,050	20,259,009	2,376,050
Total cash and cash equivalents	157,521,189	104,086,563	101,987,255	57,097,831

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	
	2020	2019	2020	2019
Trade receivables				
Trade receivables - related parties		40,660	79,929	40,660
Trade receivables - other companies				
Returned cheque	9,615,087	10,252,606	4,811,335	5,406,353
Post-dated cheque	46,091,225	87,411,142	45,963,912	87,121,894
Trade receivables - other	596,655,388	424,186,313	587,775,207	422,303,502
Total trade receivables - other	652,361,700	521,850,061	638,550,454	514,831,749
Total trade receivables	652,361,700	521,890,721	638,630,383	514,872,409
<u>Less</u> loss allowance				
Beginning balance	(56,316,419)	(44,358,354)	(49,306,958)	(37,082,243)
Impact from TFRS 9	(3,719,410)	-	(3,719,410)	-
Increase during the years	(17,209,652)	(17,704,300)	(17,209,652)	(17,704,300)
Decrease during the years	9,601,458	5,746,235	9,269,710	5,479,585
Ending balance	(67,644,023)	(56,316,419)	(60,966,310)	(49,306,958)
Total trade receivables - net	584,717,677	465,574,302	577,664,073	465,565,451
<u>Less</u> non-current trade receivables				
Post-dated cheque	344,224	-	344,224	-
Trade receivables - other	16,098,252	-	16,098,252	-
Total non-current trade receivables	16,442,476	-	16,442,476	-
<u>Less</u> loss allowance	(11,114,696)	-	(11,114,696)	-
Total non-current trade receivables - net	5,327,780	-	5,327,780	-
Total current trade receivables - net	579,389,897	465,574,302	572,336,293	465,565,451



Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other current receivables				
Advance payments	2,093,292	2,155,847	2,093,292	2,155,847
Deposit receivables	29,036,824	24,618,691	29,033,724	19,779,578
Advance payment for goods	1,027,986	182,250	1,027,986	182,250
Prepaid other expenses	2,493,891	4,584,182	2,421,391	4,220,799
Accrued interest income	350,054	666,259	1,093,753	1,409,958
Undued input tax	5,568,177	3,114,635	5,566,036	2,130,096
Revenue Department receivable	498,207	2,569,128	-	-
Advance payment for joint venture*	6,000,000	-	6,000,000	-
Other	4,143,108	3,730,643	3,493,400	2,276,496
Total other current receivables	51,211,539	41,621,635	50,729,582	32,155,024
Total trade and other current receivables - net	630,601,436	507,195,937	623,065,875	497,720,475

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related companies				
Current	-	-	79,929	-
Over due Not over 3 months	-	40,660	-	40,660
Total trade receivables - related companies	-	40,660	79,929	40,660
Trade receivables - other companies				
Current	434,429,583	337,517,972	434,429,583	337,517,972
Over due Not over 3 months	107,630,610	96,394,658	107,630,610	96,394,658
3 - 6 months	27,939,080	11,057,949	27,939,080	11,057,949
6 - 12 months	6,569,391	3,005,655	6,569,391	3,005,655
Over 12 months	75,793,036	73,873,827	61,981,790	66,855,515
Total trade receivables - other companies	652,361,700	521,850,061	638,550,454	514,831,749

* On January 31, 2020, the Company (the project co-investor) agreed to enter into a joint venture agreement to construct a machine for reducing energy use with two companies (the project operators who have funded from the Department of Alternative Energy Development and Efficiency (DEDE)) and advance payment to the project operators in the amount of Baht 6 million. The Company will receive the compensation as specified in the contract within August, 2020. The project operator has requested to extend the period of the project according to the contract which will expire on February 28, 2021.

8. INSTALLMENT RECEIVABLE - NET

Installment receivable as at December 31, consisted of:

Unit: Baht

	Consolidated and Separate financial statements	
	2020	2019
Installment receivable		
Due within 1 year	5,775,700	-
Over 1 year but over 5 years	962,617	-
<u>Less</u> deferred interest income	(181,886)	-
Present value of installment receivable	6,556,431	-
<u>Less</u> current portion of minimum payment	(5,596,334)	-
Installment receivable -net	960,097	-

On February 3, 2020, the Company (the seller) agreed to enter into a machinery purchase agreement with a company (the buyer) in the amount of Baht 12.36 million. The buyer agreed to settle the amount in 24 monthly installments at Baht 515,000 each. The first repayment will be made on March 5, 2020 and the payment will be made on the 5 of each month. The sale and purchase agreement is secured by a personal guarantee and a title deed. The buyer must comply with certain conditions and restrictions stipulated in the agreements.

9. CONTRACT ASSETS/CONTRACT LIABILITIES

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognition from the stage of completion method				
	498,924,428	511,165,780	441,799,118	452,971,510
Contract assets				
Project value as per contract	838,134,349	635,637,390	762,639,871	520,570,232
Revenue recognition from the stage of completion method	407,815,033	471,840,019	332,320,555	413,645,749
Less Value of total billed	(212,085,271)	(364,825,147)	(136,590,793)	(346,455,979)
Unbilled receivables	195,729,762	107,014,872	195,729,762	67,189,770
Retention receivables	49,809,855	38,159,331	41,731,946	36,196,208
Servicereceivables	13,496,434	18,803,538	13,496,434	18,803,538
Total current contract assets	259,036,051	163,977,741	250,958,142	122,189,516
Non-current contract assets				
Retention receivables	8,051,768	9,563,875	8,051,768	9,563,875
Total contract assets	267,087,819	173,541,616	259,009,910	131,753,391
Contract liabilities				
Project value as per contract	315,719,541	172,429,061	315,719,541	97,187,005
Value of total billed	181,514,454	83,256,004	181,514,454	59,219,541
Less Revenue recognition from the stage of completion method	(159,113,242)	(70,038,864)	(159,113,242)	(51,669,696)
Revenue from contract received in advance	22,401,212	13,217,140	22,401,212	7,549,845
Advance received for goods	60,480,012	49,686,754	60,480,012	49,686,755
Total current contract liabilities	82,881,224	62,903,894	82,881,224	57,236,600

10. 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. As at December 31, 2020, the Company received all loan repayment in the agreement.

On November 1, 2020, the Company has entered into a short-term loan agreement with a company of Baht 3.20 Million. The loan bears interest rate of 5% per annum and the repayment will be completed within one year. The loan is guaranteed by the director of the borrower.

11. 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	
	2020	2019	2020	2019
Cost of materials from the decommissioning power plant	378,479,959	378,479,959	-	-
<u>Less</u> cost of materials from decommissioning transferred to cost of sales	(330,324,074)	(312,006,105)	-	-
<u>Less</u> allowance for materials from the decommissioning power plant	(21,619,444)	(26,088,959)	-	-
Materials from the decommissioning power plant - net	26,536,441	40,384,895	-	-

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.

12. INVENTORIES - NET

Inventories as at December 31, consisted of:

	Unit: Baht	
	Consolidated and Separate financial statements	
	2020	2019
Finished goods	45,440,695	37,546,579
Work in process	136,172,700	105,715,379
Raw material	472,294,944	422,794,300
Supplies	40,668,444	36,951,959
Goods in transit	974,903	2,442,305
Goods under installation	683,322	1,168,573
Total inventories	696,235,008	606,619,095
<u>Less</u> allowance for devaluations	(84,060,657)	(77,213,975)
Total inventories - net	612,174,351	529,405,120

13. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

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

Unit: Baht

	Consolidated and Separate financial statements	
	2020	2019
Fixed Deposits		
UOB Bank PCL.	25,000,000	25,000,000
Kasikorn Bank PCL.	28,000,000	28,000,000
Bank of Ayudhya PCL.	15,636,643	15,565,054
Total restricted deposits at financial institutions	68,636,643	68,565,054

As at December 31, 2020 and 2019, the above fixed deposits of the Group have interest rate of 0.25% - 1.10% per annum and 0.80% - 1.10% per annum, respectively, and are pledged as collaterals for bank overdrafts, short-term loans from financial institutions, and letters of guarantee issued by financial institutions. (Note 19).

14. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2020 and 2019 consisted of:

Unit: Thousand Baht

Company's name	Separate Financial Statements							
	Paid-up share capital		% of holding		Cost method		Profit of sharing	
	2020	2019	2020	2019	2020	2019	2020	2019
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 in subsidiaries					18,349	18,349	-	3,000
<u>Less Allowance for impairment on investments</u>					<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
Total investments in subsidiaries- 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
The percentage of non-controlling interests	99.99%	99.99%	50%	50%	50%	50%	50%	50%		
As at December 31										
Current assets	30,000	20,764	48,423	49,427	15,529	27,757	10,786	45,485	104,738	143,433
Non-current assets	615	681	1	83	-	-	-	-	616	764
Current liabilities	(7,468)	(20)	(108,355)	(101,855)	(514)	(21,956)	(43)	(37,497)	(116,380)	(161,328)
Non-current liabilities	-	-	-	-	(3,209)	(320)	(3,637)	(473)	(6,846)	(793)
Non-controlling interests	-	-	(29,966)	(26,173)	5,903	2,741	3,553	3,760	(20,510)	(19,672)
For the year ended December 31										
Revenues	15,148	341	12,093	3,157	57,131	18,394	15	41,277	84,387	63,169
Net profit (loss) for the year attributable to non-controlling interests	-	-	(3,792)	(7,191)	3,162	903	(204)	1,385	(834)	(4,903)
Net cash provided by (used in)										
Operating activities	2,073	162	11,653	2,884	(12,228)	9,906	40,853	(32,527)	42,351	(19,575)
Financing activities	-	-	1,191	572	-	-	(34,000)	24,000	(32,809)	24,572
Cash and cash equivalents increase /(decrease) - net	2,073	162	12,844	3,456	(12,228)	9,906	6,853	(8,527)	9,542	4,997
Share of profit paid to non-controlling /interests	-	-	-	-	-	3,000	-	-	-	3,000

15. INVESTMENT PROPERTIES -NET

Investment properties as at December 31, 2020, consisted of

Unit: Baht

Unit: Baht

Consolidated and Separate financial statements				
	As at January 1, 2020	Movements during the year		As at December 31, 2020
		Additions /Transfer	Decrease	
Cost				
Land and land improvement	12,830,000	14,907,626	-	27,737,626
Condominium	4,559,345	-	-	4,559,345
Building	4,370,000	-	-	4,370,000
Total	21,759,345	14,907,626	-	36,666,971
Accumulated depreciation				
Land and land improvement	-	16,377	-	16,377
Condominium	3,109,558	211,204	-	3,320,762
Building	9,451	215,589	-	225,040
Total	3,119,009	443,170	-	3,562,179
Book values - net	18,640,336			33,104,792

The fair value of investment property

Unit: Baht

Consolidated and Separate financial statements		
	2563	2562
Land and land improvement	27,737,626	12,830,000
Condominium	5,559,735	5,559,735
Building	4,370,000	4,370,000
Total	37,667,361	22,759,735

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 and land improvement 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.

16. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipments at December 31, 2020, 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, 2020	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
Add purchase during the year	1,300,000	894,169	3,018,113	6,873,795	591,294	1,481,969	-	211,161	680,000	15,050,501
Transferred in/out during the year	-	19,150,329	11,017,267	314,405	-	-	(11,017,267)	(18,784,734)	(680,000)	-
Less disposal during the year	-	(1,247,400)	(11,306,181)	(4,859,233)	(382,538)	(8,266,923)	-	-	-	(26,062,275)
Balance as at December 31, 2020	298,264,945	354,115,053	161,746,330	130,904,463	40,455,674	33,153,572	-	36,816	-	1,018,676,853
Accumulated depreciation :										
Balance as at January 1, 2020	-	110,923,111	96,503,734	101,970,509	35,041,953	27,790,694	-	-	-	372,230,001
Add depreciation during the year	-	15,165,436	11,547,697	11,102,442	2,690,900	3,514,430	-	-	-	44,020,905
Less disposal during the year	-	(1,247,399)	(813,479)	(4,554,586)	(372,433)	(7,934,953)	-	-	-	(14,922,850)
Balance as at December 31,2020	-	124,841,148	107,237,952	108,518,365	37,360,420	23,370,171	-	-	-	401,328,056
Net book value :										
Net book value - net Beginning 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
Net book value - net Ending of year	298,264,945	229,273,905	54,508,378	22,386,098	3,095,254	9,783,401	-	36,816	-	617,348,797

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, 2020	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
Add purchase during the year	1,300,000	894,169	3,018,113	6,873,795	591,294	1,481,969	-	211,161	680,000	15,050,501
Transferred in/out during the year	-	19,150,329	11,017,267	314,405	-	-	(11,017,267)	(18,784,734)	(680,000)	-
Less disposal during the year	-	(1,247,400)	(11,306,181)	(4,859,233)	(382,538)	(8,266,923)	-	-	-	(26,062,275)
Balance as at December 31, 2020	298,264,945	354,115,053	161,746,330	129,719,016	39,595,005	31,879,841	-	36,816	-	1,015,357,006
Accumulated depreciation :										
Balance as at January 1, 2020	-	110,923,111	96,503,735	100,501,201	34,221,352	26,516,962	-	-	-	368,666,361
Add depreciation during the year	-	15,165,436	11,547,696	11,065,242	2,645,532	3,514,430	-	-	-	43,938,336
Less disposal during the year	-	(1,247,399)	(813,479)	(4,554,586)	(372,433)	(7,934,953)	-	-	-	(14,922,850)
Balance as at December 31,2020	-	124,841,148	107,237,952	107,011,857	36,494,451	22,096,439	-	-	-	397,681,847
Net book value :										
Net book value - net Beginning 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
Net book value - net Ending of year	298,264,945	229,273,905	54,508,378	22,707,159	3,100,554	9,783,402	-	36,816	-	617,675,159

Depreciation for the year ended December 31, 2020 and 2019 amounted to Baht 44.02 million and Baht 47.42 million, respectively for the consolidated financial statements, and amounted to Baht 43.94million and Baht 47.04 million, respectively for the separate financial statements.

As at December 31, 2020 and 2019, the Group's and the Company's machinery, equipment and vehicles, which have been fully depreciated but still in use, amounted to Baht 197.24 million and Baht 151.06 million, respectively.

As at December 31, 2020 and 2019, part of the Company's land and buildings have been mortgaged as collateral for bank guarantees, bank overdrafts and loans from financial institutions (Note19).

17. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2020, consisted of:

Unit: Baht

of:

	Consolidated and Separate financial statements			
	As at January 1, 2020	Movements during the year Additions /Transfer	Decrease	As at December 31, 2020
Cost				
License fee	2,279,944	-	-	2,279,944
Computer software	17,979,988	3,697,160	-	21,677,148
Total	20,259,932	3,697,160	-	23,957,092
Accumulated amortization				
License fee	1,829,405	168,953	-	1,998,358
Computer software	11,978,673	2,241,760	-	14,220,433
Total	13,808,078	2,410,713	-	16,218,791
Intangible assets - net	6,451,854			7,738,301

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.

18. DEFERRED TAX ASSETS - NET

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

Unit: Baht

	Consolidated financial statement				
	As at January 1, 2020	Movements increase (decrease)		As at December 31, 2020	
		Impact from TFRS 9	Profit or loss	Other comprehensive income	
Deferred tax assets					
Trade and other current receivables	10,542,502	743,882	1,521,639	-	12,808,023
Inventories	15,442,795	-	1,369,336	-	16,812,131
Lease	-	-	7,628	-	7,628
Non-current provisions for employee benefits	6,982,826	-	346,753	761,622	8,091,201
Total deferred tax assets	32,968,123	743,882	3,245,356	761,622	37,718,983
Deferred tax liabilities					
Property, plant and equipment (depreciation)	1,611,589	-	(569,118)	-	1,042,471
Total deferred tax liabilities	1,611,589	-	(569,118)	-	1,042,471
Deferred tax assets - net	31,356,534	743,882	3,814,474	761,622	36,676,512

As at December 31, 2020 and 2019, two subsidiaries have unutilized tax loss carried forward of Baht 39.62 million and Baht 34.41 million, respectively. Due to the uncertainty of the utilization, therefore, the management considers not to recognize this deferred tax.

Unit: Baht

	Separate financial statements			
	Movements increase (decrease)			As at December 31, 2020
	As at January 1, 2020	Impact from TFRS 9	Profit or loss	Other comprehensive income
Deferred tax assets				
Trade and other current receivables	9,861,392	743,882	1,587,988	-
Inventories	15,442,795	-	1,369,336	-
Investment on subsidiaries	200,000	-	-	-
Leases	-	-	7,628	-
Non-current provisions for employee benefits	6,982,826	-	346,753	761,622
Total deferred tax assets	32,487,013	743,882	3,311,705	761,622
Deferred tax liabilities				
Property, plant and equipment (depreciation)	1,611,589	-	(569,118)	-
Total deferred tax liabilities	1,611,589	-	(569,118)	-
Deferred tax assets - net	30,875,424	743,882	3,880,823	761,622

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit before income tax	256,292,653	170,451,873	244,275,428	168,840,761
Income tax rate	20%	20%	20%	20%
Reconciliation list:				
Current income tax expenses as tax rate	51,258,531	34,090,375	48,855,086	33,768,152
Non-deductible expenses by the revenue code	523,665	2,307,213	2,876,824	2,780,422
Double expenses by the revenue code	(5,956,564)	(6,002,766)	(5,956,564)	(6,002,766)
Effect from promoted activities	(8,800,000)	-	(8,800,000)	-
Unutilized tax loss carry forward	1,597,246	1,348,050	-	-
Income tax expenses	38,622,878	31,742,872	36,975,346	30,545,808
The effective tax rate (%)	15.07%	18.62%	15.14%	18.09%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2020 and 2019.

19. 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	
	2020	2019
Bank overdrafts	-	15,485,057
Promissory note	110,000,000	-
Total bank overdraft and short-term loan from financial institutions	110,000,000	15,485,057

As at December 31, 2020 and 2019, 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	
	2020	2019
ASEFA PCL. and its subsidiaries	2,534	2,539
ASEFA PCL.	2,534	2,539

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 16), restricted deposits at financial institutions (Note 13). The Company and subsidiaries must comply with certain conditions and restrictions stipulated in the agreements.

20. TRADE AND OTHER CURRENT PAYABLES

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables				
Trade payables - related companies	11,986,459	15,540,113	11,986,459	15,540,113
Trade payables - others	454,347,294	346,082,036	447,959,839	346,082,036
Total trade payables	466,333,753	361,622,149	459,946,298	361,622,149
Other current payables				
Accrued royalty expenses	1,608,095	1,901,500	1,608,095	1,901,500
Accrued commission expenses	22,956,912	21,015,749	22,956,912	21,015,749
Accrued plate expenses	1,250,810	973,683	1,250,810	973,683
Accrued sub-contractors expenses	12,772,020	24,677,285	12,772,020	9,660,627
Accrued employee special incentives expenses	10,000,000	-	10,000,000	-
Accrued staff welfare expenses	1,100,120	928,360	1,100,120	928,360
Withholding tax payables	4,608,032	3,264,842	4,578,738	3,263,338
Revenue department payable	1,492,322	8,945,660	1,491,520	7,789,802
Retention payables	18,602,576	19,347,799	18,602,576	19,347,799
Payable for purchase of fixed assets	10,448,805	5,706,073	10,448,805	5,706,073
Accrued other expenses	23,265,307	14,980,557	23,015,879	14,680,353
Total other current payables	108,104,999	101,741,508	107,825,475	85,267,284
Total trade and other current payables	574,438,752	463,363,657	567,771,773	446,889,433

21. LEASE LIABILITIES - NET

Lease liabilities as at December 31, consisted of:

Unit: Baht

	Consolidated and Separate financial statements	
	2020	2020
Lease liabilities	2,313,000	-
Less Deferred interest expenses	(180,224)	-
Present value of lease liabilities	2,132,776	-
Less Current portion of minimum payment	(1,146,026)	-
Lease liabilities- net	986,750	-

The Company has entered into the land and property lease agreements including service fee with other parties, the terms of the agreements are generally between 1 to 9 years.

The Company has future minimum leases payments required under the leases agreements as at December 31, 2020 are as follow:

Unit: Million Baht

	Consolidated and Separate financial statements			
	within 1 Year	1 - 5 Years	Over 5 Years	Total
Future minimum leases payment	1.21	0.96	0.14	2.31
Deferred interest expenses	(0.07)	(0.11)	-	(0.18)
Present value of future minimum leases payment	1.14	0.85	0.14	2.13

22. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

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

Unit: Baht

Consolidated and Separate financial statements		
	2020	2019
Non-current provision for long-term employee benefits as at January 1,	34,914,129	22,469,186
Included in profit or loss:		
Current service costs	3,859,197	2,823,100
Past service costs*	-	5,083,062
Cost of interest	761,230	925,187
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	5,860,253	2,107,058
Experience adjustments	(2,052,141)	1,623,656
Employee benefits paid during the year	(2,886,664)	(117,120)
Non-current provision for long-term employee benefits ending as at December 31,	40,456,004	34,914,129

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

Unit: Baht

Consolidated and Separate financial statements		
	2020	2019
Current service costs		
Past service costs*	3,859,197	2,823,100
Actuarial defined employee benefit plans	-	5,083,062
Total employee benefits expenses	761,230	925,187
	4,620,427	8,831,349

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

Unit: Baht

Consolidated and Separate financial statements		
	2020	2019
Costs of sales	3,058,541	5,417,464
Distribution costs	934,603	1,860,413
Administrative expenses	627,283	1,553,472
Total employee benefits expenses	4,620,427	8,831,349

Principal actuarial assumptions at the valuation date are as follow:

Percentage

Consolidated and Separate financial statements		
	2020	2019
Discount rate	1.80	1.80
Monthly salary	1.80	1.80
Daily salary	6.32	7.00
Future monthly salary increase rate	6.73	7.00
Future daily salary increase rate	100% of Thai Mortality	100% of Thai Mortality
Mortality rate	Ordinary Tables of 2017	Ordinary Tables of 2017

The result of sensitivity analysis for significant assumption that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are summarised below:

Unit: Baht

Consolidated and Separate financial statements		
	Increase 0.5%	Decrease 0.5%
Discount rate	38,178,416	42,789,541
Salary increase rate	42,872,323	38,079,840
Turnover rate	37,663,347	43,358,530

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

Unit: Baht

Consolidated and Separate financial statements		
	2020	2019
Over 1 and up to 5 years	12,203,576	9,580,531
Over 5 and up to 10 years	15,825,814	16,076,957
Over 10 years	20,899,590	15,375,422

*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. TREASURY STOCK/RETAINED EARNING ALLOCATED FOR TREASURY STOCK

Board of Directors' Meeting No. 3/2020, held on May 7, 2020 has approved to undertake a treasury stock program for financial management purposes with the maximum amount of not exceeding Baht 120.00 million for the repurchase of not exceeding 35,000,000 shares (Par value of 1 Baht per share), or 6.36% of the total number of issued and fully shares. The repurchasing of shares will be made through the Stock Exchange of Thailand. The repurchase period covers the duration of 6 months, starting from May 21, 2020 to November 20, 2020.

The Company has to disclose the proposed share repurchase scheme not less than 14 days prior to the date on which the shares will be repurchased. The repurchase price in the Stock Exchange of Thailand shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on date of share repurchase and the repurchase period shall not exceed 6 month. The Company's Board of Directors would reconsider the periods of shares resell after 6 months from the date of complete the repurchasing of shares but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stock price prior to 5 working days on date of sale of treasury stocks. If after the end of the period of the program, the Company does not resell or fails to resell all treasury stocks within the period of the program, the Company shall reduce its paid-up and registered capital by way of writing off registered shares.

As at December 31, 2020, the Company had an outstanding treasury stocks of 4,351,700 shares in the account with an average cost of Baht 3.10 per shares at total cost of Baht 13.49 Million. The treasury stocks of 4,351,700 shares have a par value of Baht 1 per. An amounting of Baht 13.49 Million had been appropriated from retained earnings to reserve for treasury stocks. The Company can hold treasury stocks not longer than 3 years after the date of complete the repurchasing of shares.

25. DIVIDEND

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.

Nevertheless, on March 26, 2020, Board of Directors' Meeting No. 2/2020 resolved the indefinite postponement of the 2020 Annual General Meeting of shareholders, including the cancellation of the proposal to the Annual General Meeting of shareholders on the approval of annual dividend payment for 2019. In this regard, such Board of Directors' Meeting passed a resolution on the approval of an interim dividend payment, which the rate and description of those dividend payment is the same as determined by the resolution of the meeting of Board of Directors No. 1/2020 held on February 20, 2020. Dividends were paid to shareholders on April 23, 2020. The interim dividend had been proposed to The Annual General

Meeting of Shareholders for acknowledgement on July 23, 2020.

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 have been paid to shareholders on May 22, 2019.

26. 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	
	2020	2019	2020	2019
Changes in finished goods and work in process (increase) decrease	(37.87)	23.60	(37.87)	23.60
Raw materials and consumable materials used	1,439.53	1,283.09	1,377.36	1,283.09
Director and employee's benefits expenses	460.03	478.02	460.03	478.02
Sales promotion expenses	54.73	61.42	54.73	61.42
Service fees for installation subcontracts	252.03	261.64	252.03	261.64
Rental and service expenses	34.01	39.53	33.37	38.90
Depreciation and amortization	48.67	50.63	48.59	50.26
Vehicles and travel expenses	51.82	54.53	51.77	54.53
(Reversal) allowance for materials from the decommissioning power plant	(4.47)	7.64	-	-
Decrease allowance for devaluations	6.85	14.07	6.85	14.07
The expected credit losses from receivables	7.61	11.96	7.94	12.22
Allowance from short - term loan to related party	-	-	4.96	7.57

27. OPERATING SEGMENTS

The Group's operations are divided into manufacturing, trading, contractor and installation 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		Installationservices business and other services		Decommissioning the power plant business		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	1,609,716	1,553,163	452,226	323,959	616,313	670,804	12,074	3,156	2,690,329	2,551,082	(1,436)	-	2,688,893	2,551,082
Segment profit(loss)	346,266	322,836	83,424	81,415	148,236	128,359	(1,774)	(491)	576,152	532,119	(950)	-	575,202	532,119
Other income									23,047	15,811	415	(4,750)	23,462	11,061
Distribution cost									(203,195)	(208,358)	-	-	(203,195)	(208,358)
Administrative expenses									(145,050)	(171,627)	6,080	8,836	(138,970)	(162,791)
Finance costs									(4,977)	(7,486)	4,771	5,907	(206)	(1,579)
Income tax expenses									(38,623)	(31,743)	-	-	(38,623)	(31,743)
Profit for the years									207,354	128,716			217,670	138,709
Operating assets as at December 31, consisted of:														
Property, plant and equipment -net									617,676	657,786	(327)	(327)	617,349	657,459
Others									1,929,568	1,592,209	(71,529)	(108,238)	1,858,039	1,483,971
Total operating assets									2,547,244	2,249,995	(71,856)	(108,565)	2,475,388	2,141,430

The Company has revenue from broadband internet service under its License to Provide Internet Service - Form No 1, with License No. 1/63/003 for the year ended December 31, 2020 amount of Baht 4,301.

28. BENEFITS FROM INVESTMENT PROMOTION

On April 29, 2020, the Company obtained benefits and privileges of the Investment Promotion Act B.E. 1977 in the electrical switchboard business, Type 5.2.5, producing other electrical components which improve production efficiency for renewable energy. The Company receives exemption from import duties for the imported machinery as considered by the Board of Directors, the corporate income tax exemption for three years on total net profit commencing from the date the revenue is first derived from the operation, but not exceeding 50% of investment to improve production excluding land and working capital and the dividend income exemption from the calculation of corporate income tax throughout the period of corporate income tax exemption.

29. 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, lease liabilities 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

Description	Consolidated financial statements as at December 31, 2020				
	Notes	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	126,325	-	31,196	157,521
Trade and other receivables	7	-	-	635,929	635,929
Installment receivable	8	-	6,556	-	6,556
Contract assets	9	-	-	267,088	267,088
Short-term loan to other company	10	-	3,140	-	3,140
Restricted deposits at financial institutions	13	-	68,637	-	68,637
<u>Financial liabilities</u>					
Bank overdrafts and short - term loans from financial institutions	19	-	110,000	-	110,000
Trade and other current payables	20	-	-	574,439	574,439
Contract liabilities	9	-	-	82,881	82,881
Lease liabilities	21	-	2,133	-	2,133

Unit: Thousand Baht

Description	Consolidated financial statements as at December 31, 2019				
	Notes	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<u>Financial asset</u>					
Cash and cash equivalents	6	97,255	-	6,832	104,087
Trade and other current receivables	7	-	-	507,196	507,196
Contract assets	9	-	-	173,542	173,542
Short-term loan to other company	10	-	3,508	-	3,508
Restricted deposits at financial institutions	13	-	68,565	-	68,565
<u>Financial liabilities</u>					
Bank overdrafts and short - term loans from financial institutions	19	15,485	-	-	15,485
Trade and other current payables	20	-	-	466,527	466,527
Contract liabilities	9	-	-	62,904	62,904

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

Description	Consolidated financial statements as at December 31, 2020				
	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Installment receivable	8	5,596	960	6,556	5%
Short-term loan to other company	10	3,140	-	3,140	5%
Restricted deposits at financial institutions	13	68,637	-	68,637	0.25 - 1.10%
<u>Financial liabilities</u>					
Bank overdrafts and short - term loans from financial institutions	19	110,000	-	110,000	0.85%
Trade and other current payables	21	1,146	987	2,133	4.75%

Unit: Thousand Baht

Description	Consolidated financial statements as at December 31, 2019				
	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
<u>Financial asset</u>					
Short-term loan to other company	10	3,508	-	3,508	5%
Restricted deposits at financial institutions	13	68,565	-	68,565	0.80-1.10%

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 of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, restricted deposits at financial institutions, trade and other current receivables, installment receivable, trade and other current payables and lease liabilities, their carrying amounts in the statements of financial position approximate their fair values.
- For loans to and loans from carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair values.

During the current year, there is no transfers within the fair value hierarchy.

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.

30. 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 thereferred 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, 2020 and 2019, the Company contributed to the fund amounting to Baht 13.57 million and Baht 13.39 million, respectively.

31. COMMITMENTS AND CONTINGENCIES LIABILITIES

As at December 31, 2020, the Group had the following commitments and contingent liabilities as follows:

31.1 As at December 31, 2020, the Group has obligations undercertain contracts to pay service charges. The remaining rental and service charges of existing contracts to be paid in the future are as follows

	Unit: Baht
	Consolidated and Separate financial statements
Due within 1 year	968,580
Due over 1 year not exceeding 5 years	35,000
Total	1,003,580

31.2 As at December 31, 2020, the Group is contingently liable for bank guarantees issued by the banks amounting of Baht 240.17 million and the Company issued a guaranteed post-dated cheque of Baht 5.94 million.

31.3 As at December 31, 2020, the Company has the commitment from trade receivables, which have been sold with recourse to financial institution at a discount totaling of Baht 9.32 million since the Company has sold the rights to claim the said trade accounts receivable at a discount to a financial institution.

31.4 The Company entered into a computer software license agreement with a company for a period of 3 years, commencing on October 1, 2019 to September 30, 2022, with an automatic renewal for every 1 year period. The Company mustpay licensing fee as stipulated in the agreement. As at December 31, 2020, the Companyhas commitment under the agreement to pay licensing fee in the amount of Baht 15.93 million.

32. CLASSIFICATION

During the year, The Group and the Company reclassified certain accounts in the statement of financial position as of December 31, 2019 to conform to presentation of the financial statement of current period, which does not have any impact to net profit for period or shareholders' equity, as follows:

Unit: Baht

	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
Statement of financial position						
as at December 31, 2019						
Trade and other current receivables - net	564,158,806	(56,962,869)	507,195,937	552,720,221	(54,999,746)	497,720,475
Contract assets	107,014,872	(107,014,872)	-	67,189,770	(67,189,770)	-
Current contract assets	-	163,977,741	163,977,741	-	122,189,516	122,189,516
Retention	9,563,875	(9,563,875)	-	9,563,875	(9,563,875)	-
Non-current contract assets	-	9,563,875	9,563,875	-	9,563,875	9,563,875
Trade and other current payables	529,430,459	(66,066,802)	463,363,657	504,126,033	(57,236,600)	446,889,433
Current contract liabilities	-	62,903,894	62,903,894	-	57,236,600	57,236,600
Non-other current liabilities	899,635	3,162,908	4,062,543	-	-	-

33. EVENT AFTER THE REPORTING PERIOD

The Board of Directors' Meeting No. 1/2021, held on February 18, 2021, resolved to pay a dividend from its operating result for the year ended December 31, 2020 totaling of Baht 152.78 million. The above dividend distribution shall be payable to the shareholders entitled to receive the dividends in accordance with the Company's Articles of Association and who are listed on the record date on May 7, 2021. The dividend payments will be made on May 20, 2021. The dividend is subject to the approval of the shareholders at the Annual General Meeting.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued on February 18, 2021.



Driving for Sustainability

ASEFA PUBLIC COMPANY LIMITED

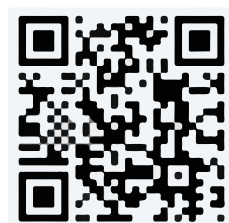
5 Moo 1 Rama II Rd., Khok-Krabue, Mueang Samutsakhon, Samutsakhon 74000 Thailand

Tel. +66 2686 7777 Fax: +66 2686 7788

บริษัท อาซีฟา จำกัด (มหาชน)

เลขที่ 5 หมู่ 1 ถ.พระราม 2 ต.คอกกระบือ อ.เมืองสมุทรสาคร จ.สมุทรสาคร 74000

Facebook: บริษัท อาซีฟา จำกัด - มหาชน Line: @ASEFA



www.asefa.co.th