



BT WEALTH INDUSTRIES PUBLIC COMPANY LIMITED

# ANNUAL REPORT | 2018 |

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## Vision

Maintain leading service provider in steel fabrication business with competencies in efficient project management collaboration, providing international standard work and promised on-time delivery and to seek for appropriate investment opportunities promoting long-term sustainable recurring income.



## Mission



- To continually enhance service quality of steel fabrication work to best suit customer's satisfaction.
- To invest in appropriate projects with reasonable return and stable recurring income such as solar power plant and/or renewable energy power plant.

## Financial Highlights

	2018	2017	2016
<b>Consolidated Statement of Comprehensive Income (Million Baht)</b>			
Total Revenue	1,292.78	1,452.68	1,897.07
Revenue from fabrication work	1,236.79	1,414.31	1,781.17
Costs of fabrication work	1,200.11	1,312.37	1,575.27
Gross Profit	36.68	101.94	205.90
Profit (Loss) before finance and income tax	(20.14)	3.43	139.56
Profit (Loss) for the year	(24.84)	(10.16)	107.53
<b>Consolidated Statement of Financial Position (Million Baht)</b>			
Total assets	1,744.63	1,900.36	2,022.58
Total liabilities	400.75	531.65	590.52
Total shareholders' equity	1,343.88	1,368.71	1,432.06
<b>Financial Ratio</b>			
Gross profit margin (%)	2.97	7.21	11.56
Operating profit margin (%)	(1.63)	0.24	7.84
Net profit margin (%)	(1.92)	(0.70)	5.67
Average collection period (days)	93.36	111.76	66.01
Average sale period (days)	101.19	75.43	56.03
Average payment period (days)	54.66	62.11	40.86
Average revenue receipt in advance (days)	17.01	25.08	13.00
Modified cash cycle* (days)	122.88	96.01	68.17
Interest coverage ratio (times)	(115.95)	131.71	(54.05)
Debt to equity ratio (times)	0.30	0.39	0.41
Dividend payout ratio (%)	N.A.	N.A.	301.42
Book value per share (Baht)	1.78	1.81	2.12
Earnings per share (Baht)	(0.03)	(0.01)	0.16

\*Modified cash cycle = Collection period + Sale period - Payment period - Revenue receipt in advance



## Message from the Board of Directors

Under the sluggish economic situation in 2018, investment projects in both public and private sectors are slow down. The Company having to face intense price competition, therefore, is unable to reach sales and revenue targets. To sustain the business through various obstacles and maintain the level of revenue, the Company has emphasized on expanding our services to all potential markets. Improving managerial efficiency on operation and internal working processes have been enhanced to support our future growth and to increase the level of competitiveness, on-time quality work delivery, optimal cost control on production, work place safety, and process standardization. The management has remodeled the business strategy in order to increase more revenue generating channels by focusing on potential international markets, amending the marketing plans, sales plans, and improving the production processes.

For management and risk management within the organization, the Group adheres to the principles of good corporate governance for sustainable growth by improving the corporate governance policy to be in line with the guidelines and principles of corporate governance of listed companies 2017 (CG Code) of relevant regulatory agencies. ANS Business Consultants Co., Ltd. has been employed to perform internal audit duties for the group of companies. Establish a risk management working group under the supervision of the Risk Management Committee in order to ensure that the internal control system and the risk management system of the company are efficient, adequate and suitable for business operations. In addition, the company has established a whistle-blowing policy and complaints as another channel to prevent corruption.



For the operation guidelines in the year 2019, the Group also focuses on expanding into new markets both domestically and internationally, such as new customers in China, and new business under utility industries. The Group also has plans to invest in plant expansion in order to increase overall production efficiency and support potential business growth. Searching for new business investment to generate revenue in a situation where large construction businesses are slow down.

On behalf of the Board of Directors, the management team and employees of the Group, we would like to thank you our shareholders, our business partners, and all stakeholders who trust and support the management of the Group. We also would like to ensure that the Group has the potential and be ready to expand the business. Having a good relationship with all business partners together with management guidelines under the specified strategy will lead the Group to sustainable growth and certainly create the best return for all stakeholders.



(Associate Professor Dr.Paiboon Sareewiwatthana)

Chairman of the Board

# Audit Committee Report

The Audit Committee has been assigned by the Board to perform duties according to Audit Committee Charter and the notifications of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee. The Audit Committee is comprised of 3 independent directors and the chairman of the Audit Committee possesses knowledge and experience in finance and accounting. Therefore, the Audit Committee can perform its duties independently and effectively. In 2018, the Audit Committee held 4 meetings which were attended by all of its members and 1 time meeting with auditors without management in attendance. Highlights of the Audit Committee performance are as outlined below:

## Review of Financial Reports

The Audit Committee, in cooperation with the auditors and the executives of the Company, reviewed the quarterly financial reports and audited the annual financial report to ensure that the financial reports of the Company and its subsidiaries are prepared, in all material respects, in accordance with the generally accepted accounting standards and present adequate and reliable information.

## Review of Internal Control System and Internal Audit

The Audit Committee appointed ANS Business Consultants Company Limited as the Company's internal auditor. In 2018, the internal auditor audited and reviewed key work processes of the Company in accordance with the approved audit plan and prepared and presented the internal audit reports to the Audit Committee and the Board of Directors on a quarterly basis. Also assessed the adequacy of the internal control system of the Company and its subsidiaries.

The Audit Committee regularly followed up on the improvement of the internal control system based on the review and audit reports. As part of its corrupt behavior assessment initiative, the Company has also established a whistleblowing program as a channel to receive complaints or information about corruption. However, no complaints or information about corruption were reported to the Company in 2018.

## Screening and Nomination of Auditor and Audit Fee to the Board of Directors

The Audit Committee deliberated on the proposal of auditor and audit fee to be submitted to the Board of Directors for endorsement on proposing to the meeting of shareholders for approval. The consideration criteria are: 1) the auditor must be approved by the Office of Securities and Exchange





Commission, 2) the auditor's qualifications must be in accordance with relevant laws, 3) the auditor must possess knowledge, capabilities and independence that meet applicable legal requirements, and 4) the annual audit fee should be commensurate with the scope of audit. The 2018 annual general meeting of shareholders approved: the appointment of Miss Manee Rattanabunnakit, CPA license no. 5313, or Mr. Termphong Opanaphan, CPA license no. 4501, or Mrs. Poonnard Paocharoen, CPA license no. 5238, from EY Office Limited as auditors of the Company and its subsidiaries; the 2018 annual audit fee of Baht 2,925,000 in total for the Company and its subsidiaries, divided into the Company's annual audit fee of Baht 800,000 and the subsidiaries' annual audit fee of Baht 2,125,000; and the 2018 non-audit fee of Baht 140,000 for a subsidiary.

#### Consideration of Reports on Related-Party Transactions or Transactions Involving Potential Conflicts of Interest

In 2018, the Audit Committee considered and rendered opinions on related-party transactions between the Company and its subsidiaries/parties having potential conflicts of interests and transactions involving potential conflicts of interest to ensure that these transactions were in the normal course of business, appropriate in terms of prices, reasonable, and mainly for the Group's benefits. The Company adheres to the Corporate Governance Policy and is confident that its practices are in accordance with conditions and criteria stipulated by regulators. Related-party transactions and transactions involving potential conflicts of interest are disclosed in the notes to the financial statements of the Company and its subsidiaries, the Annual Report, and the Annual Filing.

#### Supervision of Compliance with Rules, Regulations and Policies

The Audit Committee exercises oversight to ensure that the Company operates businesses in strict compliance with applicable policies, laws, rules and regulation. The Audit Committee also keeps abreast of regulatory changes, the developments in laws governing securities and exchange, the SET's rules and requirements and always applies them to the Company in a timely and proper manner.

Overall in 2018, the Audit Committee has performed its duties with diligence, independent opinion openly, transparent and in full compliance with the charter of the Audit Committee approved by the Board of Directors, exercised oversight to ensure that the internal control system is efficient and effective by taking into account the Company's internal audit report prepared by ANS Business Consultants Company Limited, which is the Company's internal auditor, including the internal control recommendations given by the auditors of EY Office Limited. Vice President, Finance and Accounting Division, is the Secretary to the Audit Committee and directly liaises with the internal auditor and the external auditors. The Audit Committee, based on information and reports mentioned above, is of the opinion that the internal control system and the risk management system of the Company and its subsidiaries are appropriate and adequate to safeguard the Group's assets. The Company demonstrates good corporate governance. The Company's financial reports are prepared in accordance with the generally accepted accounting standards. Disclosure of financial reports is reliable, accurate, complete and adequate without any significant defects. The Company upholds the business ethics and demonstrates compliance with relevant rules, regulations and laws, including the criteria set by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.



(Mr. Sarawut Charuchinda)

Chairman of the Audit Committee

## Nomination & Remuneration and Good Governance Committee Report

The Nomination & Remuneration and Good Governance Committee is entrusted by the Board with key responsibilities as set out in the Charter of the Nomination & Remuneration and Good Governance Committee. The Nomination & Remuneration and Good Governance Committee consists of 4 members and 3 of them, including the Chairman of the Nomination & Remuneration and Good Governance Committee, are independent directors. In 2018, the Nomination & Remuneration and Good Governance Committee held 4 meetings which were attended by all members of the Nomination & Remuneration and Good Governance Committee, representing the attendance rate of 100 percent. Highlights of the Nomination & Remuneration and Good Governance Committee's performance are as outlined below:

### Director nomination

The Nomination & Remuneration and Good Governance Committee nominates qualified director candidates to fill the seats vacated by directors who resign or retire by rotation. Considerations are based on nomination criteria such as qualifications and gender of the nominees, the relevance of their skills and expertise to the Company's business, their commitment of time and dedication.

At the 2018 Annual General Meeting of Shareholders ("2018 AGM"), there were 3 directors retiring by rotation, namely Assoc. Prof. Dr. Paiboon Sareewiwatthana, Mr. Chotic Russamitnakornkul and Mrs. Siripond Satawin and the Nomination & Remuneration and Good Governance Committee proposed to the 2018 AGM the re-appointment of these 3 directors as the Company's directors for another term in view that their qualifications, skills, knowledge and expertise were in line with the Company's strategy and they demonstrated strong dedication and time commitment for their duties.

At its Meeting No. 3/2018, the Nomination & Remuneration and Good Governance Committee nominated Mrs. Chutima Katikawong, Vice President, Office of Management, as director and executive director of the Company to replace Mr. Sestha Waiyawutpinyp who resigned as director on 28 February 2018.

### Evaluation of the performance of the Chief Executive Officer

The Nomination & Remuneration and Good Governance Committee proposed the annual performance of the Chief Executive Officer to the Board of Directors for consideration to track and ensure that the performance was in line with the roles and responsibilities assigned by the Board as well as to steer the management team's efforts towards the annual goals and targets.



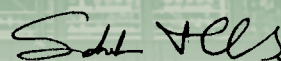
Determination of structure, amount, forms and criteria for all types of remunerations of the Chairman of the Board, directors, the Chief Executive Officer, and employees

The Nomination & Remuneration and Good Governance Committee proposed all types of 2018 annual remunerations of the director to the Board for consideration and proposal thereof to the meeting of shareholders for approval. The Nomination & Remuneration and Good Governance Committee's consideration criteria includes the appropriateness of the structure, amount, and form of remunerations in view of each director's performance and the director remuneration package of other listed companies that are comparable to the Company in terms of size and business type. In addition, the Board of Directors has considered and approved all types of remuneration. Of the Chief Executive Officer and employees based on performance, consolidated results of the Group including the future business plan of the Group.

#### **Review of Corporate Governance Policy of the Company**

In 2018, the Nomination & Remuneration and Good Governance Committee reviewed and revised the Corporate Governance Policy of the Company in accordance with the principles of Corporate Governance Code for listed companies 2017 (CG Code) as well as creating other policies related to corporate governance, such as Whistleblowing and Complaints Policy, Communication and Disclosure policy, and has been published for acknowledgment on the company's website

The Nomination & Remuneration and Good Governance Committee is committed to fulfilling its duties mandated by the Charter of the Nomination & Remuneration and Good Governance Committee, particularly in respect of the acquisition and retention of talents to develop a strong human resources foundation that will lead the Company towards the attainment of its goals.



(Mr. Sakda Hanbuntrong)

Chairman of the Nomination & Remuneration  
and Good Governance Committee



# Risk Management Committee Report

The Risk Management Committee is comprised of 3 members and chaired by an independent director. The Risk Management Committee is mandated to perform duties in accordance with the Charter of the Risk Management Committee prescribed by the Board of Directors. In 2018, the Risk Management Committee held 2 meetings which were attended by all members of the Risk Management Committee. Highlights of the Risk Management Committee's performance are as outlined below:

## Appointment of Risk Management Team

The Risk Management Committee Meeting No. 2/2018 has appointed a new Risk Management Working Group in accordance with the organizational restructuring of Best Tech and Engineering Company Limited, which is a core company. Therefore risk management is continuous and consistent across all departments.

## Consideration of the 2019 Risk Management Plan and Acknowledgment of the Risk Management Performance Update

At the Risk Management Committee Meeting No. 2/2018, the Risk Management Committee acknowledged the progress of risk management operations conducted in 2018. The operations carried out the risk assessment of the organization and various units in the Group at both Chachoengsao factory and Sattahip factory. Summarize the number of risks and risk management of each units have been prepared together with all preliminary risk management plans for all units and considering the risk management plan for the year 2019 as a risk management framework of the Group .

The Company is cognizant that all risks, regardless of their causes and impact levels, entail detrimental effects on the Company's performance and operations. Therefore, the Company attaches significance to the comprehensive risk management to effectively manage, mitigate and eradicate risks for optimized benefits of the Company.



(Assoc. Prof. Dr. Paiboon Sareewiwatthana)  
Chairman of the Risk Management Committee



## Board of Directors 31 December 2018



Associate Professor Dr. Paiboon Sareewiwattana  
(Chairman of the Board)



Mrs. Siripond Satawin



Mr. Chotic Russamitinakornkul



Mr. Sarawut Charuchinda



Mr. Sakda Hanbuntrong



Mr. Suvit Manomaiyanon



Mrs. Chutima Katikawong

## Audit Committee 31 December 2018



Mr. Sarawut Charuchinda



Mr. Sakda Hanbuntrong



Mr. Suvit Manomaiyanon





## Nomination & Remuneration and Good Governance Committee 31 December 2018



Mr. Sakda Hanbuntrong  
(Chairman of the Nomination  
& Remuneration and  
Good Governance Committee)



Mr. Sarawut Charuchinda



Mr. Suvit Manomaiyanon



Mrs. Siripond Satawin

## Risk Management Committee 31 December 2018



Associate Professor Dr. Paiboon  
Sareewiwattana  
(Chairman of the Risk  
Management Committee)



Mrs. Siripond Satawin



Mr. Chotic Russamitinakornkul

## Executive Committee 31 December 2018



Mr. Chotic Russamitinakornkul



Mrs. Chutima Katikawong





## General information and other important information

<b>Company</b>	<b>BT Wealth Industries Public Company Limited</b>
<b>Address</b>	593/3 Soi Ramkhamhaeng 39 (Thepleela 1), Ramkhamhaeng Rd., Kwang Wang Thonglang, Khet Wang Thonglang, Bangkok 10310 Telephone 66 2314 2151-2 Fax 66 2319 7301-2
<b>Homepage</b>	www.btwealthindustries.com
<b>Company registration number</b>	0107558000431
<b>Nature of Business</b>	Be a holding company, having Best Tech & Engineering Limited as the Core Company, which is engaged in the business of providing Steel Fabrication according to customers' requirements and specification.
<b>Number and type of</b>	Common Shares 756,000,000 shares (as of 31 December 2018)
<b>Registered and paid-up shares</b>	
<b>Par value</b>	0.50 Baht per share
<b>Registrar</b>	The Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Kwang Dindaeng, Khet Dindaeng Bangkok 10400 Telephone 66 2009 9000 Fax 66 2009 9476
<b>Auditor</b>	Ms. Manee Rattanabunnakit with her CPA license no. 5313 or Mr. Termphong Opanaphan with his CPA license no. 4501 or Mrs. Poonnard Paocharoen with her CPA license no. 5238 <b>EY Office Company Limited</b> 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Rd., Klongtoey, Bangkok 10110 Telephone 66 2264 9090 Fax 66 2264 0789-90 Website www.ey.com
<b>Internal Auditor</b>	Mr. Amornpong Nualwiwat <b>ANS Business Consultants Co., Ltd.</b> 100/72, 22nd Floor, Vongvanij Building B 100/2 Rama 9 Rd, Huaykwang, Bangkok 10320 Telephone 66 2645 0109 Fax 66 2645 0110 Website <a href="http://www.ans.co.th">www.ans.co.th</a>

## Subsidiary Information as of 31 December 2018

### Best Tech & Engineering Limited

Registered and paid-up shares	Common Shares 800,000 shares, fully paid up of Baht 100 par value
Nature of Business	Providing steel fabrication service
Head Office	593/3 Soi Ramkhamhaeng 39 (Thepleela 1), Ramkhamhaeng Rd., Kwang Wang Thonglang, Khet Wang Thonglang, Bangkok 10310 Telephone 66 2314 2151-2 Fax 66 2319 7301-2
Chacheongsao Office	10/4 Moo 10 Tumbon Bangkwan, Ampur Muang, Chacheongsao Telephone 66 38 090 793-95 Fax 66 38 090 796
Sattahip Office	2002/1 Moo 2 Tumbon Smaesarn, Ampur Sattahip, Chonburi Telephone 66 33 047 167

### BT & Owl Solar 1 Limited

Registered and paid-up shares	Common Shares 500,000 shares, fully paid up of Baht 10 par value
Nature of Business	For bidding of solar power plant and/or renewable energy plant projects in the future
Address	593/3 Soi Ramkhamhaeng 39 (Thepleela 1), Ramkhamhaeng Rd., Kwang Wang Thonglang, Khet Wang Thonglang, Bangkok 10310 Telephone 66 2314 2151-2 Fax 66 2319 7301-2

### Best Tech Industries Limited

Registered and paid-up shares	Common Shares 1,000,000 shares, 25% paid up of Baht 100 par value
Nature of Business	For expansion of the steel fabrication business
Address	593/3 Soi Ramkhamhaeng 39 (Thepleela 1), Ramkhamhaeng Rd., Kwang Wang Thonglang, Khet Wang Thonglang, Bangkok 10310 Telephone 66 2314 2151-2 Fax 66 2319 7301-2

### Global Clean Energy Company Limited

Registered and paid-up shares	Common Shares 200,000 shares with Baht 100 par value, 40% paid up for 10,000 common shares and 25% paid up for 190,000 common shares
Nature of Business	For bidding of solar power plant and/or renewable energy plant projects in the future
Address	593/3 Soi Ramkhamhaeng 39 (Thepleela 1), Ramkhamhaeng Rd., Kwang Wang Thonglang, Khet Wang Thonglang, Bangkok 10310 Telephone 66 2314 2151-2 Fax 66 2319 7301-2

## Policy and Business Overview

### 1. Background and Key Milestones of the Group

Month-Year	Milestone
September 1987	: Best Tech was established with the initial registered capital of Baht 2.00 million, to operate business as a trader of materials, equipment and piping system for various heavy industries such as the oil and gas industry and the power plant industry.
November 1991	: Great Power Engineering Ltd. (“Great Power”) was established with the initial registered capital of Baht 2.00 million to manufacture piping system used in power plants.
January 1995	: Great Power’s factory (“Chachoengsao Workshop”) was established at Muang, Chachoengsao to manufacture piping system used in power plants.
March 2002	: Best Tech was engaged by 8 EPC contractors, namely 1) Sembcorp Engineers and Constructors, 2) Voltas, 3) Koh Brothers Group, 4) Keppel Engineering, 5) Yoli Engineering & Construction, 6) Envirocare, 7) Hong Hock Engineering, and 8) Suntrak Engineering, to provide the parts fabrication services for the Changi water reclamation plant project in Singapore. The parts fabrication works included the piping system and pipe bridging, coolant tanks, air receiver pressure vessels, hoppers, and passageway structures. The contract value of the project awarded to Best Tech was approximately SGD 23.1 million (Baht 577.0 million <sup>1</sup> ).
February 2006	: Great Power was first awarded the BOI privileges under the investment promotion certificate no. 154(2)/2549 for the Chachoengsao Workshop to promote its investment in the manufacturing of steel rods, coupling and elbows.
March 2008	: Best Tech established a new factory (“Sattahip Workshops and Yards”) in Sattahip Commercial Port, Sattahip, Chonburi, to support the expansion of its modularization business.
March 2008	: Best Tech was engaged by Aalborg Industries in the modularization works for Golar Winter Renovation project, which is the floating storage and regasification unit (FSRU) operating in Brazil. This was the first large-scale modularization project of Best Tech and the contract value of the project awarded to Best Tech was approximately EUR 1.3 million (Baht 53.4 million <sup>1</sup> ).
May 2008	: Best Tech was engaged by Aalborg Industries in the modularization works for Peregrino project, which is the floating production storage and offloading (FPSO) operating in Brazil. The contract value of the project awarded to Best Tech was approximately EUR 3.5 million (Baht 139.3 million <sup>1</sup> ).



Month-Year	Milestone
May 2011	: Great Power was granted the investment promotion certificate no. 1997(5)/2554 for Chachoengsao Workshop and Best Tech was granted the investment promotion certificate. 1996(5)/2554 for Sattahip Workshops and Yards. These two certificates' main objective is to promote their investment in businesses relating to machine, equipment, and parts fabrication and steel structure fabrication for construction or industrial projects (fabrication industry) or platform repair.
August 2011	: Best Tech was engaged by 4 EPC contractors, namely 1) RCR Resource, 2) Laing O'Rourke Australia Construction, 3) Terra Nova Technologies, and 4) Cimeco, in the modularization works for Solomon Iron Ore, which is the large iron mine located in Australia belonging to Fortescue Metals Group (FMG). Best Tech was entrusted with the modularization works of the entire project, i.e. ore processing facility, crushing hub, conveyors and train load-out system. The contract value of the project awarded to Best Tech was approximately USD 218.1 million (Baht 7,634.9 million <sup>1</sup> ).
July 2011	: Best Tech acquired and merged with Great Power through the entire business transfer.
July 2012	: Superwin Assets Co., Ltd. ("Superwin") was established with the initial registered capital of Baht 5.00 million to engage in the leasing of steel fabrication machine and equipment.
March 2014	: Best Tech was engaged by Samsung C&T Corporation in modularization works for Roy Hills project, which is the large-scale iron mining project in Australia. The contract value of the project awarded to Best Tech was approximately USD 105.6 million (Baht 3,697.0 million <sup>1</sup> ).
July - September 2014	: Superwin changed its name to BT Wealth Industries Co., Ltd. and changed its shareholding in groups by increasing the registered capital to Baht 300.0 million and increasing its shareholding in Best Tech to 99.50%.
January 2015	: BTW hold 90% of BT Owl to support bidding for solar power plant and/or renewable energy plant projects in the future.
October 2015	: BTI was established to support future expansion of the steel fabrication business. BTW holds 100% of BTI shares.
October 2015	: The Extraordinary General Meeting of Shareholders No. 1/2015 of the Company approved the conversion of BTW from a limited company to a public limited company. The conversion was registered on 15 October 2015.
October 2015	: BTW acquired 95.50% stake in Global Clean in support of the solar power plant and/or renewable energy plant business.

Month-Year	Milestone
December 2015	: The Extraordinary General Meeting of Shareholders No. 2/2015 of the Company approved the increase of BTW's registered capital from Baht 300.00 million to Baht 378.00 million through the initial public offering of 312.00 million ordinary shares at the par value of Baht 0.25 per share and the listing of the Company's securities on the Market of Alternative Investment (mai).
December 2015	: BTW acquired shares of Global Clean from other shareholders. As a result, Global Clean becomes a wholly owned subsidiary of BTW.
March 2016	: The Extraordinary General Meeting of Shareholders No. 1/2016 of the Company approved the change of the par value of BTW shares to Baht 0.50 per share. Also, to be in line with the change of the par value, the EGM approved the change of the number of shares for the IPO to 156.00 million shares.
July 2016	: On 11 July 2016, BTW was listed as a new security on Market for Alternative Investment (mai)
August 2016	: The Company expanded its scope of business to cover the provision of service as a power plant engineering, procurement and construction (EPC) contractor for 2 projects of 5MW solar farm in Trad and Prachuap Kiri Khan.
August 2016	: BTI was granted the investment promotion certificate no. 59-0548-0-01-2-0 for the Chachoengsao Workshop and the Sattahip Workshops and Yards to promote investment in the manufacturing of structures used for construction or industrial projects, such as steel structures, vessels and piping spools, including material parts, such as grating.
July 2017	: Best Tech obtained a quality standard certificate from JIS – H Grade from Japan Steel-Fabrication Appraisal Organization (JSAO), a certified standard for the construction of steel structures for large buildings in Japan.

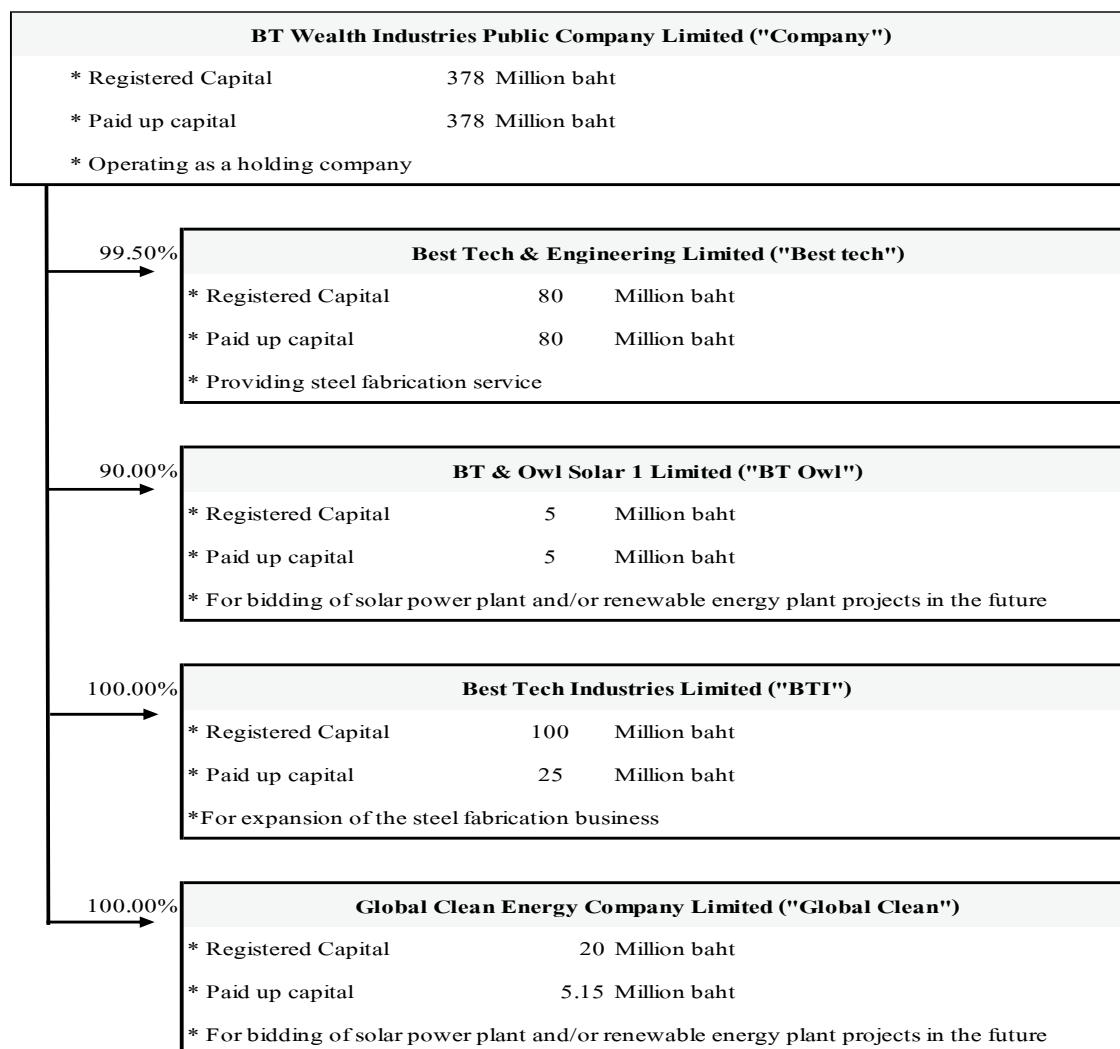
**Remark:** <sup>1</sup> The currency conversion is based on the exchange rates of Baht 35/USD, Baht 40/EUR, Baht 25/AUD, and Baht 25/SGD.

## 2. Policy and business goals for the next 3-5 years.

The company is committed to providing good service to its trade counterpart as a business partner to get the maximum satisfaction that will create good returns to its shareholders and employees. Apart from existing projects' operation, the company has aimed to enter into new customers and new businesses that can share the Group's skills and resources to enhance revenue of the Group, such as utilities projects, customer groups in China, etc. The company has targeted revenue from new businesses at least 30% by the end of the year 2022, to ensure its continuous business sustainability.

### 3. Structure of the Group

BTW is a holding company and currently has 4 subsidiaries. Best Tech is the core operating company of the Group while the other 3 subsidiaries have not yet been in operation.



### 4. Nature of business

BT Wealth Industries Public Company Limited ("the Company" or "BTW") is a holding company investing in 4 subsidiaries, namely 1) Best Tech & Engineering Limited, 2) BT and Owl Solar 1 Limited, 3) Best Tech Industries Limited, and 4) Global Clean Energy Company Limited, with Best Tech as the core company. Best Tech is engaged in steel fabrication business which its works are made according to customers' requirements and specifications and assembled at the project sites for large-scale construction projects of local and foreign customers in heavy industries, such as mining industry, oil and gas industry, and energy industry. The company has the capabilities to offer a wide range of products and services that meet international standard, from parts fabrication works which require specialized expertise such as piping system fabrication, pressure vessels and storage tanks, structural steel fabrication, to modularization works which are big projects. Since 2016, the Company has expanded its work scope to cover the services as main power plant EPC contractor, focusing on renewable energy power plants such as biomass power plants, solar power plants and biogas power plants.



## 5. Revenue Structure

The revenue structure of the Company and its subsidiaries can be divided into 2 categories:

- 1) Revenue from fabrication work which can be divided into 4 groups according to the type of services provided:
  - 1.1 Modularization
  - 1.2 Parts Fabrication
  - 1.3 Power Plant EPC Contractor
  - 1.4 Others
- 2) Other revenue which includes revenue from sales, gains from foreign exchange rate and interest income.

The revenue structure of the Company and its subsidiaries during 2016 – 2018 was as shown below:

Revenue	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
<b>Revenue from Fabrication Work</b>						
Modularization	-	-	182.15	12.54	125.00	9.67
Parts Fabrication	1,317.15	69.43	1,127.48	77.61	1,045.14	80.84
Power Plant EPC Contractor	464.02	24.46	104.68	7.21	48.59	3.76
Others	-	-	-	-	18.06	1.40
<b>Total Revenue from Fabrication Work</b>	<b>1,781.17</b>	<b>93.89</b>	<b>1,414.31</b>	<b>97.36</b>	<b>1,236.79</b>	<b>95.67</b>
Other Revenue	115.90	6.11	38.37	2.64	55.99	4.33
<b>Total Revenue</b>	<b>1,897.07</b>	<b>100.00</b>	<b>1,452.68</b>	<b>100.00</b>	<b>1,292.78</b>	<b>100.00</b>

The revenue from the fabrication work which is the main income of the Company and its subsidiaries can be divided into: 1) Revenue from Domestic Customers, and 2) Revenue from Foreign Customers as shown below:

Revenue	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Revenue from Domestic Customers	1,299.08	72.93	762.45	53.91	461.53	37.32
Revenue from Foreign Customers	482.09	27.07	651.86	46.09	775.25	62.68
<b>Total Revenue from Fabrication Work</b>	<b>1,781.17</b>	<b>100.00</b>	<b>1,414.31</b>	<b>100.00</b>	<b>1,236.79</b>	<b>100.00</b>

## 6. Type of Services

The Company's services are provided through Best Tech and can be divided into: 1) Steel Fabrication and 2) Power Plant EPC Contractor.

Regarding to the Steel Fabrication service, structural steel or steel plate of which qualities meet the customers' specifications and standards, is cut, formed, assembled and welded into parts or structure according to the drawing specified by the customers. The steel fabrication service can be categorized into 2 main groups: 1) Modularization, and 2) Parts Fabrication. The customers of the Company are mainly EPC contractors for large-scale engineering and construction projects and project owners operating in heavy industries such as the mining industry, the oil and gas industry and the power plant industry located in various investment countries within many continents such as Australia, Asia and South America. The Company also operates as a power plant EPC contractor and its services in this aspect include engineering, procurement and construction works for power plant projects. The types of service that Best Tech provides are as follows.

#### 6.1 Modularization

Modularization is the production method used for large-scale project or production process of heavy industries such as the mining industry and the oil and gas industry. Modularization starts from preliminary designing, engineering, detailed drawing, project planning and fabrication of pre-engineered units. Subsequently, the pre-engineered parts are delivered to and assembled at the project site.

Best Tech mainly uses its Sattahip Workshops and Yards for modularization works given the strategic location of the site which is located adjacent to the Sattahip Commercial Port, a deep-sea port used by Best Tech in the delivery of large-sized modular units to its customers. The location gives Best Tech cost advantages over other steel fabricators that have to transport their products by road to the port first as well as the greater flexibility in terms of the sizes of modular units which are not limited by the road width.

Best Tech has proven track records of modularization service for projects in different industries, starting with the gas and oil industry and expanding into other heavy industries such as the mining industry. Most of these customers are large international companies such as Samsung C&T Corporation, Terra Nova Technologies, Laing O'Rourke, Aalborg Industries and Crushing Services International Pty Ltd.

#### 6.2 Parts Fabrication

Parts fabrication is the process of fabricating raw materials, such as steel plate, structural steel and steel pipes, into parts according to engineering design. The fabrication processes vary with the types of parts. However, the processes involve cutting, bending, drilling and assembling the steel parts. Best Tech can provide the parts fabrication services both through its Chachoengsao Workshop and Sattahip Workshops and Yards. The types of parts fabrication are as follows:

##### 1) Piping System Fabrication

Piping system fabrication process starts from preliminary designing to fabricate the parts according to the size and shape as designed. Subsequently, the parts will be assembled into piping system as part of the production process at the construction or at the factory site. The Company has the capabilities to do different types of piping system works such as pipe fabrication from steel plates, power plant cooling systems, piping system for buildings, wastewater

treatment piping system and piping system for industrial factories. Best Tech is specialized in piping system for power plants as it is one of the leading providers in the country for piping works and has been entrusted by the Electricity Generating Authority of Thailand (“EGAT”) which has continuously engaged Best Tech as the provider of the piping system services for almost all of its power plant projects. Moreover, Best Tech has experiences in providing cooling system services for other private power plants. Examples of power plants using Best Tech’s services are Wang Noi Power Plant of EGAT in Phra Nakhon Si Ayutthaya Province, Kaeng Khoi 2 Power Plant of Gulf Electric Public Company Limited in Saraburi Province and Glow Power Plant Phase 5 of Glow Energy Public Company Limited in Rayong Province, Replacement of South Bangkok Power Plant Phase 1 of Electricity Generating Authority of Thailand (EGAT), and Taketoyo No.5 Coal-fired Thermal Power Plant in Japan. At present, Best Tech has expanded the customer base into the biomass power plants such as Mahachai Power Plant of Mahachai Green Power Co., Ltd. in Samut Sakhon. In addition, Best Tech also provides supporting services including painting, coating and wrapping as well as manufacturing of pipe support used as the base or structure to support the load of the piping system in power plants or industrial factories.

## 2) Pressure Vessels and Storage Tanks

Pressure vessels are liquid or gas storage equipment that are transported or transfused under high pressure such as gas or hot water storage tanks. Thus, the production process of pressure vessels requires specialized engineering expertise and customers generally require products that meet international certification standards. Best Tech is awarded with various international accreditation certificates such as ASME U Stamp certificate from The American Society of Mechanical Engineers (ASME) for the manufacture and assembly of unfired pressure vessels and National Board R certificate from the National Board of Boiler and Pressure Vessel Inspectors (NBIC). Best Tech is also capable of producing non-pressured tanks or storage tanks, which are typically used to store liquid in the factories under normal conditions. Best Tech extends its scope of services into the modification and maintenance of the pressure vessels and storage tanks according to the customers’ orders.

## 3) Structural Steel Fabrication

Best Tech provides structural steel fabrication services for customers in various heavy industries such as the mining industry and the energy industry. Structural steel fabrication processes involve cutting, bending, welding and assembling the steel parts into the structures of factory buildings or a section of the production system according to the customers’ designs. The finished works include, for example, beams and columns, girders, walkways and gratings. In general, the structural steel fabrication works are less complicated and smaller than modularization works. The finished works of structural steel fabrication are usually supporting parts of a modularization and parts fabrication works.

### 6.3 Power Plant EPC Contractor

Best Tech also provides services as a power plant EPC contractor and its scope of works includes the engineering, procurement and construction of power plant projects of customers, focusing on renewable energy power plants. In delivering its services as a power plant EPC contractor, the Company is in charge of designing the engineering blueprints of the power generation system, working with the customers on procuring machinery and



equipment from domestic and overseas suppliers, constructing the power plants, installing machinery and equipment, testing the electricity generation and distribution, and managing the power plant projects until they are commissioned and commercially operated. Examples of power plants using Best Tech's services are Solar Power Plant Trat Agricultural Cooperative, Trat Province, and Solar Power Plant Bang Saphan Noi Agricultural Cooperative, Prachuap Khiri Khan Province.

## **7. Quality Assurance Standards and Certificates Awarded to the Company**

With its policy to achieve customer satisfaction through the qualified products and services and its commitment towards continuous development, the Company has upgraded its production processes to meet the international standards and the demands of its domestic and foreign customers. The Company has garnered a number of international quality assurance certificates from renowned accreditation organizations. Details about the quality assurance standards are outlined under the section of "Type of Business" of the 2017 Annual Filing (Form 56-1).

## **8. Investment Promotion Certificates**

Best Tech was granted 3 SME investment promotion certificates from the Board of Investment for Small and Medium Enterprise. Best Tech's Sattahip Workshops and Yards and Chachoengsao Workshop each received an investment promotion certificate. In 2016, a subsidiary, namely BTI, was granted additional investment promotion certificate for its operations in Chachoengsao and Chon Buri areas. Details about the investment promotion certificates granted to the Company are outlined under the section of "Type of Business" of the 2018 Annual Filing (Form 56-1).

## **9. Market and Competition**

### **9.1 Target Customers**

Customers of the Company can be mainly divided into 2 groups: EPC contractors and project owners.

#### **1) EPC Contractors**

EPC contractors are the providers of engineering, procurement and construction services for projects. These customers are large companies with solid capital resources undertaking turn-key projects and directly bidding for the large-scale, heavy industry projects of the project owners around the world. When these EPC contractors win the project bidding, they usually divide the works into sub-projects and sub-contract the works to several sub-contractors depending on the field of expertise of each sub-contractor. In general, the projects that are contracted to the Company are heavy industry projects in foreign countries and the project scale is generally larger than the projects that the Company is directly contracted from the project owners. EPC contractors that the Company has worked for include, for example, Alstom Asia Pacific, Liang O' Raourke, Mitsubishi Heavy Industries, and Samsung Heavy Industries.

#### **2) Project Owners**

The Company undertakes fabrication works for customers being project owners and most of these customers are companies that carry out investment and business expansion projects including the construction of renewable energy plants, capacity increase projects and production efficiency improvement projects. Project owners that the Company has provided services for are, for example, Eastern Technical Engineering Pcl., Phu Bia Mining, and

EGAT. These projects that usually smaller in size compared to those contracted with EPC contractors. This is due to the fact that, given the size of the projects, the project owners are capable of managing the projects by themselves without involving the EPC contractors.

In 2016-2018, the Company and the subsidiary's revenue primarily concentrated in the power plant industry while in 2017 and 2018 there was revenue received from mining project in Australia and Thailand. Details of the revenue proportion from customers in each industry are as shown below:

Industry	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
1. Mining	11.10	0.62	285.95	20.22	191.41	15.48
2. Power Plant	1,768.17	99.27	1,126.16	79.63	939.70	75.98
3. Other Industries <sup>1</sup>	1.90	0.11	2.20	0.15	105.68	8.54
Total	<b>1,781.17</b>	<b>100.00</b>	<b>1,414.31</b>	<b>100.00</b>	<b>1,236.79</b>	<b>100.00</b>

Remark: <sup>1</sup> Other industries are the Steel manufacturing, the dockyard industry, the oil and gas industry, etc.

Location-wise, 73% of the Company's customers in 2016 were domestic projects. Due to economic condition, falling of commodity prices, and decreasing of foreign big scale projects, the Company was increasingly engaged in the power plant projects in Thailand. In 2017 and 2018, the Company was awarded mining projects in Australia and more power plant projects in foreign countries causing the proportion of domestic revenue to decrease to approximately 53.91 percent and 37.32 percent of total revenue from production contract. Details of revenue structure divided by region of customers are as follows.

Revenue Structure	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
1. Revenue from Foreign Customers						
1.1 Australia	-	-	182.14	12.88	247.70	20.03
1.2 Other Countries <sup>1</sup>	482.09	27.07	469.72	33.21	527.56	42.65
<b>Total Revenue from Foreign Customers</b>	<b>482.09</b>	<b>27.07</b>	<b>651.86</b>	<b>46.09</b>	<b>775.26</b>	<b>62.68</b>
2. Revenue from Domestic Customers	1,299.08	72.93	762.45	53.91	461.53	37.32
<b>Total Revenue from Fabrication Work</b>	<b>1,781.17</b>	<b>100.00</b>	<b>1,414.31</b>	<b>100.00</b>	<b>1,236.79</b>	<b>100.00</b>

Remark: <sup>1</sup> Foreign customers in other countries in 2018 was mainly Mexico (Baht 154.69 million) and USA (Baht 150.57 million)

## 9.2 Distribution and Customer Acquisition Channels

The distribution and customer acquisition channels of Best Tech are classified according to the types of its customers, i.e. 1) Foreign customers, and 2) Domestic customers, as elaborated below:

#### 1) Foreign Customers

Best Tech uses pro-active marketing through direct contact to reach foreign customers. The customers of the Company are both EPC contractors and project owners. The sales and marketing team of Best Tech closely monitors the information and market update from various sources to keep abreast of upcoming project bidding, including both new and expansion projects. Once the upcoming project for bidding is identified, the sales and marketing team together with the management of Best Tech will analyze the project feasibility and expected return to select the proper projects for its bidding proposal decisions.

With its good customer relationship management and the quality of its products and services that meet internationally standards, Best Tech has been directly contracted by its customers, both repeat customers and new customers that have been referred to Best Tech by Best Tech's existing customers. Examples of projects that Best Tech has been directly approached by foreign customers are Roy Hills Project, which is a large iron ore mining project, Modular Crush & Screen Project in Australia, and Ban Houayxai Gold Project, which is gold mining project in Laos.

#### 2) Domestic Customers

For domestic distribution and customer acquisition, Best Tech adopts the direct customer contact approach and its strengths in the domestic market lay in, among others, its expertise in piping system fabrication. The Company has long been entrusted by EGAT and other private companies with their piping system works. To increase its business opportunities, the Company has worked with certain EPC contractors on the assessment of the feasibility and costs of projects to support the bidding proposals that the EPC contracts send to the project owners and such collaboration increases the likelihood of bidding success and, as a result, strengthens the Company's long-term competitiveness.

### 9.3 Competitive Strategy

In the modularization and part fabrication industry, quality of works and punctual delivery are deciding factors of customers. Generally, the key selection criteria used by project owners and EPC contractors are the reputation and track records of the service providers and, in most cases, outweigh the pricing. This is because most of their projects are large projects of high value and the delays or defects of the construction will tremendously derail the employers' projects. Therefore, Best Tech has treated the quality of works and the punctual delivery as its top priorities. To sustain its long-term competitiveness, Best Tech adopts the following competitive strategy and business policy:

#### 1) Quality of Products and Services

Best Tech recognizes the importance of work quality and strongly believes that the reputation for trusted quality is a critical success factor for business sustainability. In an attempt to meet the customers' expectations on the quality of works, before initiating the production process, Best Tech discusses the target quality standards of each work with its customers to mutually agree on, among others, the sizes, welding quality and color quality. To achieve the highest standard of product and service quality, Best Tech integrates the quality assurance in its production processes and post-production processes and has achieved a number of international quality standards. Best Tech also offers post-delivery guarantees depending on the agreements of each project.



## 2) Punctual Delivery

Best Tech develops a project management plan which entails the time estimation of the process, end-to-end, from material procurement and delivery to the workshop, production, assembly, quality check, and delivery of works to customers. The time estimation is supporting information for bid proposals and production planning. With its seasoned experience in this field, Best Tech can make a precise estimation of the time required for the processes that can ultimately strengthen Best Tech's credibility in terms of its ability to punctually deliver works.

## 3) Advantages from Diverse Features of two Workshops

The steel fabrication operations of Best Tech are carried out at its two workshops, namely Sattahip Workshops and Yards and Chachoengsao Workshop. The two workshops features different advantages. Sattahip facility is large and adjacent to the Sattahip Commercial Port, and has the capabilities for both the modularization and parts fabrication works while Chachoengsao Workshop, which is smaller in size, manufactures small-to-mid-sized steel fabrication works and can use road transportation for delivery.

## 4) Engineering Design Consultancy Service

Best Tech enhances the value proposition of its services by offering engineering design consultancy for some of its customers' projects which involve modularization and parts fabrications. Through these dialogues, Best Tech gains correct understanding about the project and construction details and specifications, accurately assesses the production costs, efficiently plans the production processes, controls and inspect the quality of works, and minimize the risk of delivery delay and associated losses. These capabilities collectively contribute to the Company's success in being selected as a service provider and maintaining its competitiveness.

## 5) Product Diversity

Best Tech possesses expertise and extensive experience in steel fabrication and therefore can flexibly offer a wide range of metallurgical engineering services that meet customers' demands. Examples of works that Best Tech has delivered to its customers include modularization, piping system fabrication, pressure vessels and storage tanks, beam and column fabrication, girders, walkways and gratings and hoppers.

## 6) Customer Base Expansion

In 2011-2015 Best Tech's foreign customers concentrated in Australia. To build a foundation for long-term growth, Best Tech has adopted the proactive marketing approach to expand its 2017's customer bases to North America, South America and Asia continents with projects in 15 countries. With its extensive experience and good reputation for the quality of its works that meets international standards, Best Tech is widely recognized and trusted by its customers referring Best Tech to other project owners or EPC contractors.

As regards the domestic market, Best Tech's parts fabrication customer base in the power plant industry has significantly grown and Best Tech has been engaged to do piping system fabrication works, pressure vessels and storage tanks works and structural steel fabrication works. The customer base growth is in line with Best Tech's fields of expertise as Best Tech has a long-term proven track record as a parts fabricator for power plant projects. In addition, Best Tech has expanded its services to the mining industry and more domestic industries in order to maintain the income level of the Group and to compensate for declining income from foreign projects.

#### 9.4 Market Overview and Competition

##### Steel Fabrication Industry

At present, most of the Company's revenue is from Best Tech which is its core subsidiary. In 2016 – 2018 approximately 27-63% of the revenue from fabrication work of Best Tech was revenue from steel fabrication services provided to foreign customers. Therefore, the competition in which Best Tech is part of is not limited to only domestic market but also includes the global arena and its competitors are operators both in Thailand and other exporting countries. Its customers are from various countries and industries. The overview of the steel fabrication market, including the competition, and the demand are as summarized below:

##### 1) Overview of Global Steel Fabrication Industry

Statistics from International Trade Centre, an organization under World Trade Organization (“WTO”), indicate that the import value of steel fabrication and steel structure works highly grew up from USD 102,040 million in 2013 to USD 105,325 million in 2014, and decrease in 2015 and 2016, then increase to USD 102,833 million in 2017. These increase and decrease are in line with global economic conditions and commodity prices.

##### **Global Top 10 Importers of Steel Fabrication and Steel Structure Works in 2013 – 2017\***

(Unit : USD Million)

No.	Countries	2013	2014	2015	2016	2017
1	USA	7,213	8,004	8,918	9,264	9,593
2	Germany	8,087	8,501	7,553	7,580	8,432
3	Norway	1,734	1,872	1,645	1,300	4,891
4	France	4,601	4,591	3,833	3,902	4,314
5	Thailand	2,806	2,816	3,755	3,714	4,040
6	UK	3,471	3,682	3,356	3,326	3,280
7	Japan	2,923	3,248	3,205	3,248	3,274
8	China	3,011	3,767	3,186	2,919	3,025
9	Mexico	2,986	3,027	3,082	2,955	3,018
10	South Korea	4,019	4,323	4,016	3,225	2,968
Others		<b>61,188</b>	<b>61,496</b>	<b>56,154</b>	<b>53,288</b>	<b>55,999</b>
<b>Total</b>		<b>102,040</b>	<b>105,325</b>	<b>98,704</b>	<b>94,720</b>	<b>102,833</b>

##### 2) Market Competition

Competition in international markets is a competition between international steel processing enterprises which most of the exports come from Asian countries (60% of total exports). China is the world's largest exporter.

### Asia's Top 10 Exporters of Steel Fabrication and Steel Structure Works in 2013 – 2017\*

(Unit : USD Million)

No.	Countries	2013	2014	2015	2016	2017
1	China	18,163	19,038	19,843	17,513	18,583
2	South Korea	3,929	4,446	5,123	5,581	6,636
3	Turkey	2,395	2,536	2,211	2,067	2,271
4	India	1,791	1,748	1,941	1,730	2,013
5	Thailand	2,045	1,646	2,079	1,872	1,710
6	Taiwan	1,346	1,350	1,301	1,248	1,354
7	Japan	1,335	1,333	1,158	1,409	1,303
8	UAE	735	867	592	587	810
9	Russia	962	720	798	791	736
10	Singapore	311	892	610	597	705
Others - Asia		3,952	4,011	3,634	4,043	3,015
<b>Total - Asia</b>		<b>67,245</b>	<b>67,794</b>	<b>58,975</b>	<b>57,729</b>	<b>62,305</b>
<b>Total - Global</b>		<b>104,376</b>	<b>106,393</b>	<b>98,281</b>	<b>95,170</b>	<b>101,442</b>

\* Source: Statistics from International Trade Centre, an organization under World Trade Organization (WTO), as of 25 December 2017.

\* Remark: Import-Export value of steel fabrication and steel structure works are based on the harmonized codes, i.e. 7308 – steel structure, 7326 – steel fabrication, and 8403 - boiler.

Thai steel fabricators have strong competitive advantages from skilled labors, labor costs, and transportation distance. Currently, Best Tech is one of the major Thai steel fabricators and has production capacity of 2,500 – 4,000 tons per month.

### 3) Overview of Market Demand from Major Industries

Target customers of the steel fabrication business are customers in the mining industry, the petroleum industry, the natural gas industry, and the power plant industry. In the last 20 years, these industries have continued to grow as a result of high demand for consumption from China, which has a leap in economic growth. While most developed countries have a steady and declining demand, however, China has begun to enter into mature economy. As a result, the overall demand for products in these industries begins to increase in slower or reduced growth. The overview of the market demand is as detailed below:

#### 3.1) Overview of Mining Industry

The demand for industrial metals, such as iron, aluminum, and copper ore, correlates with the global economic growth. According to the Commodity Market Outlook published by World Bank Group (October 2018) forecasts that the global economic growth will be mainly driven by the emerging markets and China given their substantial needs for infrastructural developments which are not yet fulfilled and their continued investment in new projects. Examples of mining businesses operated by Best Tech's customers are iron, gold, copper and coal mines. The overview of the mining industry is as outlined below:



#### Iron Ore Mining Industry

Iron ore is the most used natural resource in the world. Generally, iron ore is processed into iron which is a major raw material used in related industries being the major growth engine of the global economy such as the infrastructure construction industry (bridges and ports), the transportation industry (trains and ships), and the automobile industry.

According to the Commodity Markets Outlook of the World Bank Group (October 2018), prices of iron ore continued to fall due to trade disputes between the US and China by imposing higher import duties on steel and steel products. Global excess steel production not be able to unfold within the next 3 years, large stock of Chinese steel, declining demand from China and emerging markets for domestic use and production for export have an impact on lower demand and overall steel prices. Expected demand for iron ore in the world and especially from China will decline in 2019-2020.

#### Coal Mining Industry

Coal is an energy mineral used in the production of electricity. According to a publication of U.S. Energy Information Administration (“EIA”), a U.S. governmental agency responsible for energy information of the U.S.A., which is published on the EIA website, net power generation from coal was 8.1 billion megawatt-hour or 40% of the global power generation. EIA forecasts that net power generation from coal in 2040 will increase by 72% in 30 years, to 13.9 billion megawatt-hour or 36% of the global power generation.

According to the 2018 Commodity Markets Outlook of the World Bank Group (October 2018), reported that average coal prices have risen in 2018 compared to 2017. As a result of unusually hot weather in Asia and Europe causing higher demand for coal to generate electricity. Long-term demand for coal is likely to decrease due mainly to the expected downturn of Chinese economy. Main trend of global electricity generation has been shifting from fossil fuel energy to renewable energy. However, coal price in 2019 is expected to remain stable due to lower demand and higher supply.

### 3.2) Overview of Oil and Natural Gas Industry

Oil and natural gas are major energy source for power generation. According to EIA’s 2040 projections published on its website, oil products will be mainly used by the industrial and transportation sectors while the natural gas will be used by the electric power and industrial sectors. Oil and natural gas demand is as detailed below:

#### Oil Industry

The growth of the oil consumption by countries being members of the Organization for Economic and Co-operation and Development (“OECD”) has the downward trend due to the advancement of energy-efficient technologies for vehicles and the decline in the use of oil as source of energy for power generation. On the contrary, the oil consumption rates of non-OECD countries tend to rise due to the increasing number of personal vehicles and the growth of the industrial sector in these countries. Major oil-producing countries are members of the Organization of Petroleum Exporting Countries (OPEC) such as Saudi Arabia, Iraq, Iran, Kuwait, and Venezuela.

According to the 2018 Commodity Markets Outlook of the World Bank Group (October 201), reported that global crude oil price were fluctuated due to the tension from trade war, US production capacity increase, US trade sanction against Iran's oil exports, losing the production capacity of Venezuela, excess capacity level of OPEC countries, and other factors. However, the growing demand due to economic recovery mainly from China and the countries outside OECD (non-OECD) is still strong.

#### Natural Gas Industry

In the past, natural gas has been mainly used for household cooking. However, in recent years, natural gas has been increasingly used as a source of fuel for power generation as it is considered clean energy with less carbon emission than oil and coals. According to the publications of EIA published on its website, net power generation from natural gas in 2010 accounted for 22% of the global power generation and it is expected that the use of natural gas in the electrical energy sector will increase to 24% of the global power generation in 2040 due to the abundance of natural gas supply, less combustion pollution and cheaper costs as compared to oil. As a result, electrical power producers around the world tend to shift to natural gas and thus the natural gas production volume is expected to continuously increase in tandem with the growth of electricity consumption.

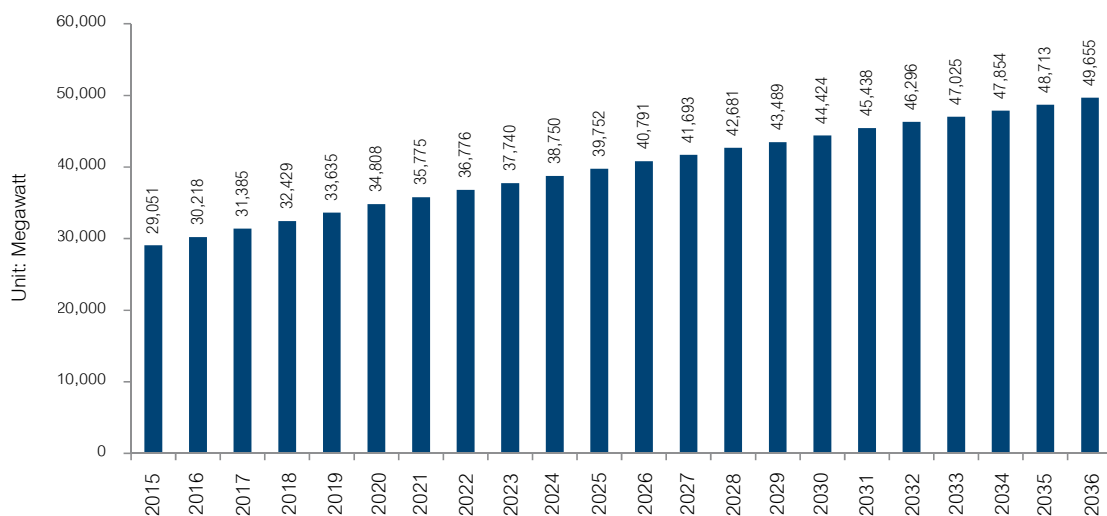
According to the 2018 Commodity Markets Outlook of the World Bank Group (October 2018). In the past two decades, demand for natural gas consumption has increased dramatically over oil consumption for electricity generation. This is the main stream needs from most countries around the world in order to reduce pollution and support the use of clean energy which is different from the demand for coal from China and India. In 2018, natural gas prices have started to increase slightly from 2017. However, in the long run, natural gas prices are likely to be more stable due to the anticipated supply increase in the future from the production capacity increase of the main manufacturers, namely the United States and Australia.

### **3.3) Overview of Domestic Power Plant Industry**

The electricity consumption of Thailand tends to continuously increase in line with the country's economic growth. The electricity production output is also on the rise and the Electricity Generating Authority of Thailand ("EGAT") is in charge of ensuring that the total generating capacity can accommodate the peak demand for Thailand's power supply security.

The Power Development Plan for 2015 – 2036 ("PDP2015") of the Energy Policy and Planning Office, the Ministry of Energy, as of 30 June 2015 provides a forecast of Thailand's electricity demand in 2015 - 2036 and the plan to secure sufficient generating capacity in light of future demand. The forecast is based on Thailand's annual GDP growth of 2008 – 2030 which is 3.94% on average. The Ministry of Energy aims to increase the generating capacity in proportion to the demand growth. The power plant business will grow continuously and reach the generating capacity of 49,655 megawatts in 2036.

### Thailand's Peak Electricity Demand



Source: Energy Policy and Planning Office

Based on the peak demand forecast, the Energy Policy and Planning Office plans to increase Thailand's net power generating capacity to 70,335 megawatts in 2036 from the existing capacity of 37,612 megawatts as of the end of 2014. The aggregate output from new power plants will be 57,459 megawatts, offset by the output of 24,736 megawatts from decommissioned power plants.

According to the PDP2015, the added capacity from new power plants from the Electricity Generating Authority of Thailand (EGAT) and from independent power producers ("IPP") in 2015 – 2025 is as shown below:

Producer	Project	Contract Capacity (Megawatt)	COD
EGAT <sup>1</sup>	Replacement of Mae Moh Power Plant units 4-7	655	2018
	Replacement of Bang Pakong Power Plant Units 1-2	1,300	2019
	Replacement of South Bangkok Power Plant Units 1-5	1,350	2019
	Replacement of Wangnoi Power Plant Blocks 1-2	1,470	2019
	Krabi Power Plant	800	2019
	Thepa Power Plant Unit 1	1,000	2021
	Replacement of South Bangkok Power Plant Blocks 1-2	1,470	2022
IPPs	Gulf JP UT CC #1-2	1,600	2025
	Replacement of Khanom Power Plant CC #1	930	2016
	National Power Supply TH #1 – 4	540	2016 – 2017
	Gulf SRC CC #1	1,250	2021
	Gulf SRC CC # 2	1,250	2022
	Gulf PD CC #1	1,250	2023
	Gulf PD CC # 2	1,250	2024
<b>Total Added Capacity</b>		<b>16,115</b>	

<sup>1</sup> Update on Future Projects of EGAT as of December 31, 2017

### Renewable Energy Power Plant Industry

In addition to the steel fabrication business which is the core business of the group, the Company has subsidiaries that have been established to tap into business opportunities from the renewable power plant business. The overview of the renewable power plant industry is as outlined below:

#### Overview of Renewable Power Plant Industry

As the alternative energy has been increasingly important for Thailand's electricity system, the Alternative Energy Development Plan ("AEDP") has been included in the PDP2015, according to which net generation from renewable energy will be 20% of the country's total electricity demand in 2036. This represents a total of 19,634.4 MW of renewable energy in the following table below:

#### Installed Capacity in 2036 under the AEDP

(Unit: Megawatt)

Year	Solar	Wind	Hydro	Waste	Biomass	Biogas	Energy Crop	Total
2014	1,298.5	224.5	3,048.4	65.7	2,541.8	311.5	-	7,490.4
2036	6,000.0	3,002.0	3,282.4	500.0	5,570.0	600.0	680.0	19,634.4

However, at the end of 2017, the Department of Alternative Energy Development and Efficiency (DEDE) has been drafting the revised Alternative Energy Development Plan 2015-2029 (AEDP 2015) for the Ministry of Energy. This plan has adjusted the proportion of share of electricity generated from renewable energy to increase from 20% of the original plan to 40%, resulting in alternative energy generation at the end of the plan year 2036 of 37,202 megawatts in total, increasing from 17,568 megawatts, focusing on solar power and energy from biomass.

## 10. Source of Supply

### 10.1 Production Facilities and Capacity

Best Tech provides steel fabrication services through its 2 facilities, which are the Sattahip Workshops and Yards and Chachoengsao Workshop. The details of both facilities as of 31 December 2017 can be summarized as follows:

Facilities	Location	Area (Sq.m.)	Capacity <sup>1</sup> (Tons per Month)
Sattahip Workshops and Yards	Sattahip Naval Base, Sattahip, Chonburi Province	187,510	1,500 - 3,000
Chachoengsao Workshop	Bangkhwan, Muang, Chachoengsao Province	133,943	1,000

**Remark:** <sup>1</sup> Production capacity varies according to the types and specifications of projects.

### 10.2 Production Factors and Procurement

Key production factors of Best Tech are raw materials and labor and can be as summarized as follows:

#### 1) Raw Materials

Best Tech uses steel in different forms such as plate steels, structural steel, tube and joint steel as key raw material in its operation. Most of the steel products used are of high quality and durability, and can withstand



operating conditions of heavy industry projects such as high pressure and extremely high or low temperature conditions. To control the standards and quality of steel, Best Tech procures steel products from reliable foreign and domestic suppliers. Currently, Best Tech procures 53% – 70% of raw materials domestically. Details are as shown in the table below:

Source of Raw Materials	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Domestic Suppliers	891.32	69.77	320.51	57.87	414.65	67.79
Overseas Suppliers	386.11	30.23	233.32	42.13	197.01	32.21
<b>Total</b>	<b>1,277.43</b>	<b>100.00</b>	<b>553.83</b>	<b>100.00</b>	<b>611.66</b>	<b>100.00</b>

## 2) Labor

Steel fabrication works are labor-intensive. The complex and key production processes are handled by permanent employees who are skilled labors and specialized technicians while works that are less complicated are carried out by temporary staff. Best Tech has in place an efficient labor management mechanism and incorporate the labor planning as part of the production planning to address both the qualitative and quantitative needs. Therefore, the Company's production processes has never been crippled by the issue of labor shortage. Also, Best Tech partners with more than 10 recruitment agencies to diversify its sources of labor.

### 10.3 Environmental Impact

Best Tech integrates the pollution management and control into every part of its production process. For example, spray painting activities are carried out in enclosed areas and the work areas are covered with mesh sheet to prevent the possible dispersion of air pollutants. Best Tech also works with the Provincial Industrial Offices to organize activities for the local communities and keeps the local communities informed of its operating activities. In addition, Best Tech has been awarded the Environmental Management System Standard (ISO 14001:2004) and has never received any complaints or had any disputes or lawsuits concerning the environmental impact from its operations.

### 10.4 Backlogs

As of 31 December 2018, Best Tech's total backlogs amounted to approximately Baht 1,625.96 million and the unrecognized revenue from these backlogs was Baht 675.10 million. Details about the Company's backlogs and important backlogs are shown under the section of "Type of Business" of the 2018 Annual Filing (Form 56-1).

## Risk Factors

### 1. Business Operation Risk

The Company's business operation risks are mainly resulted from those of Best Tech because of no operation in other subsidiaries. These risks include the following:

#### 1.1 Risk of Revenue Fluctuation from Project-Based Operation

Best Tech's revenue was mainly from its parts fabrication, modularization and power plant EPC which were awarded by customers via project biddings. The revenue depended on the number of projects awarded to Best Tech, project values and project progresses achieved for the operation period. Therefore, if the number of projects available for bidding in the market significantly drops or Best Tech is not continuously awarded with new projects, Best Tech's revenue stream will be interrupted. This results in fluctuation of Best Tech's business performance. In addition, Best Tech's revenue also depends on types of project as gross profit margins of each project type are different.

However, Best Tech is fully aware of this risk and therefore attaches importance to bid planning and proactively expands its customer base and seeks new business opportunities by keeping abreast of the industry news and developments. In order to sustain and enhance its competitiveness, Best Tech is highly committed to develop competencies by controlling production costs, improving productivity and delivering works on time. These efforts have led to Best Tech's success in continuously expanding its customer base in order to maintain its revenue growth momentum and appropriate profit margins in the long term.

#### 1.2 Risk of Customer Concentration

In 2013, 2014 and 2015, proportions of revenue from services/products served for mining projects in Australia to total revenue from fabrication were 93.36%, 91.45% and 60.78%, respectively. This was resulted from growth in mining investment in Australia. Whereas, in 2016 and 2017 Best Tech's revenue generated from domestic power generation industry accounted for 71.71% and 46.70% of total revenue from fabrication, respectively. Such revenue concentrations may put Best Tech at risk if there are incidents that adversely affect status or growth of Australian mining industry or domestic power generation industry, for examples, changes in the economic conditions and applicable legal requirements or taxes, natural disasters or changes in government policy affecting Thailand's national power development plan (PDP). The incidents may slow down the industry or decrease the number of construction activities. In such circumstances, Best Tech's performance, operating results and revenue stream may be significantly dampened.

However, given Best Tech's boundless production flexibility supporting its custom-made business nature, Best Tech can provide works and services to diverse projects and industries which are not limited to only mining or power plant projects. In the future, if the heavy industries in other regions have stronger growth and more construction activities than the Australian mining industry or the domestic power plant industry, Best Tech will diversify its customer base into such industries to avoid over-dependency on any particular industry. Best Tech has experiences in delivering manufacturing services to customers in various industries such as mining, energy, power plant and petrochemical industries and in different countries such as Thailand, Australia, Lao PDR, Singapore, Papua New Guinea, United States of America and Canada.

### 1.3 Risk of Dependency on Large Project

Modularization works which were the major source of revenue of Best Tech in 2013 - 2015 are large project with high project value. Each year, the largest project generally accounted for a very high proportion of Best Tech's total revenue. For example, the revenue from the Solomon Iron Ores and Roy Hills mine projects is characterized by high concentration of income. Such concentration in the revenue source exposes Best Tech to the risk of dependency on large projects. The dependency on large project is commonly seen in the steel fabrication business. Best Tech has always undertaken pre-project screening which encompasses the examination of customers' qualifications in terms of backgrounds, financial positions and credit worthiness. Most of Best Tech's customers, both EPC contractors and project owners, are global companies that have long experience in large-scale projects or mining and energy industries and possess strong financial position. Best Tech has never had any payment collection problems because all of its customers have fulfilled their payment obligations.

### 1.4 Foreign Exchange Risk

In 2018, Best Tech's revenue was mainly from overseas projects and contractual revenue in foreign currencies accounted for 70.64% of revenue from fabrication. As foreign currency revenue is concentrated in USD, the fluctuation of USD/THB rate has a material impact on Best Tech's operating results and operating profits.

Details of revenue from fabrication work recorded in financial statements and the amount of purchases in foreign currencies in 2016 - 2018, categorized by currency, are as shown below:

#### Revenue from fabrication

Currency	Jan – Dec 2016		Jan – Dec 2017		Jan – Dec 2018	
	Revenue (THB Equivalent)	%	Revenue (THB Equivalent)	%	Revenue (THB Equivalent)	%
USD	644.75	36.20	769.62	54.42	853.72	69.03
THB	1,136.42	63.80	622.53	44.02	363.13	29.36
EURO	-	-	22.16	1.56	6.22	0.50
AUD	-	-	-	-	13.72	1.11
<b>Total</b>	<b>1,781.17</b>	<b>100.00</b>	<b>1,414.31</b>	<b>100.00</b>	<b>1,236.79</b>	<b>100.00</b>

#### Amount of purchases

Currency	Jan – Dec 2016		Jan – Dec 2017		Jan – Dec 2018	
	Purchase Amount (THB Equivalent)	%	Purchase Amount (THB Equivalent)	%	Purchase Amount (THB Equivalent)	%
USD	353.94	27.71	243.85	22.74	193.09	17.95
THB	891.74	69.81	746.01	69.56	851.79	79.18
Others	31.74	2.48	82.65	7.70	30.83	2.87
<b>Total</b>	<b>1,277.42</b>	<b>100.0</b>	<b>1,072.51</b>	<b>100.00</b>	<b>1,075.71</b>	<b>100.0</b>

Based on the above tables, Best Tech's revenue in 2016 - 2018 were concentrated in USD which is significantly higher than value of purchases in US dollar and other foreign currencies. Therefore, the natural hedge between accounts receivable and accounts payable in foreign currencies could not provide adequate cushion against the potential impact of foreign exchange fluctuation on operating profit.

Best Tech is fully aware of the risk and mitigates the risk by ensuring that the contractual prices agreed with its customers can, to a certain extent, accommodate the currency rate changes. In addition, Best Tech has a proper policy to regularly execute forward transactions when appropriate to alleviate the potential impact of foreign exchange rate fluctuation on Best Tech's performance.

### **1.5 Risk of Cost Overrun**

Best Tech's revenue is primarily project-based and the revenue of each project depends on the contractual price agreed with a customer. There are 2 potential causes of cost overrun: 1) Failure to control costs within the budget, and 2) Calculation or budgeting deviates from actual production cost.

#### **1) Failure to Control Costs within the Budget**

Major costs of Best Tech are labor cost and raw material costs.

##### **1.1 Labor Cost**

Labor cost is considered a major production cost. Most of the labor workers are daily workers and their wages are fixed according to the contracts made with each project's labor agents. Therefore, the risk that the labor cost per unit will exceed the budgeted amount is low. However, the labor cost may exceed the budget if the actual number of man-hour was higher than budgeted due to uncontrollable external factors or internal factors such as Best Tech's project management.

External factors that may cause the actual number of man-hour rate of Best Tech to be higher than budgeted are rain, late delivery of raw materials, etc. However, Best Tech has mitigated such risks by, for example, roofing over main work areas and providing safety-related training to its employees to reduce accidents.

In addition to labor management, Best Tech also attaches importance to the production site management as modularization works require a large work area while the space of the production site is limited. Best Tech selects work sites and organizes production activities by taking into account the suitability of each work site in light of the size of projects, the urgency and the physical conditions of each area with an aim to optimize production efficiency and prevent delays that may culminate in higher labor cost.

##### **1.2 Raw Material Cost**

Raw material cost is considered another major production cost and the main raw material is steel. There are 2 causes that will drive the steel costs to be higher than the budget: 1) the cost of steel per unit increases, and 2) the actual rate of steel usage is higher than the budget. Typically, Best Tech makes steel purchase agreements with suppliers according to the total demand of each project as soon as Best Tech has finished the comprehensive estimation of raw materials required for such project and the estimation is generally completed within 1-2 months after the service agreement with a customer has been made. Therefore, the risk of over-budget raw material cost caused by a hike of steel price per unit is relatively low.



However, the mismatch between the actual rate of steel usage and the budgeted rate may stem from erroneous steel resource utilization planning, or defective steel cutting and, or errors in the assembly process that cause deviations from the intended quality standards or designs and a need for more steel material to fix defects. Best Tech has in place an efficient system for controlling and monitoring steel usage by checking the actual steel usage against the production resource plan on a daily basis. This system enables Best Tech to quickly identify the gap and dynamically enhance the efficiency of its raw material usage. In addition, to avoid errors that will cause an unplanned need for additional raw materials, Best Tech adopts a stringent quality control system and assigns its quality control team to conduct a quality inspection, in which a customer's quality control team occasionally joins, on all important steps of production processes. This helps minimize defective works and the risk of over-budget usage of raw materials.

## 2) Calculation or budgeting deviates from actual production cost

Revenue under the service agreements made between Best Tech and its customers is based on the pricing that is derived through the cost-plus pricing method by adding the targeted profit margin to the budgeted costs which include labor cost, raw material cost and other expenses. Therefore, Best Tech's gross profit margin may fall below the target if the cost budgeting is erroneous and causes the budget to be below the actual production costs.

The cost budgeting for the project bidding price assessment begins with the analysis of detailed drawings received from customers to identify the types and quantity of raw materials needed and the man-hour requirements of each project. Then, updated price lists of raw materials will be solicited from suppliers, including the labor wage information from labor agents. The information will be consolidated to support the cost budgeting and the prices to be quoted to customers. After service agreements with customers have been signed, shop drawings will be made and the cost budget will be reviewed for accuracy by comparing new information gained from the detailed analysis of drawings with the information on which the cost budgeting is originally based. If there are differences that have material impact on costs, Best Tech will inform customers and re-negotiate contractual prices to reduce the risk of budget underestimation.

### **1.6 Risk of Labor Shortage**

Parts fabrication and modularization works are labor-intensive. Best Tech opts to hire temporary workers with short-term employment contracts according to the length of each project because Best Tech's manpower needs, in terms of headcount and skills, constantly shift according to the nature and progress of its projects.

As Best Tech's works are labor-intensive and most of its workers are temporary workers who will be newly recruited upon a new large-scale project is awarded to Best Tech. Typically, Best Tech has only 1-2 months for the worker recruitment process after a service agreement is signed, hence the risk of labor shortage as Best Tech may be unable to recruit adequate manpower required for completing the works within the deadline. As a consequence, Best Tech is exposed to the risk of delivery delay and the resultant late delivery penalty, and may have higher labor cost per unit due to overtime pays caused by the limited availability of labor force.

However, Best Tech has never experienced any material labor shortage issue because of the good labor planning. In addition, Best Tech recruits workers through several labor agents to avoid dependency on a single labor agent. Best Tech also attaches importance to positive relationship with labor agents, treats workers fairly and pays wages on time. As a result, Best Tech is on good terms with its labor agents and these labor agents quickly respond to Best Tech's labor force needs.

### **1.7 Risk of Price Fluctuation of Steel which is Major Raw Material**

Steel is a major raw material of Best Tech and there are two types of steel the Best Tech uses, i.e. steel plate and structural steel. The prices of both steel products correlate with the prices of hot rolled coil in the global market because steel plate and structural steel are made from hot rolled coil. Steel cost is positively correlates with the global steel prices while the steel price per unit in service agreements made with customers is specified as a fixed rate. Therefore, increases in the global steel prices may lead to higher raw material costs which, as a consequence, may adversely affect the gross profit margin and performance of Best Tech.

Fully aware of the risk, Best Tech makes steel purchase agreements with suppliers according to the total demand of each project as soon as Best Tech has finished the comprehensive estimation of raw materials required for such project and the estimation is generally completed within 1-2 months after the service agreement with a customer has been made. This enables Best Tech to fix the steel price per unit and limit the period of its exposure to the steel price fluctuation to only an interval between the signing of service agreements with customers and the placing of steel purchase orders with suppliers. After steel purchase orders have been made, the risk of steel price fluctuation will be entirely passed to the suppliers. Therefore, Best Tech's steel procurement policy as mentioned earlier can significantly reduce Best Tech's exposure to raw material cost increases from the steel price fluctuation.

### **1.8 Risk of Non-Renewal or Termination of Land Lease Agreement of Sattahip Workshops and Yards**

At present, Best Tech has two plants, i.e. Chachoengsao Workshop and Sattahip Workshops and Yards. Chachoengsao Workshop is located on land of approximately 89,847 sq.m., owned by Best Tech and 44,096 sq.m. leased from other person with 3-year rental period (renewable options for 3 times for 3 years, 3 years and 1 year, respectively). The most of the area is used for parts fabrication works. Sattahip Workshops and Yards is located within Sattahip port's premises in Chonburi which are leased from the Sattahip Commercial Port of the Royal Thai Navy. The leased area of Sattahip Workshops and Yards is approximately 187,510 sq.m.

The land lease agreement of Sattahip Workshops and Yards must be renewed on an annual basis and it is difficult to find a factory location which is in proximity of deep-sea ports which are limited in number, if the lease agreement of Best Tech for the premises within the Sattahip Commercial Port of the Royal Thai Navy is not renewed, either partially or entirely, or is prematurely terminated, the size of production yards will be diminished and Best Tech may experience difficulties in transporting large-sized works via road to the port. As a consequence, Best Tech may lose its modularization customers which are major source of Best Tech's revenue and may incur higher logistic costs from the road transport of works to farther ports. These factors can affect Best Tech's long-term competitiveness.

However, since 2008 when the lease agreement was originally made until today, Best Tech has never experienced any problems in renewing the lease agreement. In addition, Best Tech successfully negotiated for the continuously expanding of leased area to 187,510 sq.m. in 2017. Best Tech has always been a good tenant, strictly complied with the terms and conditions of the lease agreement, and continuously provided support for activities of the Sattahip Commercial Port of the Royal Thai Navy. The past records of the Sattahip Commercial Port of the Royal Thai Navy's lease agreements show that there are very few changes of tenants if the tenants duly comply with applicable terms and conditions and make punctual payment of lease fees. Therefore, Best Tech is confident that the lease agreement with the Sattahip Commercial Port of the Royal Thai Navy will be continuously renewed.

### **1.9 Risk of Expiry of Tax Benefits from Investment Promotion Certificates**

Best Tech is entitled to privileges under the SME investment promotion program and one of these privileges is an 8-year exemption from corporate income tax on a net profit from businesses under the investment promotion program. The period of 8 years starts from the date the businesses earn revenue from their operations and the investment certificates of the Chachoengsao and Sattahip Workshops and Yards, the Workshop will expire on 2 May 2019 and 3 April 2020, respectively. The expiry of such tax benefit thus may cause Best Tech's net profit to decrease.

To handle the risk associated with the expiry of the tax benefits, the group, by Best Tech Industries Company Limited ("BTI") has filed an investment promotion certificate application and is granted the investment promotion certificate no. 59-0548-0-01-2-0 for the Sattahip Workshops and Yards and the Chachoengsao Workshop to promote investment in the business of manufacturing of structures used for construction or industrial projects, such as steel structures, vessels and piping spools, including material parts, such as grating within the quota of approximately 20,000 tons per years. The corporate income tax on the net profit from the entitled business is exempted for 8 years.

## **2. Management Risk**

### **Risk of Controlling Interest**

As of 29 December 2018, the major shareholders, namely the Satawin family and the Russamitinakornkul family, owned 75.38% of the total issued and paid-up shares of the Company. In addition, the Satawin family and the Russamitinakornkul family, which are the major shareholders of the Company, serve as executives and directors with signing authority of the Company. Therefore, they have the controlling interest which gives them significant influence over the Company's management, including the control over the decisions of the meeting of shareholders that require the three-fourths majority votes according to the laws or the Company's Articles of Association such as decision on capital increase or decrease. Therefore, other shareholders who attend the meeting and have the right to vote may be unable to, even collectively, outvote the major shareholders.

Nonetheless, the Company's management structure is comprised of the Board and 4 Board Committees, namely the Executive Committee, the Audit Committee, the Risk Management Committee, and the Nomination & Remuneration and Good Governance Committee, and their scope of authority and duties is clearly defined to ensure that the Company's practices and operations are of good standards and auditable. The Audit Committee of the Company is comprised of 3 independent directors and has a significant role in maintaining the organization's checks and balances and screening matters to be proposed to the meeting of shareholders to a certain degree. The Company also engages an external firm to serve as an internal auditor to audit internal operations of the Company for greater transparency whereby the internal auditor directly reports to the Audit Committee. The Company also establishes rules and procedures governing related-party transactions with directors, major shareholders, persons with controlling interest and persons with potentials conflict of interest, according to which such persons shall not have the authority to approve these transactions, in order to mitigate risks.

**Shareholders' Information****Number of Registered Capital and Paid-up Capital**

As of December 31, 2018, the Company has the registered capital of Baht 378 million and the paid-up capital of Baht 378 million, divided to common shares of 756 million shares at par of Baht 0.50.

**Shareholders****1. Major Shareholders**

As of December 31, 2018, the list of top 10 major shareholders as shown in the share register book is as follow:-

Major Shareholders	Number of Shares	Percentage of shares
1. Mrs. Siripond Satawin	230,400,000	30.48
2. Mr. Chotic Russamitinakornkul	168,900,000	22.34
3. Mr. Piyaphat Russamitinakornkul	40,000,000	5.29
4. Mr. Pavanan Satawin	39,000,000	5.16
5. Mr. Sarun Satawin	36,000,000	4.76
6. Mr. Rujanan Satawin	35,500,000	4.71
7. Mr. Thanomsak Russamitinakornkul	20,000,000	2.65
8. Miss Pimsiri Sareewiwatthana	12,000,000	1.59
9. Miss Pichsinee Sareewiwatthana	12,000,000	1.59
10. Miss Suveena Chartmaneererk	7,900,700	1.05
<b>Total</b>	<b>601,700,700</b>	<b>79.59</b>

% Shares of minor shareholders (% Free float) = 24.56%

**2. Best Tech & Engineering Ltd.'s Shareholders ("Best Tech")**

As of December 31, 2018, Best Tech has the registered capital of Baht 80.00 million, divided to common shares of 800,000 shares at par of Baht 100. The shareholders' list is as follow;

Name	Number of Shares	Percentage of shares
1. BT Wealth Industries Public Company Limited	796,001	99.50
2. Miss Oussanee Russamitinakornkul <sup>1)</sup>	3,997	0.50
3. Mrs. Siripond Satawin	1	0.00
4. Mr. Chotic Russamitinakornkul	1	0.00
<b>Total</b>	<b>800,000</b>	<b>100.00</b>

Remark: 1) Miss Oussanee Russamitinakornku is the elder sister of Mrs. Siripond Satawin and Mr. Chotic Russamitinakornkul



## Dividend Policy

### Dividend Policy of the Company

The Company has a dividend pay-out policy at the rate of not less than 40% of its net profit based on the separate financial statements, after the deduction of legal reserve and other reserves (if any). In considering dividend payments, the Company takes into account cash flow, operating results, financial structure, investment plan, conditions and obligations that bind the Company, necessity and future needs, including the consistency of dividend payments.

The resolution of the Board on the dividend payments shall be proposed to the meeting of shareholders for approval. Exception applies to interim dividend payments to shareholders which can be approved by the Board given that the Company's net profit and cash flow are preliminary sufficient for the interim dividend payments. Such interim dividend payments shall be reported to shareholders at a subsequent meeting of shareholders.

### Dividend Policy of Other Subsidiaries

**Best Tech & Engineering Limited** has a dividend pay-out policy at the rate of not less than 40% of its net profit based on the financial statements, after the deduction of legal reserve and other reserves (if any). The Board and/or shareholders of Best Tech will consider dividend payment based on the business conditions such as necessary investment plans, cash flow, operating results, financial structure, conditions and obligations that bind Best Tech, necessity, and future needs, to ensure the suitability of dividend payment.

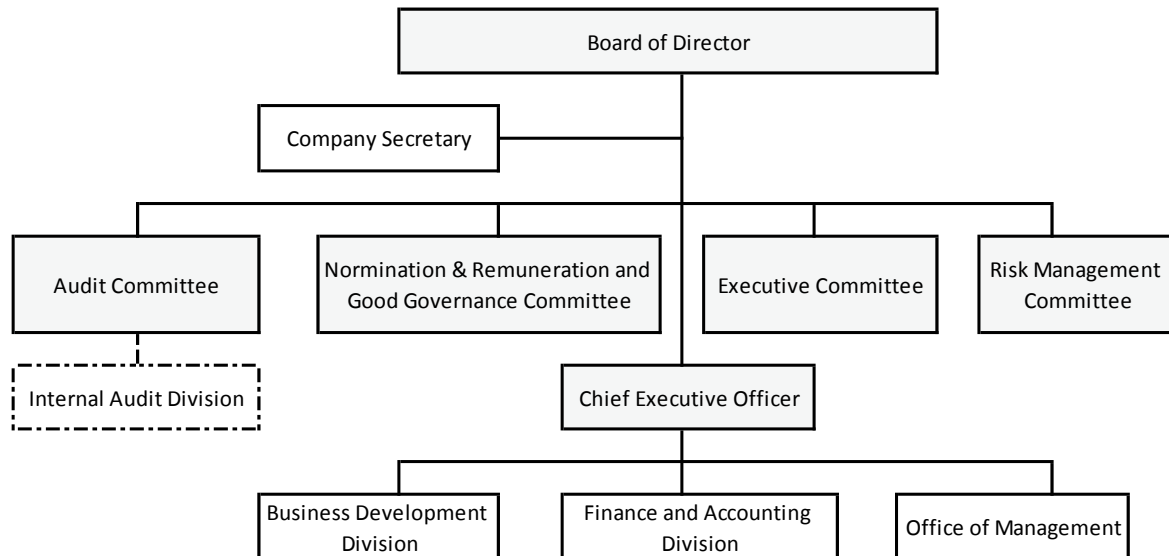
### Other Subsidiaries

The dividend policies of other subsidiaries shall be as decided by the board of director and/or shareholders of each in light of performance, financial positions, business conditions, necessary investment plans, cash flow, operating results, financial structure, conditions and obligations that bind the subsidiaries, necessity, and future needs.

However, in order to comply with the Management Policy of Holding Company, annual dividend payment and interim dividend (if any) of subsidiaries must be approved by the Board of Directors Committee of the Holding Company before proceeding.

## Management Structure

### Organization Chart of the Company



### Board of Directors

The definitions of independent directors adopted by the Company is as specified in the Charter of the Board under the section of the qualifications of independent directors and in compliance with the Capital Market Supervisory Board Notification No. Tor.Jor. 39/2559 Re: Application for and approval of offer for sale of newly issued shares.

1) Must not hold shares in excess of 1% of the total number of voting shares of the Company, or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person, whilst the number of shares held by any related person of such independent director must also be counted.

2) Is not and has not been a director participating in management role, or an employee, an officer, an advisor who receives regular salary, or a person having controlling power, of the Company or the Company's parent company, subsidiary company, associated company, a subsidiary company in the same level, major shareholder, or controlling person, unless such an independent director has not possessed the characteristics referred to above for at least two years prior to the date on which such an independent director is appointed as independent director.

3) Is not a person having blood relationship or relationship through legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child of other directors, management person, major shareholder, controlling person, or the person being nominated to be a director, management person or a controlling person of the Company or the Company's subsidiary company.

4) Does not have and has not had any business relationship with the Company or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person in the manner in which his/her independent discretion might be affected, and is not and has not been a significant shareholder or a controlling

person of the person that has business relationship with the Company, or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person, unless such an independent director has not possessed the characteristics referred to above for at least two years prior to the date on which such an independent director is appointed as independent director.

5) Is not and has not been an auditor of the Company or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person, and is not a significant shareholder, a controlling person, or a partner of any auditing firm or office for which the auditor of the Company, or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person is working, unless such an independent director has not possessed the characteristics referred to above for at least two years prior to the date on which such an independent director is appointed as independent director.

6) Is not and has not been any professional service provider, including legal or financial advisor who obtains fee of more than Baht two million per year from the Company or the Company's parent company, subsidiary company, associated company, major shareholder, or controlling person, and not be a significant shareholder, or a controlling person, or a partner of any of such professional service provider, unless such an independent director has not possessed the characteristics referred to above for at least two years prior to the date on which such an independent director is appointed as independent director.

7) Is not a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company who is a related person of a major shareholder of the Company.

8) Does not engage in any business the nature of which is the same as that of the Company or the Company's subsidiary company and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary company, or not be a significant partner in a partnership, or a director participating in any management role, an employee, an officer, an advisor obtaining regular salary from, or a shareholder holding more than 1% (one percent) of the shares with voting rights of other company engaging in any business the nature of which is the same as that of the Company or the Company's subsidiary company and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary company.

9) Does not have any other characteristics which may restrict such person from offering independent comment or opinion on the Company's operations.

### **Structure of the Board**

1. The Board shall be comprised of at least 5 directors.
2. At least one-third of the total directors must be independent directors and the total number of independent directors must not be less than 3.
3. The Board shall appoint a directors as the Chairman of the Board.
4. The Company Secretary shall serve as the Secretary to the Board, unless otherwise decided by the Board.

As of 31 December 2018, the Company had 7 directors comprised of 4 independent directors (57% of total directors), 2 executive directors (29% of total directors) and 1 non-executive director (14% of total directors). The qualifications of the Directors are as outlined in the section of Details about Directors, Executives, Persons with Controlling Interest and Company Secretary of this annual report. The list and position are as follows :

Name	Positions
1. Asso. Prof. Dr. Paiboon Sareewiwatthana	Chairman of Board of Directors / Independent Director
2. Mrs. Siripond Satawin	Authorized Director
3. Mr. Chotic Russamitnakornkul	Authorized Director / Chief Executive Officer
4. Mr. Sarawut Charuchinda	Independent Director
5. Mr. Sakda Hanbuntrong	Independent Director
6. Mr. Suvit Manomaiyanon	Independent Director
7. Mrs. Chutima Katikawong*	Authorized Director

\* Mrs. Chutima Katikawong was appointed as the Authorized Director in place of Mr. Sestha Waiyawutpinyo, who resigned from being the Authorized Director since 28 February 2018, effective from 13 November 2018.

Mrs. Worawan Viriya , the Company Secretary, is the Secretary to the Board of Directors.

#### Appointment and Office Term of Directors

1. The appointment of directors shall be approved by the meeting of shareholders or the Board.
2. An office term of each director is 3 years and directors who retire by rotation may be re-appointed. The tenure of independent directors is limited to a maximum of 9 consecutive years.
3. At each annual general meeting of shareholders, one-third of the total number of directors at that time shall retire. If the number of directors to retire cannot be divided into three equal parts, then the number of directors closest to one-third shall retire.
4. Directors to retire in the first year and the second year after the company registration shall be determined by way of drawing lots. For subsequent years, the directors who have been in office for the longest period shall retire.
5. Directors who wish to resign from the position shall tender their resignation letter to the Chairman of the Board at last 30 days in advance.
6. In case when there is a directorship vacancy due to reasons other than the retirement by rotation, the Board shall appoint a qualified person who does not possess any prohibited characteristics to fill the vacancy at a subsequent Board meeting and an office term of the new director shall equal the remaining office term of the director he/she replaces.

#### Position of Director in other listed companies

Each director can hold the position of director in other listed companies, include the company, not more than 5 listed companies except as necessary and approved by the shareholders' meeting.



### **Directors with Signing Authority**

Authorized Director to act on behalf of the company, namely Mrs. Siripond Satawin, Mr. Chotic Russamitinakornkul and Mrs.Chutima Katikawong , two of these three directors jointly sign to legally bind the Company.

### **Duties and Responsibilities of the Board**

#### Roles of the Chairman of the Board of Directors

1. To be a chairman of the Board of Directors' meeting and the shareholders' meeting of the Company. Has a role in conducting the meeting to be in line with the agenda, Company regulations and related laws.
2. Consider with the Chief Executive Officer to set agenda for the Board of Directors Meeting.
3. Regulate the use of policies and strategic management practices, including advise and support management business.
4. Support and promote the Board of Directors to act at full capabilities within the scope of authority, responsibility and good corporate governance.
5. Supervise the management of the Board of Directors and other committees to achieve the objectives set.
6. Allocate sufficient time and encourage all directors to exchange opinions freely with regard to considerations of all stakeholders.
7. Keep the minutes of the meeting to reflect the resolution of the meeting and what needs to be done.
8. Ensure transparency management and disclosure of information.

#### Authority and Duties of the Board of Directors

1. Perform duties with honesty and integrity in accordance with the laws, the Company's objectives and Articles of Association as well as the resolutions of the meeting of shareholders to protect the Company's interest.
2. Determine or change the names of directors who are vested with the authority to sign on behalf of the Company.
3. Approve the appointment of the Board Committees and determine the scope of their roles and duties as deemed appropriate and necessary for their mandate to support the Board's performance of duties.
4. Determine the Company's vision, policy, strategy and business directions, and undertake oversight to ensure that the management team's execution thereof is efficient and effective.
5. Determine the Company's business plan and annual budget, oversee the management team's administration and execution, consider the Company's quarterly performance and operating results against the plan and the budget, and assess the outlook for the remainder of the year.
6. Evaluate the performance of the Chairman of Executive Committee and Chief Executive Officer.
7. Designate the framework and policies governing salaries, salary increases, bonuses, compensations, pensions and rewards of the Company's employees.
8. Ensure that the management team has arranged for reliable accounting, financial reporting, and audit systems, and that appropriate and adequate risk management and internal control systems are in place.
9. Consider and approve the acquisition or disposal of assets, investments in new businesses, and any other acts pursuant to applicable laws, notifications, requirements and regulations.

10. Consider and/or provide opinion on related-party transactions and/or the execution of transactions (of which size does not trigger the requirement for the approval from the meeting of shareholders) of the Company and its subsidiaries in compliance with applicable laws, notifications, requirements and regulations.
11. Prevent conflicts of interest among the Company's stakeholders.
12. Oversee the Company's compliance with the code of conduct and the code of ethics, and review the Corporate Governance Policy of the Company.
13. Prepare the report of the Board's responsibilities for financial reporting which must be disclosed together with the auditor's report in the Company's annual report, covering important topics as elaborated in the Stock Exchange of Thailand's Code of Best Practices for Directors of Listed Companies.
14. Delegate to a director or directors, or other person(s), the authority to act on behalf of the Board. Nonetheless, such delegation of authority shall not empower the director(s) or person (s) so delegated to approve transactions of the Company or subsidiaries where director(s) or person (s) are considered to be related parties or have potential or actual conflicts of interests in respect to such transactions.
15. Consider and approve of the interim dividend payment to shareholders, and report such dividend payment to shareholders at a subsequent meeting of shareholders.
16. Ensure that the Company has the Company Secretary who is in charge of assisting the Board and the Company in complying with applicable laws and regulations.

Board of Directors appointed subcommittee to perform specific duties. As of 31 December 2018 the company has 4 Board Committees, namely the Audit Committee, the Nomination & Remuneration and Good Governance Committee, the Executive Committee and the Risk Management Committee.

## **Audit Committee**

### **Structure of the Audit Committee**

1. The Audit Committee shall be comprised of at least 3 independent directors whereby a member of the Audit Committee shall serve as the Chairman of the Audit Committee.
2. Members of the Audit Committee must be persons whose qualifications fully meet the requirements set forth by the Capital Market Supervisory Board and the Stock Exchange of Thailand. At least a member of the Audit Committee must have knowledge, understanding or experience in accounting or finance, as well as updated knowledge about the causes of changes in financial reports.
3. The Audit Committee shall appoint an employee of the Company as the Secretary to the Audit Committee.

As of 31 December 2018, the Audit Committee was comprised of 3 independent directors.

Name	Position
1. Mr. Sarawut Charuchinda	Chairman of Audit Committee
2. Mr. Sakda Hanbuntrong	Member of Audit Committee
3. Mr. Suvit Manomaiyanon	Member of Audit Committee

Mr. Thanin Kamtornthip, Vice President, Finance and Accounting Division, is the Secretary to the Audit Committee.

Mr. Sarawut Charuchinda is a Chairman of the Audit Committee. Mr. Sarawut Charuchinda graduated in master's degree Business Administration (Finance) from the University of Mississippi, USA. and bachelor's degree in accounting. (2nd class honors) from Chulalongkorn University. He possesses suitable and sufficient knowledge and experience to review the reliability of the financial statements. He has served as an Audit Committee member and executive of companies in different sectors such as banking and packaging. His qualifications are suitable and are not contradictory to the Company's Articles of Association, the notifications of the Capital Market Supervisory Board, the rules of the Stock Exchange of Thailand, the Public Limited Companies Act, the Securities and Exchange Act, and the Company's corporate governance practices.

#### **Appointment and Office Term of the Audit Committee**

1. The Audit Committee and Chairman of Audit Committee shall be appointed by the Board.
2. The office term of the members of the Audit Committee shall be concurrent with their directorship and the members of the Audit Committee who retire by rotation may be re-appointed.
3. The members of the Audit Committee who wish to resign from the position shall tender their resignation letter to the Chairman of the Board at last 30 days in advance
4. If the number of the serving members of the Audit Committee falls below the established threshold, the Board shall appoint new members of the Audit Committee to fill the vacancy within 90 days.
5. In case when the entire Audit Committee vacates the office, the outgoing Audit Committee shall continue to serve for an interim period until the new Audit Committee is on duty.

#### **Duties and Responsibilities of the Audit Committee**

1. Conduct reviews to ensure that the Company's financial reports are accurate and sufficiently disclosed.
2. Conduct reviews to ensure that the Company has appropriate and effective internal control system and internal audit systems, evaluate the independence of the internal audit function, and approve the appointment, transfer or dismissal of the Head of Internal Audit or any other unit in charge of the internal audit function as proposed by the management team.
3. Conduct reviews to ensure the Company's compliance with the laws governing securities and exchange, the rules of the Stock Exchange of Thailand, or laws that are applicable to the Company's businesses.

4. Screen, select, nominate and dismissal persons who are independent to act as auditors of the Company, and propose the compensation of such persons.
5. Consider on related-party transactions or transactions with potential conflicts of interest in order to ensure that such transactions are in compliance with the laws and the rules of the Stock Exchange of Thailand, reasonable, and in the Company's best interest.
6. Have the authority to request the management team or employees of the Company to attend meeting and provide explanations or opinions where necessary.
7. Engage external advisors or professional experts in providing consultation, advices or opinions as the Audit Committee deems appropriate.
8. Prepare the Audit Committee's Report which is part of the Company's Annual Report. The Audit Committee's Report shall be signed by the Chairman of the Audit Committee and contain, at a minimum, the following:
  - (1) Opinions on the accuracy, integrity, and reliability of the Company's financial reports.
  - (2) Opinions on the adequacy of the Company's internal control system.
  - (3) Opinions on the compliance with the laws governing securities and exchange, the rules of the Stock Exchange of Thailand, or laws that are applicable to the Company's businesses.
  - (4) Opinions on the suitability of the auditors.
  - (5) Opinions on transactions with potential conflicts of interest.
  - (6) Number of the meetings of the Audit Committee and the meeting attendance of each Audit Committee member.
  - (7) Opinions or observations of the Audit Committee as a result of the Audit Committee's performance of duties in accordance with the Charter of the Audit Committee.
  - (8) Other information that the Audit Committee, given the scope of duties and responsibilities assigned by the Board, views that the shareholders and investors should be made aware of.
9. Perform any other tasks as assigned by the Board and agreed to by the Audit Committee.

#### **Nomination & Remuneration and Good Governance Committee**

##### **Structure of the Nomination & Remuneration and Good Governance Committee**

1. The Nomination & Remuneration and Good Governance Committee and the Chairman of the Nomination & Remuneration and Good Governance Committee shall be appointed by the Board.
2. The Nomination & Remuneration and Good Governance Committee shall be comprised of at least 3 directors and at least half of them should be independent directors.
3. The Chairman of the Nomination & Remuneration and Good Governance Committee should be an independent director.
4. Manager, Human Resource Division shall serve as the Secretary to the Nomination & Remuneration and Good Governance Committee.

As of 31 December 2018, the Nomination & Remuneration and Good Governance Committee was comprised of 4 directors.

Name	Position
1. Mr. Sakda Hanbuntrong	Chairman of Nomination & Remuneration and Good Governance Committee
2. Mr. Sarawut Charuchinda	Member of Nomination & Remuneration and Good Governance Committee
3. Mr. Suvit Manomaiyanon	Member of Nomination & Remuneration and Good Governance Committee
4. Mrs. Siripond Satawin	Member of Nomination & Remuneration and Good Governance Committee

Remark : 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> directors are independent directors, 4<sup>th</sup> director is non-executive director of the Company.

## **Duties and Responsibilities of Nomination & Remuneration and Good Governance Committee**

### Nomination

1. Set nomination procedures applicable to the positions of director and Chief Executive Officer to screen qualifications of candidates in terms of their knowledge, expertise and experiences against the Company's strategy and needs as well as their ability to devote their time to the Company.
2. Screen and nominate qualified candidates for key positions to the Board or the meeting of shareholders for approval of the appointments.

### Remuneration

1. Recommend appropriate monetary and non-monetary remuneration structure, amount, forms, and payment criteria applicable to the Chairman of the Board, directors and the Chief Executive Officer; review the suitability of the current criteria against the industry benchmark and other listed companies with comparable market capitalization; and propose them to the Board and/or the meeting of shareholders for approval.
2. Consider performance evaluation criteria applicable to the Chief Executive Officer and propose the performance evaluation results which are based on such criteria to the Board for approval.
3. Review the suitability and conditions of the offer of shares, warrants or other securities to directors and employees as a compensation, and provide its opinion in case an allotment of securities to a director or an employee that exceeds the 5 percent of such allotment. Nonetheless, no member of the Nomination & Remuneration and Good Governance Committee shall be entitled to an allocation that is above 5 percent of the lot.
4. Perform any other tasks that are related to nomination and remuneration as assigned by the Board.

### Good Governance

1. Review of Corporate Governance Policy, Business Ethics, including policies and guidelines for Corporate Social Responsibility and Environment to ensure compliance with good corporate governance principles and propose to the Board of Directors.
2. Present guidelines and/or policies related to corporate governance to the Board of Directors.
3. Advise the Board of Directors in matters relating to corporate governance.



4. Supervise the management to implement the corporate governance policy in practice.
5. Follow up on social and environmental responsibility and report to the Board of Directors.
6. Perform any other matters assigned by the Board of Directors.

## Executive Committee

### Structure of the Executive Committee

1. The Executive Committee and the Chairman of the Executive Committee shall be appointed by the Board.
2. The Executive Committee shall be comprised of a number of members as the Board deems appropriate.
3. The Executive Committee shall appoint an employee of the Company to serve as the Secretary to the Executive Committee.

As of 31 December 2018, the Executive Committee was comprised of 2 directors.

Name	Positions
1. Mr. Chotic Russamitinakornkul	Chairman of Executive Director
2. Mrs. Chutima Katikawong	Executive Director

Remark : Mr. Sestha Waiyawutpinyo resigned as the Executive Director effective from 28 February 2018.

Mrs. Siripond Satawin resigned as the Executive Director effective from 12 November 2018.

Mrs. Chutima Katikawong was appointed as the Executive Director effective from 13 November 2018.

### Duties and Responsibilities of the Executive Committee

1. To formulate plans, policies, directions, strategies and operational management structure of the Company by taking into account the economic conditions and the market competition and propose them to the Board for approval.
2. Determine the business plan, the budget plan, and the approval authority applicable to undertakings of the Company and propose them to the Board for approval.
3. Supervise the operations of the Company to ensure that they are in accordance with the policies, the strategies, the business plan, and the budget approved by the Board.
4. Consider the Company's execution of commercial agreements and agreements on the acquisition of assets or rights for the benefit of the Company's business operations.
5. Approve capital expenditures which are included in the annual expenses budget that has already been approved or approved in principle by the Board.
6. Approve borrowing and requesting credit facilities that are related to normal business operations of the Company, e.g. trading, investment or joint ventures with other parties, for the benefit of the Company's operation, including any other acts pertaining to such borrowing or requesting credit facilities.
7. Consider and approve communication, execution and registration which are made in the name of the Company with governmental agencies for the benefit of the Company's operations in accordance with its purpose.

8. Deliberate on the Company's operating results, profit/loss, and propose interim or annual dividend payments prior to proposal thereof to the Board.
9. Deliberate on and immediately report to the Board actual or suspected frauds, non-compliance or irregularities.
10. Have the authority to sub-delegate authority to a person or persons to perform acts under the supervision by the Executive Committee, or to delegate the authority within the scope and the time frame that the Executive Committee deems appropriate and Executive Committee may cancel, revoke or alternate or replace such delegate(s) and delegation as appropriate.

### **Risk Management Committee**

#### **Structure of the Risk Management Committee**

1. The Risk Management Committee and the Chairman of the Risk Management Committee shall be appointed by the Board
2. The Risk Management Committee shall be comprised of at least 2 directors and may include a number of executives in charge of key functions of the Company as the Board deems appropriate.
3. Members of the Risk Management Committee must be directors or employees of the Company.
4. The Risk Management Committee shall appoint an employee of the Company to serve as the Secretary to the Risk Management Committee.

As of 31 December 2018, the Risk Management Committee was comprised of 3 directors.

<b>Name</b>	<b>Positions</b>
1 . Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of Risk Management Committee
2. Mrs. Siripond Satawin	Member of Risk Management Committee
3. Mr. Chotic Russamitinakornkul	Member of Risk Management Committee

Remark : \* 1<sup>st</sup> director is independent director, 2<sup>nd</sup> director is non-executive director of the Company.

\* Mr. Sestha Waiyawutpinyno resigned as the Member of Risk Management Committee effective from 28 February 2018.

#### **Duties and Responsibilities of the Risk Management Committee**

1. Determine the Risk Management Policy and Framework of the Company, and provide recommendations about risk management to the Board and the management team.
2. Align strategies with the Risk Management Policy in order to evaluate, monitor and control the Company's overall risk at appropriate and acceptable levels.
3. Supervise, support and promote collaborative risk management within the Company and review the adequacy of the Risk Management Policy and system on an ongoing basis to efficiently manage risks.
4. Report to the Board meetings the updates on key risk issues, risk assessment, risk management, implications of risks for operations, as well as preventive and corrective measures. Incidents and issues that have material impact on the Company must be escalated to the Board without delay.

5. Have the authority to appoint risk management working team which shall report to the Risk Management Committee.
6. Perform any other tasks that are related to risk management as assigned by the Board.

#### **Chief Executive Officer**

Duties and responsibilities of the Chief Executive Officer are as follows:

1. Oversee, manage and operate the Company's day-to-day normal business operation for the benefit of the Company in accordance with established policies, vision, targets, annual business plans, business strategies, and annual budget approved by the meeting(s) of the Board and/or as assigned by the Executive Committee.
2. Supervise and govern the Company's finance, marketing, human resources management and other operations in accordance with the Company's policies and action plans that are approved by the Board.
3. Have the authority to employ, appoint, transfer, discharge, dismiss, and determine remuneration and compensation of employees at the levels below the Chief Executive Officer and the Chief Executive Officer may delegate such authority to other persons.
4. Determine pensions, rewards, salary increases, compensations and bonuses for employees at the levels below the Chief Executive Officer, subject to approval from the Executive Committee.
5. Enter into agreements and/or transactions related to normal business operations of the Company and the limit of each transaction according to the authority matrix approved by the Board .
6. Have the authority to delegate to any persons as the Chief Executive Officer deems appropriate to manage and operate on behalf of the Chief Executive Officer, where necessary and appropriate, in accordance with the laws and the Company's rules and regulations.
7. Issue directives, regulations, announcements, and internal memos to ensure that the Company's operations, in accordance with the Company's policies and for the benefit of the Company's operations in accordance with its purposes.
8. Perform any other duties as assigned by the Board and/or the Executive Committee and be vested with the authority to execute acts that are necessary for performing such duties.

For any transactions between the Chief Executive Officer or the persons delegated by the Chief Executive Officer or persons with potential conflicts of interest and the Company and/or subsidiaries and/or related companies, the Chief Executive Officer shall not have the authority to approve such transactions and such transactions shall be proposed to the meeting of the Executive Committee, and/or the Board and/or the meeting of shareholders (as applicable) for approval. Exceptions apply to transactions which are in the Company's ordinary course of business and on an arm's length basis that fall within the scope approved in principle by the Board.

### Management team and employee

As of 31 December 2018, the Company's management team was comprised of 6 executives and 1 employee as listed below:

No.	Name	Position
1.	Mr. Chotic Russamitinakornkul	Chief Executive Officer
2.	Mr. Sestha Waiyawutpinyo	Vice President, Business Development Division
3.	Mrs. Chutima Katikawong	Vice President, Office of Management
4.	Mr. Dhanasarn Suravudhikul	Vice President, Finance and Accounting Division
5.	Mr. Thanin Kamthornthip *	Vice President, Finance and Accounting Division
6.	Mr. Puvadon Thongvong	Assistant Vice President, Finance and Accounting Division - Accounting
7.	Mrs. Worawan Viriya	Company Secretary

\* Mr. Thanin Kamthornthip resigned from the company effective from January 1, 2019

### Company Secretary

The Board of Directors has appointed Mrs. Worawan Viriya as the Company Secretary effective from 23 February 2017. Company Secretary reports directly to the Board. The qualifications of the Company Secretary are as outlined in the section of Details about Directors, Executives, Persons with Controlling Interest and Company Secretary of this annual report.

### Approval Authority Matrix

The Company has formulated the policy governing the approval authority for operations and transactions to ensure proper and prudent operations. Authorization to spend, to borrow, to contract, including investment is determined by level of top management and the board. By amending the authorization, the approval of the Board of Directors is required.

Authority to authorize credit lines for operations and transactions under the authority of the Board of Directors at 31 December 2018 as follows:

**Authorize credit lines for operations and transactions of BT Wealth Industries Public Company Limited**

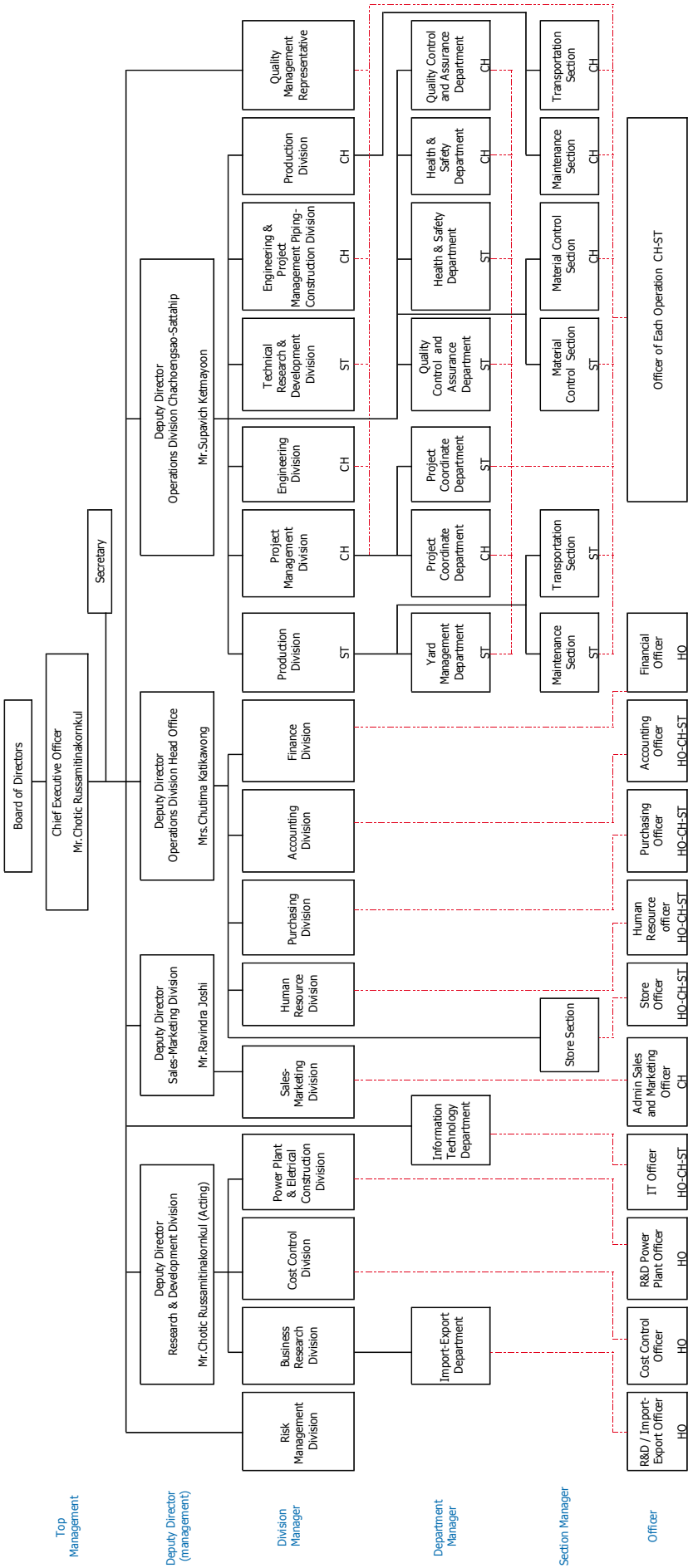
Items	Limit	Approval Authority (MB)			
		CFO	CEO	EX-COM	BOARD
1. Expenses relating to normal business operations	Per time	Not above 20	Not above 100	Not above 500	Above 500
2. Debts binding upon the Company/Guarantee	Per transaction	-	-	Not above 100	Above 100
3. Land lease contracts for normal business operations	Per contract	-	Not above 10	Not above 50	Above 50
4. Acquisition of fixed assets such as land, buildings and equipment (vehicles, tools and machinery)	Per time	Not above 20	Not above 100	Not above 500	Above 500
5. Sale of assets	Per time	-	Not above 100	Not above 20	Above 20
6. Investment in new project	Per project	-	-	Not above 50	Above 50
7. Loans to subsidiaries	Per time	-	-	Not above 50	Above 50
8. Short-term loans between the Company , Best Tech and Engineering Limited, and Best Tech Industries Limited	No tenor limit	-	-	Not above 500	Above 500
9. Investment of the Company and Best Tech (2 companies) in money market funds, government bonds and/or debt instruments of which risks do not exceed level 1. The investment cost in each fund shall not exceed Baht 50 million.	No tenor limit	-	-	Not above 500	Above 500

*The above approval authority does not apply to related-party transactions or the acquisition or sale of the Company's assets which are specifically governed by the notifications of the Capital Market Supervisory Board and/or the Board of Governors of the Stock Exchange of Thailand.*



Management Structure of Best Tech & Engineering Ltd.

Best Tech & Engineering Ltd. ("Best Tech") is a core company engaged in the processing of steel and steel products according to the requirements and specification of the customers. As of 31 December 2018, the management structure of Best Tech, was as follows:



**Board of Directors of Best Tech**

As of 31 December 2018, the Board of Best Tech was comprised of 3 directors. Details about their tenure and Board meeting attendance in 2018 are as outlined below:

No.	Name	Position	No.of attendance / No.of meetings
1.	Mrs. Siripond Satawin	Director	9/9
2.	Mr. Chotic Russamitinakornkul	Director, Managing Director	9/9
3.	Mrs. Chutima Katikawong	Director	2/2

Remark Mr. Sestha Waiyawutpinyo resigned as Director of the Company effective from 28 February 2018.

Mrs. Chutima Katikawong was appointed as Director of the Company effective from 29 November 2018

Documents must be co-signed by Mrs.Siripond Satawin, Mr.Chotic Russamitinakornkul and Mrs. Chutima Katikawong , two of these three directors jointly sign and stamped with the company seal to legally bind the Company.

**Executives and Employees of Best Tech**

As of 31 December 2018, Best Tech had 6 executives as follows:

No.	Name	Position
1.	Mr. Chotic Russamitinakornkul	Managing Director, Deputy Director, Research & Development Division (Acting)
2.	Mr.Ravindra Rameshchandra Joshi	Deputy Director, Sales-Marketing Division
3.	Mrs. Chutima Katikawong	Deputy Director, Operations Division – Head Office
4.	Mr. Supavich Ketmayoon	Deputy Director, Operations Division, Chachoengsao-Sattahip
5.	Miss Rattiporn Jarusmongkoljaroen	Finance Manager
6.	Mr. Puvadon Thongvong	Accounting Manager

and had 584 employees : Officer 365 persons , daily worker 185 persons, monthly contract 20 คน, daily contract 14 persons

**Approval Authority Matrix**

Best Tech has established a corporate policy on credit approval for operations and transactions. It will be consistent and under the control of the Company. This policy is a mandate for the management and daily operations of Best Tech to the Board and Management to perform the task correctly and concisely. Authorization to spend, to borrow, to contract, including investment is determined by level of top management and the board. By amending the authorization, the approval of the Board of Directors is required. Authority to authorize credit lines for operations and transactions under the authority of the Board of Director of Best Tech as follows:

**Authorize credit lines for operations and transactions of Best Tech & Engineering Limited**

Activity	Limit	Approval Authority (MB)						
		Best Tech				BT Wealth		
		Division Manager*	DMD	MD	BOD	CEO	Ex-Com	BOD
Operations relating to bidding and job acceptance								
1. Bidding and service provision contracts (inclusive of the value of added/amended scope of works after the execution of service contracts)	Per project	Sale manager Not above 20	-	Not above 200	Above 200	-	-	-
2. Expenses relating to normal business operations such as procurement of raw materials, supplies and labor	Per time	-	Not above 5	Not above 50	Not above 100	Not above 150	Not above 500	Above 500
3. Advance payment and warranty bonds	Per transaction	-	-	Not above 30	Not above 100	-	Not above 300	Above 300
4. Personnel recruitment for projects based on manpower framework approved by MD	Per person per month	Not above 0.03	Not above 0.1	Not above 0.25	Not above 0.5	-	Above 0.5	-
General operations								
1. Expenses relating to normal business operations such as procurement of office supplies or accounting forms.	Per time	Not above 0.5	Not above 5	Not above 10	Not above 50	-	Not above 500	Above 500
2. Contingent liabilities/ guarantees/ forward contracts for risk management	Per transaction	-	-	-	Not above 50	-	Not above 100	Above 100
3. Space rental contracts (short-term lease not longer than 3 years) for normal business operations	Per year	-	-	Not above 10	Not above 20	-	Not above 50	Above 50
4. Space lease contracts on space (long-term lease longer than 3 years) for normal business operations	Per contract	-	-	Not above 10	Not above 20	-	Not above 50	Above 50
5. Acquisition of fixed assets such as land, buildings and equipment	Per time	-	-	Not above 20	Not above 50	-	Not above 500	Above 500
6. Sale of assets	Per time	-	-	Not above 1	Not above 5	-	Not above 20	Above 20
7. Other expenses such as consulting fees	Per time	-	-	Not above 10	Not above 20	-	Not above 30	Above 30

*The above approval authority does not apply to related-party transactions or the acquisition or sale of the Best Tech's assets which are specifically governed by the notifications of the Capital Market Supervisory Board and/or the Board of Governors of the Stock Exchange of Thailand.*

## Corporate Governance Report

The Board of Directors of BT Wealth Industries Public Company Limited ("the Company") has defined the corporate governance policy to cover the business operations of the Group by referring to the principles of good corporate governance for listed companies 2017 (CG Code) as specified by the SEC. Acknowledging the CG Code and recognizing its role as a leader in creating sustainable value for the business, the Board of Directors Meeting No. 5/2561, on 7 August 2018, considered and reviewed the appropriateness of the CG Code to be used in accordance with the business of the Company. Comments and reasons on various issues that the Company has not complied with the principles of CG Code as the Board of Directors' resolutions have been recorded in the minutes of the meeting. The management has been assigned to consider creating and developing action plans to suit the business. In which the principle of the operation is still unable to proceed or can only be partially implemented, the Board of Directors will monitor continually and ensure that the code is in line with the CG Code.

Operation	Reason
➤ Annual performance evaluation of Sub-committee and individual directors	➤ The number of directors of the Company is small. The evaluation of the entire Board's performance should be sufficient. In the future, the Company may consider the evaluation of sub-committees and others as appropriate.
➤ Participation in the Private Sector Collective Action Coalition Against Corruption Program	➤ The company has an anti-corruption policy and strictly adheres in all aspects including having a closely monitored control system. In the future, the Company may consider participating in the project as appropriate. In the past year, the Company sent executives to attend the seminar on guidelines for joining as a member of the Thai Private Sector Collective Action Program in anti-corruption (CAC).

The Board of Directors' meeting held on 26 February 2019 evaluated the overall CG Code implementation by considering the compliance report of the corporate governance principles that the Company has prepared and presented. The practices on corporate governance of the Company are consistent and in accordance with the Company's corporate governance policy. The implementation of the CG Code in accordance with the policies and guidelines in the CG Code has been fully complied. There has been continuously developed and improved to be consistent with the business conditions.

For compliance with the corporate governance principles of the company in 2018 with reference to good corporate governance principles for the listed company 2017 (CG Code) specified by the SEC Office is as follows.

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***Principle 1 Establish clear leadership role and responsibilities of the Board***

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The Board of Directors is aware of the responsibility as the leader in supervising the organization to have good management. Under the supervision, the management has set objectives and business goals including strategies, operating policies, and essential resources allocation. The Board of Directors has regularly monitored, evaluated through the performance report and the meetings with the management. The control and process has been imposed as follows.

➤ Prepare the charters for the Board of Directors and sub-committee that indicate clearly about the duties, roles and responsibilities of the Board for reference and published on the Company's website. The charters of each committee have to be continuously reviewed and updated. The details of the charters are shown in the section "Organizational Structure" in this annual report.

➤ Oversee and supervise the directors and senior management to strictly comply with the rules and regulations within the company and the regulatory agencies. Business operations must be transparent and examined. Related party transaction must comply with the regulations. Provide equal and legitimate rights to all shareholders and proper dividend payment. Take into account about basic human rights for employees' treatment. The Company therefore does not violate the rules of regulatory agencies

➤ Prepare annual strategic plans and goals. Present to the Board of Directors for approval in December of every year. Monitor, evaluate and present the operating results of the Group compared to the plans and goals to the Board of Directors on quarterly basis and reviewing annual plans and targets as appropriate.

➤ Prepare comprehensive and relevant policies on business operations and published on the Company's website for all employees to be aware and adhere to as a guideline. Focus on creating value for sustainable business, competitiveness, good performance, and taking into account the long-term effects. Conduct business with ethics, respect rights and be responsible for shareholders and all stakeholders together with social and environmental responsibility. The company has prepared Business Ethics Policy, Corporate Governance Policy, Rules and Regulations on important matters such as investments, transactions with related parties, acquisition / disposition of assets, etc. Especially in the approval of payment which has impact on business operations, an organization policy on "approval authority level for operations and transactions" has to be used as an operational guideline with concise and accurate. The details of the approval authority of the Chief Executive Officer, Executive Committee, and Board of Directors of the Company And Best Tech and Engineering Limited which is a core company is in the topic "Management Structure" in this annual report.



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***Principle 2 Define Objectives that Promote Sustainable Value Creation***

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The company has a clear vision and mission that can be used as a key concept in shaping the business model and communicating to everyone in the organization, moving in the same direction as follow:

**Vision**

Maintain leading service provider in steel fabrication business with competencies in efficient project management collaboration, providing international standard work and promised on-time delivery and to seek for appropriate investment opportunities promoting long-term sustainable recurring income.

**Mission**

- To continually enhance service quality of steel fabrication work to best suit customer's satisfaction.
- To invest in appropriate projects with reasonable return and stable recurring income such as solar power plant and/or renewable energy power plant

To ensure that the company is able to achieve Vision and Mission as required, The Board of Directors has supervised the management to develop strategies and annual plans in line with the Company's objectives and targets, together with environmental factors of the business at that time, potential, competitiveness, competitors, opportunities and risk appetite. The Company has a Board of Directors Meeting during December every year to review its strategic plan and targets. The implementation of the plan has been monitored through performance reports against targets in the Board meeting on quarterly basis. The Board encourages and supervises the management to review targets and strategies if performance is not as expectation.

**Policy and business goals for the next 3-5 years.**

The company is committed to providing good service to its trade counterpart as a business partner to get the maximum satisfaction that will create good returns to its shareholders and employees. Apart from existing projects' operation, the company has aimed to enter into new customers and new businesses that can share the Group's skills and resources to enhance revenue of the Group, such as utilities projects, and new customer groups in China, etc. The company has targeted revenue from new businesses at least 30% by the end of the year 2022, to ensure its continuous business sustainability.

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### *Principle 3 Strengthen Board Effectiveness*

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#### **Board of Directors and Sub-committees**

The Board is comprised of members possessing expertise in financial engineering, business administration, marketing, law, accounting, finance and other fields that are beneficial for the Company's business. The Company has one independent director who has experience in the core industry of the Company. The Company has set up a skill matrix for shaping the structure of directors. The Board of Directors has set up sub-committees to scrutinize and study the management approach of the Company and its subsidiaries before proposed to the Board of Directors for further consideration. All directors are free to express their opinions on the operations of the Company and its subsidiaries to supervise the operation of the management effectively, accurately and transparently in accordance with the good corporate governance policy.

The definitions of independent directors adopted by the Company is as specified in the Charter of the Board under the section of the qualifications of independent directors and in compliance with the Capital Market Supervisory Board Notification No. Tor.Jor.39/2559 Re: Application for and approval of offer for sale of newly issued shares. Independent directors of the Company can express their opinions freely and working with the entire board effectively.

The Charter of The Board clearly defines the structure of the Board of Directors that shall consist of not less than 5 directors, independent directors of not less than one third of the total number of directors and not less than three. The Charter is required director to hold their office for a term of three years and upon expiration of the term may have been re-elected. The term of office of an independent director is not more than 9 years.

As of 31 December 2018, The Board of Directors of the Company consists of 7 directors: 2 executive directors (29%) 1 non-executive (14%) and 4 independent directors (57%). Chairman of the Board of Directors and all members of Audit Committee are independent directors which is considered as a representative of minority shareholders who are responsible for overseeing the operations of the company to be accurate and transparent. Details about the Board in relation to name, profile, position in other listed companies, as well as experience of each director are listed in "Details about Directors, Executives, Persons with Controlling Interest and Company Secretary" appended in this Annual Report.

#### **Segregation of Duties**

The Company clearly segregates and designates duties and scope of powers and duties of each Sub-committee under its charter, (as per "Management Structure" in this Annual Report) to allow each Sub-committee to work transparently, to have sufficient check and balance of power and to review the company's operations. Important resolutions must still be approved by the Board of Directors or Shareholders' Meeting.

Board of Directors will elect one of the directors to be the chairman. The Company clearly separates the duties and positions of the Chairman of the Board and the Chief Executive Officer for enhanced effectiveness, governance and transparency as follows:

*Chairman of the Board* – The Chairman of the Board is an independent director and shall not serve as the Chief Executive Officer or be involved in the Company’s routine management. This is in compliance with the principle of segregation of duties in policy formulation and oversight from those in operations management. The Chairman of the Board has the duties as stipulated in the Charter of the Board of Directors as shown in "Management Structure - Duties and Responsibilities of the Board of Directors" in this annual report.

*Chief Executive Officer* – The Chief Executive Officer has the duties and responsibilities as defined in the Company’s policy. The scope of authority and duties of the Chief Executive Officer is shown in section “Management Structure – Chief Executive Officer” in this Annual Report.

There is no conflict between Board of Directors and Management. All parties cooperate to lead the business to grow well.

The Company has 4 Sub-Committees, namely the Audit Committee, the Nomination & Remuneration and Good Governance Committee, the Risk Management Committee and the Executive Committee. Sub-committees are responsible for considering specific issues and proposing to the Board for further consideration. Director's Name, details about the Sub-Committees in relation to structure, authority, duty and responsibility are published under the section of “Management Structure” in this Annual Report.

### **Nomination of Directors**

The Nomination & Remuneration and Good Governance Committee (“The Nomination Committee”) was comprised of 4 directors. The Chairman of the Board and 2 directors are independent directors (75%). The Nomination Committee is responsible for recruitment and remuneration for directors and top executives. As well as in the supervision of the business to comply with the principles of corporate governance as prescribed by the regulator.

The Board of Directors assigns the Nomination & Remuneration and Good Governance Committee to determine the criteria for nominating qualified candidates for the positions of director and Chief Executive Officer of the Company. The Company has set a Board Skill Matrix to determine the qualifications of the directors. The nomination is based on the suitability of candidates in terms of their qualifications, knowledges, experiences and expertise in light of the Company’s strategy as well as their ability to devote their time to the Company. The nomination will then be proposed to the Board or the meeting of shareholders for approval. The Company has established the “Director and Top Executive Nomination Policy”. This policy is used as a guideline for recruiting qualified persons to serve as directors and executives of the Company and its provisions in respect to the Director Nomination Policy are as described below:

The Nomination & Remuneration and Good Governance Committee is in charge of nominating qualified candidates to the Board of Directors or the shareholders, as applicable. The nomination process is designed to give preference to persons with leadership, insightful vision, ethics, integrity, proven track record of transparency, and independent judgment. Desired qualifications are identified from the skills, experience and expertise that are necessary for and/or lacking in the Board of Directors based on the Company's policies and strategy, including the satisfaction of all qualification requirements applicable to the positions of director or independent directors as set forth by the Public Limited Company Act B.E. 2535 (and its amendments), the Securities and Exchange Act B.E. 2535 (and its amendments), and the relevant notifications of the Capital Market Supervisory Board and the Office of Securities and Exchange Commission.

Nomination of qualified candidates will be proposed to the Board of Directors and/or the meeting of shareholders, as applicable, for appointment.

1. Election of directors to replace directors retiring by rotation is subject to approval from the meeting of shareholders in accordance with the following:

(1) Each shareholder has one vote per share.

(2) Individual director voting shall apply. The number of nominees whom the shareholders vote for shall not exceed the number of director positions available for such election and shareholders cannot split their votes.

(3) Nominees receiving the highest number of votes, in descending order, are considered elected as directors according to the number of vacancies available for such election. In case of vote tie that will result in the number of the elected directors to exceed the number of vacancies available, the chairman of the meeting shall cast a tie-breaking vote.

2. With regard to the election of directors to fill vacancies resulting from other causes than retirement by rotation, the Board of Directors may elect directors to fill the vacancies whereby a three-fourths majority of the total remaining directors is required. The term of a replacing director shall be equal to the remaining term of an outgoing director whom he/she replaces.

In addition, the Nomination & Remuneration and Good Governance Committee offers the minority shareholders the opportunities to nominate candidates for directorship to replace directors retiring by rotation at each annual general meeting of shareholders. The criteria, procedures and practices applicable to such nomination are established and publicly disclosed on the Company's website. Nomination & Remuneration and Good Governance Committee and the Board of Directors will consider and nominate qualified candidates to the Board of Directors or the meeting of shareholders for appointment.

The Company does not hire or appoint any person to be the advisors of the Nomination & Remuneration and Good Governance Committee in recruitment.

In the year 2018, the Nomination & Remuneration and Good Governance Committee has proposed The Board of Directors to appointed Mrs. Chutima Katikawong, Vice President of Office Management, as the Authorized Director and Executive Director in place of Mr. Sestha Waiyawutpinyo, who resigned from being the Director. The Nomination & Remuneration and Good Governance Committee has considered the qualifications, knowledge, ability, experience and performance of the 3 directors who are retired by rotation by apply the same criteria for consideration of persons nominated as directors from the shareholders. The Company gave the minority shareholders the right to propose nomination of candidates to be elected as directors in advance in accordance with the rules set by the company and published on the company's website from 1 December 2017 to 30 December 2017. None of the shareholders proposed a nominated persons to be elected as Directors at the Annual General Meeting of Shareholders for the year 2018 within the time limit set by the Company. The Nomination Committee and the Board of Directors proposed to the Annual General Meeting of Shareholders for the year 2018 to re-elect 3 retired by rotation directors, namely, Assoc. Prof. Dr. Paiboon Sareewiwatthana, Mr. Chotic Russamitinakornkul and Mrs. Siripond Satawin. All 3 directors have a full time of duty, experience and capabilities that are beneficial to the Company. In addition, for those who are independent directors can also comment freely and have full qualifications as required by relevant laws, company regulations and the Charter of Directors. The shareholders' meeting approved the proposal.

#### Remuneration of Director and Executive

The Company does not hire or appoint any person to be the advisors of the Nomination & Remuneration and Good Governance Committee in the consideration of compensation. The Board assigns the Nomination & Remuneration and Good Governance Committee to deliberate on the structure, amount, forms and criteria for the payment of cash and non-cash remuneration in all forms applicable to the Chairman of the Board, directors and the Chief Executive Officer. The current criteria are reviewed against the remuneration packages adopted by other companies in the same industry as the Company and companies that are listed on the stock exchange and is comparable to the Company in terms of their market capitalization. The remuneration must be commensurate with the duties and responsibilities of each director. The Nomination & Remuneration and Good Governance Committee will recommend the remuneration of the directors and members of Board Committees to the Board for endorsement and proposal thereof to the shareholders for approval on an annual basis. The Annual General Meeting of Shareholders for the year 2018 which was held on 3 April 2018 approved the monthly retainer fee of directors as follows:

##### 1) Cash Remuneration

\* Monthly retainer fee :

Position	Retainer Fee (Baht/Month)
Chairman of the Board	50,000
Chairman of the Audit Committee	45,000
Member of the Audit Committee	40,000
Director	40,000

Executives serving on the Board/Committee and Directors of Best Tech and other subsidiaries waived their rights to the retainer fee.



\* Annual gratuity is the annual compensation. The Nomination & Remuneration and Good Governance Committee proposes the budgetary framework for the annual gratuity of directors to the Board for endorsement and subsequently to the meeting of shareholders for approval. In this regard, the executive directors waived their rights to the directors' 2017 annual gratuity.

**Details of the directors' remunerations in 2018 were as follows:**

Name	Positions (as of 31 December 2018)	Remunerations 2018 (Baht/Year)		
		Retainer Fee	2017 Annual gratuity	Total
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	Chairman of the Board, Chairman of the Risk Management Committee, Independent Director	600,000	500,000	1,100,000
2. Mrs. Siripond Satawin <sup>1)</sup>	Director, Member of the Risk Management Committee, Member of the Nomination & Remuneration and Good Governance Committee	Waived	Waived	-
3. Mr. Chotic Russamitinakornkul	Director, Chief Executive Officer, Chairman of the Executive Committee, Member of the Risk Management Committee	Waived	Waived	-
4. Mr. Sestha Waiyawutpinyo <sup>2)</sup>	Director, Executive Director, Member of Risk Management Committee, Vice President, Business Development Division	Waived	Waived	-
5. Mrs. Chutima Katikawong <sup>3)</sup>	Director, Executive Director	Waived	-	-
6. Mr. Sarawut Charuchinda	Chairman of the Audit Committee, Member of Nomination & Remuneration and Good Governance Committee, Independent Director	540,000	400,000	940,000
7. Mr. Sakda Hanbuntrong	Member of the Audit Committee, Chairman of Nomination & Remuneration and Good Governance Committee, Independent Director	480,000	300,000	780,000
8. Mr. Suvit Manomaiyanon	Member of the Audit Committee, and Member of Nomination & Remuneration and Good Governance Committee, Independent Director	480,000	300,000	780,000

1) Mrs. Siripond Satawin resigned from being the Executive Director effective from 12 November 2018.

2) Mr. Sestha Waiyawutpinyo resigned from being the Authorized Director, Executive Director, Member of Risk Management Committee of the Company effective from 28 February 2018.

3) Mrs. Chutima Katikawong was appointed as the authorized director in place of Mr. Sestha Waiyawutpinyo effective from 13 November 2018.

**2) Non-monetary compensation**

In 2018, the directors and executives of BT Wealth and Best Tech received perquisites in accordance with the Company's regulations, such as directors and officers liability insurance, group health insurance and group life and accident insurance. The coverage of the group health insurance offered to directors has been extended to protect their spouse (age not over 65 years) and children (age not over 20 years) within the same coverage limit. For Executives, other remunerations paid by the Company to executives were company cars (only for certain positions). The coverage limits of insurances offered to the directors and executives are as outlined below:

Detail	Coverage Limit (Baht/Year)
1. Directors and officers liability insurance (company-wide <sup>1)</sup> )	300,000,000
2. Life insurance (per person)	300,000
3. Group health insurance (per person) - IPD per hospitalization	300,000
- OPD per year	80,000
4. Group accident insurance (per person)	300,000

<sup>1)</sup> The coverage limits include the insurance coverage for directors and executives of the Company and Best Tech .

### The duty and time allocation of directors

- **Directorship in Other Listed Company**

The Charter of the Board of Directors stipulates that each director of The Company will be able to serve as a director in other listed companies for no more than 5 companies except as necessary and approved by the shareholders' meeting. All of directors are fully aware of the time commitment need and none of the Company directors holds directorship in more than 5 listed companies. The Company requires all directors and top managements to prepare reports, "Report of Related Parties of Directors, Management, Major Shareholders, Authorized Control" for knowing the position in other companies and update the information on yearly basis. The list of directors, position in the Company, history of education, experience and holding positions in other companies are described in "Details about Directors, Executives, Persons with Controlling Interest and Company Secretary" in the attachment to this Annual Report.

- **Attendance of Directors**

Board of Directors and Sub-committees realized of their roles and responsibilities by attend the meeting and allocate time to consider and scrutinize issues prior to the decision on the agenda. In the year 2018, the Director has attended the Board of Directors' meeting on 94% average of all board meetings held during the year. Details of attendance and number of meetings of each committee held during the year are as follows.

### Details of directors' meeting attendance / Total Board meetings in 2018

Unit: No. of Meeting

Name	Board of Directors	Audit Committee	Nomination & Remuneration and Good Governance Committee	Executive Committee	Risk Management Committee	AGM
1. Assoc. Prof. Dr. Paiboon Sareewiwatthana	7/7				2/2	1/1
2. Mrs. Siripond Satawin <sup>1)</sup>	7/7		4/4	4/4	2/2	1/1
3. Mr. Chotic Russamitnakornkul	7/7			6/6	2/2	1/1
4. Mr. Sarawut Charuchinda	7/7	4/4	4/4			1/1
5. Mr. Sakda Hanbuntrong	7/7	4/4	4/4			1/1
6. Mr. Suvit Manomaiyanon	7/7	4/4	4/4			1/1
7. Mr. Sestha Waiyawutpinyo <sup>2)</sup>	1/2			1/1	1/1	
8. Mrs. Chutima Katikawong <sup>3)</sup>	1/1			2/2		

- 1) Mrs. Siripond Satawin resigned from being the Executive Director effective from 12 November 2018.
- 2) Mr. Sestha Waiyawutpinyo resigned from being the Authorized Director , Executive Director , Member of Risk Management Committee of the Company effective from 28 February 2018.
- 3) Mrs. Chutima Katikawong was appointed as the authorized director in place of Mr. Sestha Waiyawutpinyo effective from 13 November 2018.

### Supervision of Subsidiaries and Associated Companies

The Company operates as a holding company with 4 subsidiaries. The company has made "Investment Policy, Corporate Governance Policy for Subsidiaries and Associates and Holding shares in companies which the company and its subsidiaries invest Policy" to be used as guidelines for supervising the Group companies to operate in the same way. This policy sets out important guidelines for the supervision of subsidiaries and associates. In such matters, sending representatives of the Company to be Directors and Executives in subsidiaries and associated companies. Submission of proxy in proportion to shareholding in each company. Submission of such representative must be considered and approved by the Board of Directors taking into account the suitability of each company, control of compliance with contract and laws, rules and regulations.

### Performance Evaluation of the Board of Directors

The Company requires the Board of Directors to evaluate the performance annually to review the performance and obstacles during the past year and to increase the effectiveness of the Board of Directors in accordance with good corporate governance. The procedure is as follows:

1. The Company Secretary submits the evaluation form to the Board of Directors to evaluate their performance annually. The evaluation criteria are based on the 6 factors as structure and qualification of directors, roles, duties and responsibilities of directors, meeting of the Board, performances of directors, relationship with management and self-development of directors and management.

2. The director submits the completed assessment form to the company secretary for collecting evaluation results.

3. Company Secretary summarizes the performance of the Board of Directors for the year and preparing a summary report to the Board of Directors for consideration.

In 2018, the Board of Directors Meeting No. 7/2018, held on December 18, 2018, evaluated the performance of the Board of Director. In summary, 2018 performance evaluation of the Board was scored at average 3.63 points out of 4 points full (score range of 0-4 points). The average score obtained for each evaluation criterion is as follows :

1. Structure and qualification of directors	averaged scored 3.68
2. Roles, duties and responsibilities of directors	averaged scored 3.45
3. Meeting of the Board	averaged scored 3.80
4. Performances of directors	averaged scored 3.74
5. Relationship with management	averaged scored 3.76

### Director and Executive Development

The Company encourages its directors and senior executives to participate in training programs or activities that widen their knowledge relating to their duties as directors and members of Board Committees. All of Directors of the Company attended the Director Accreditation Program arranged by the Thai Institute of Directors (“IOD”). In addition, some directors also joined other programs such as the Director Certification Program and the Role of Chairman program as shown on Details about the Directors and Executives in this annual report.

When there is an important change in the rules of the regulatory or related agencies, the company has delivered documents including summaries or recommendations or as an agenda item in the Board of Directors meeting, as appropriate for the Directors and Executives concerned to know.

When new directors are appointed, company is doing the following:

1) Prepare documents for newly appointed directors whose content includes vision, strategy and business goals and key actions, the Charter of the Board, the Memorandum of Association, Company Regulations and company's latest annual report to be used as a guideline.

2) Organize new directors attended all Director Accreditation Program.

However, in 2018, the Company's directors did not attend other course, all of directors and new director have been already trained in the necessary courses for directors by the Thai Institute of Directors (IOD).

## Board Meeting

The Charter of the Board requires that the Board holds at least 4 Board meetings annually. In 2018, the Board of Director held 7 meetings. The Board meeting schedule is planned in advance for the entire year as follows:

- \* Meetings after the end of every quarter for the Board of Directors to consider and approve quarterly and annual financial statements, also consider the performance compared to the target and review the strategic plan and goals in accordance with the situation.

- \* Meetings in December to consider and approve annual goals and strategic plans.

- \* Conduct additional meetings as necessary, such as consideration of related party transactions, transaction approvals in the authority of the Board of Directors, reviewing goals and plans, etc.

- \* The Board of Directors requires at least 1 meeting of non-executive directors without the management attendance to exchange ideas in terms of economic conditions and management approach in the next year. In 2018 there was one meeting held on 18 December 2018.

- \* Audit Committee requires at least 1 meeting annually with auditor without the management attendance. In 2018 there was one meeting held on 12 November 2018.

- The Chairman of the Board and the Chief Executive Officer jointly consider the items to be included in the Board meeting agendas on the basis of importance and necessity. Other directors may propose items to be included on the Board meeting agendas and the members of the Company's management team will attend the discussion of relevant agenda items to provide additional and supporting information.

- The Board of Directors also convened a meeting of non-executive directors to exchange opinions. At each Board meeting, the Chairman of the Board presides as the chairman of the meeting and allocates sufficient time for the management team to present their proposals and for the directors to comprehensively discuss relevant issues.

- The Company Secretary submits the meeting invitation letter and meeting documents to directors at least 7 days in advance of each Board meeting in order that the directors have sufficient time to study the meeting agenda and meeting documents. Following each Board meeting, the Company Secretary prepares minutes of the meeting in writing and present the draft minutes to directors within 7 days for review prior to the adoption thereof at a subsequent Board meeting. The minutes and all supporting documents are properly retained and made available for examination by the Board and relevant regulators.

## The Company Secretary

In compliance with the Principle of Good Corporate Governance of Listed Company and The Securities and Exchange Act, the Board of Directors has appointed Mrs. Worawan Viriya as the Company Secretary since 23 February 2017 with her duties and responsibilities as follows:



- 1) Preparing and storing the following documents
  - Registration of the Company's directors
  - The invitation letter and minutes of the Board of Directors Meetings, and the Company's Annual Report
  - The invitation letter and minutes of the Shareholders' Meetings
- 2) Storing of reports on conflicts of interest filed by directors or executives.
- 3) Executing additional duties as specified by Capital Market Commission.

The Company Secretary has been trained in company secretary courses and continuously training in the relevant and useful for the job such as Enhancing Good Corporate Governance based on CGR Scorecard, Understanding Investor Warning Measures, Annual Issuer meeting for the Year 2018, CG report writing techniques, Preparing Strategic Shareholder report, Preparing FSCOM report, Use of SET Portal, Corporate Secretary role in promoting corporate governance for the organization, etc. The details of the Company Secretary's personal profile are in the attachment to this Annual Report.

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#### ***Principle 4 Recruiting and developing Top Management and Human Resources Management.***

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Employees are highly valuable and vital to the business operation, especially directors and top executives are the key success driver and leader of the organization. The Group aligns its human resource management practices with its business strategies and goals by adopting a rigorous recruitment process to ensure that selected candidates possess the abilities and experiences that fit for the jobs, future growth and requirements of the Group. The Company cares for employees to work happily progressive and better quality of life. The policy, guidelines and procedures are implemented as follows.

##### **Director and Top Executive Nomination Policy**

The Company has established a Director and Top Executive Nomination Policy in order to ensure to select a professional executive for the position of director and top management of the Company and its subsidiaries. The Nomination & Remuneration and Good Governance Committee screens and selects candidates whose knowledge and abilities match the Company's requirements and propose the nomination of such candidates to the Board of Directors for appointment. The Director and Top Executive Nomination Policy also encompasses the succession planning for top level positions to prepare for the future. The Company has successor development plans for key positions of both the Company and its subsidiaries. The deputy director of each department and the Managing Director are in charge of

overseeing the succession planning with support from the Human Resources Department. With an aim to achieve the leadership and business continuity, the Nomination & Remuneration and Good Governance Committee ensures that the succession plans for top level positions of the Company and its subsidiaries are in place and reviews the plans periodically as deemed appropriate.

For the management and employees at all levels, the Company has set up a "Human Resource Management Policy" as a manual on recruitment, working guide on promotion and rotation, annual evaluation guide, etc., to be used as a guideline for the Group's human resources to be consistent and to support the continuous growth of business.

### **Structure of remuneration and evaluation**

#### Remunerations of Chief Executive Officer and Executives

The Board has the authority to approve the remuneration for 2018 and the bonus for the 2017 performance of the Chief Executive Officer based on the recommendation made by Nomination & Remuneration and Good Governance Committee. The remuneration and bonus are fair and based on the performance of the Chief Executive Officer achieved in 2018 and the performance targets assigned for 2018. The Chief Executive Officer of the Company also serves as the Managing Director of Best Tech, the Chief Executive Officer waives his right to receive remuneration for his service as the Managing Director of Best Tech.

For Executives, and employees criteria for remuneration will be the same, based on the Individual performance, the overall performance of the company, economic conditions, including in line with the objectives and goals of the organization and the interests of the business in the long run. The Nomination & Remuneration and Good Governance Committee has set up criteria for determining bonuses, welfare and other benefits for employees in order to motivate the work. The bonus amount based on the level of the company's profits each year. In addition, the Company also sets up a guideline for evaluation practices, promotion and rotation to provide employees with a way to improve their works.

In 2018, the remunerations, such as salaries, bonuses and provident fund, paid by the Company for the Company's management totaling Baht 20.74 million, Best Tech's management totaling Baht 7.96 million, and employees of the Company and Best Tech totaling Baht 227.65 million.

#### Evaluation of Chief Executive Officer and Executives

The Board assigns the Nomination & Remuneration and Good Governance Committee to arrange for the performance evaluation of the Chief Executive Officer on an annual basis. The Nomination & Remuneration and Good Governance Committee is in charge of review the performance evaluation criteria applicable to the Chief Executive Officer and presenting the results of the performance evaluation which is based on such criteria to the Board for approval. The Nomination & Remuneration and Good Governance Committee also determines the bonus budget based on the prior years' operating results including the annual remuneration of the Chief Executive Officer.

The Nominating & Remuneration and Good Governance Committee's Meeting held on 18 December 2018, evaluated the performance of the Chief Executive Officer for the year 2018 with the guidelines above and have been presented the results of this evaluation to the Board of Directors for use as information for considering of compensation of the Chief Executive Officer.

**The criteria for performance appraisal of the Chief Executive Officer**

<b>Part 1 : Performance</b>	<b>Part 2 : Management Skills</b>	<b>Part 3 : Management Behavior</b>
* Business Goals Achievement	* Strategic Planning	* Intention to Achieve
* Resource Management in Operation	* Decision Making	* Virtue and Ethics
* Human Resource Management	* Leadership	* Business Acumen
	* Adaptation	* Creating Good Relationships

**Management of shareholder structure and relationships**

The Board of Directors is aware about 2 major shareholders of the company, holding positions as directors. Therefore to prevent such relationships from affecting the control and administrative power by authorizing the approval authority levels for operations and transactions, clarifying roles, duties, screening and approving on various matters. In addition, the Company is still in the process of preparing for Succession plan with clear rules for selecting and considering persons with knowledge, competence and suitability to manage the business in next generation.

**Management and Human Resources Development**

1) Prepare working manual on recruitment and staff selection, annual manpower planning, promotion and rotation, probation evaluation and annual evaluation.

2) There are welfare committees to manage employee welfare. Health insurance, life insurance, provident fund, social security fund and uniform are provided for employees. The Company and Best Tech established provident funds in April 2016. The employer contribution rates were 3.00% and 5.00%, depending on the lengths of service of employees, and provident fund members were offered preferred investment options (100% debt instruments and mixed investment in debt instrument and equity instruments) determined by the provident fund committee.

3) Prepare operating manual and training to use as criteria and guidelines for determining the appropriateness of employees to develop their knowledge and ability in accordance with the duties to be performed. The Group encouraged senior management to be trained and developed to increase knowledge and experience to benefit the operation as needed and appropriate

4) Prepare an orientation course for new employees by adopting ethic policy, and other company's policies, especially security policy to provide employees with knowledge and prepare them in actual operation.

5) Rotate employee to other departments in order to gain more experience, increase the working capacity and practice leadership skills. The preparation of personnel to be able to rise to higher positions in the future.

6) Strictly respect the rights of employees in accordance with basic human rights, international laws and regulations. Focus on health care, occupational health, safety in life and property and the working environment of the employees. By establishing Safety Committee and create a "Safety, Occupational Health and Working Environment" policy to enhance the quality of life for all employees. The principles are as follows.

1. The Company will encourages employees at all levels to conduct dangerous search activities and to update continuously.

2. The Company will promote and support the work of eliminating and preventing all types of accidents that will harm the health, safety and working environment of employees and the company's assets.

3. The Company assigns supervisors at all levels to be responsible for supervising the safety, health, hygiene and working environment of employees, introducing, training and acting as an example to their subordinates as well as supervising the use of equipment to protect both the person and machine tools.

4. The Company requires all employees to comply with safety regulations and notifications. The Company will promote training and incentives for employees.

5. It is the responsibility of all employees to be responsible and cooperative in preventing accidents. The workplace must be clean and tidy.

6. The Company will keep track of the results and evaluate the compliance of such policies to achieve results in continuous practice.

The company has set the target for preventing accidents and recording statistics according to the management goals of occupational health, safety and the environment to achieve positive success. The main goal is zero (ZERO Accident). All contractors / business partners / drivers / or contact persons entering into working area, including Yard / project area / store area / storage area / equipment and PPE equipment control area must wear personal protective equipment with the minimum requirements, namely safety helmets / safety goggles / suits that cover the body properly and iron head shoes or steel head rubber boots.

#### The number of the accident statistics in the work of the company

2018	No.	30	Persons	397	man hours
2017	No.	21	Persons	320	man hours
2016	No.	27	Persons	1,288	man hours

#### Labor Disputes

In 2018, the Company and its subsidiaries did not have any material labor disputes.

#### **Training / Seminar in 2018**

Attendees 471 persons 39 courses , ie :

- \* Disruptive Future: Driving Businesses towards Endless Opportunities
- \* Impact of new financial reporting standards on revenue from contracts made with customers (TFRS 15) and leases (TFRS 16) on the preparation of financial reports of listed companies
- \* Enhancing Good Corporate Governance based on CGR Scorecard
- \* Attending the meeting to comment on the criteria for changing the purpose of using the money disclosed in filing
- \* Guidelines for development effective workforce in the organization
- \* Preparing for supporting changes in reporting standards for financial instruments.
- \* Increasing production quality
- \* Technical implementing 5S which everyone is involved.
- \* CER & PAR analysis for continuous improvement
- \* Human Resources development to enhance the capability and create a network
- \* Waste power generation technology

etc.

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#### ***Principle 5 Promote innovation and responsible business practices.***

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The Company aspires to achieve sustainable growth and optimum benefits to the shareholders with social and environmental responsibility, taking into consideration of the impact on all stakeholders. To accomplish such aspiration, the Board established a policy on corporate social responsibility and guideline for treating all stakeholders. This policy has been communicated to all employees to acknowledge and strictly comply as follows:

#### **Corporate Social and Responsibility**

- **Corporate Social Responsibility Policy**

The Company is committed to operate business with ethics and good corporate governance principles as well as taking responsibility for society and environment to foster the Company's sustainable development. The Company upholds the principles as follows:

1. The Company will ensure fairness to all stakeholders.
2. The Company will stand against corruption and bribery.
3. The Company will treat stakeholders, communities and society with respect for human values and human rights.
4. The Company will treat employees fairly and in compliance with the laws.
5. The Company will be responsible towards consumers through the quality control of its products and services in accordance with applicable standards.
6. The Company will incorporate environmental concerns into all working processes.
7. The Company will actively take part in developing the quality of life of the communities and society according to the sustainable development framework.
8. The Company will constantly improve working processes to reduce the consumption of resources and minimize the environmental impact.

#### ● Stakeholder Treatment Policy and Practice

The Company respects the rights of all stakeholders of the Company by implementing a policy to ensure that all stakeholders such as its shareholders, employees, customers, business partners, business competitors, creditors, the society, the community and the environment are treated appropriately, equitably and fairly for the sustainability and long-term success of the Company. Details regarding the treatment of stakeholders which is part of the Corporate Governance Policy are as shown on Company's website: [www.btwealthindustries.com](http://www.btwealthindustries.com) in menu sustainability. A summary of the key actions taken by the Company in 2018 is as follows:

##### Shareholder

The Group is committed to operating its businesses with the principles of transparency, integrity and fairness for sustainable growth, including effectively managing and controlling risks within risk appetite, and safeguarding the Group's assets in order to achieve and sustain strong performance and offer satisfactory shareholder returns in an equitable and consistent manner. The Company sets the dividend payout policy of not less than 40 percent of net profit based on the separate financial statements after legal reserve and other reserve (if any).

##### Employees

The Group believes that employees are the key factor and valuable assets to the organization. The Company is focused on human resources management by recruiting qualified people, compliance with applicable laws and related standards, treating employees fairly and respecting human rights, providing good welfare, health and safety, training, developing and promoting, including the opportunity skill development in other areas. The human resources management policy, guidelines and working procedures are provided in Principle 4, Management and Development in this annual report.



### Customers

In an effort to develop customer satisfaction and confidence, quality plans and quality manual have been prepared. The Group ensures that its services and products are punctually delivered and meet the customers' expectations including the quality standards adopted by the customers, several countries and the Group as well as offers post-delivery warranties, preparing operation procedures for sales and customer satisfaction survey is also provided at the end of the project. In 2018, the company conducted a survey of customer satisfaction after completion of the 20 project. The average satisfaction level is 35.8 of 40.

All of these factors are essential to the Group's long-standing reputation and recognition from its customers. The Group's earnest commitment to the development of its products to meet international quality standards and customers' needs are reflected in a series of U.S. certification and accreditations that the Group has achieved from 2006, namely:

- Quality Certification from the United States.

- 1) U stamp certificate from the American Society of Mechanical Engineers for the manufacture and assembly of unfired pressure vessels

- 2 ) PP stamp certificate from the American Society of Mechanical Engineers for the manufacture and assembly of pressure piping

- 3) S stamp certificate from the American Society of Mechanical Engineers for the manufacture and assembly of boilers

- 4 ) R stamp certificate from the National Board for the repair and alteration of boiler and pressure vessels

- 5) U2 stamp certificate from the American Society of Mechanical Engineers for the manufacture of unfired pressure vessels

- Quality Certification from Europe.

- 1) EN 1090-1:2009 +A1:2011 from TUV NORD Institute, Germany which is a quality assurance for the steel structure control system

- 2) DIN EN ISO 3834-2 from TUV NORD Institute, Germany which is a quality assurance for welding factory for steel structures

- Quality Certification from Japan.

- 1) Mitsubishi Heavy Industries Certificate of Qualification which is a quality assurance for the manufacture of pipes and vessels.

- 2) A quality standard Certificate JIS – H Grade from Japan Steel-Fabrication Appraisal Organization (JSAO) which is the standard for construction of steel structures for large buildings in Japan.

The Group is confident that international standardizations and accreditations, opinions, suggestions and complaints of customers, and lessons learned from experiences will provide the Group with a solid foundation for the effective improvement of its working processes, service standards, product quality, and ultimately the best benefits for the Group's customers.

### Business Partners

The Group believes that business partners play key roles in business success. The "Practical Guideline for Vendor Selection and Evaluation" has been developed and adheres to the principles of fairness and equality to ensure that the Group and its business partners are fairly benefit. The Group complies with the terms of agreements made with its business partners as well as its Code of Ethics. There are a fair procurement process and contract terms or agreements. This guideline explains the process of registering vendors and evaluating vendors / service providers / subcontractors or contractors to ensure that orders for products or services from vendors / service providers / subcontractors or contractors with quality and receiving quality products or services that meet the needs and on-time delivery. It also encourages suppliers / service providers / subcontractors or contractors to compete and continuous efficient improvement. The process is summarized as follows.

1 . Register the list of vendors / service providers / subcontractors or contractors (AVL) by allowing the seller / service provider / subcontractor or contractor to fill in the details in "Vendor registration / contractor". For tasks that are considered important, risky or otherwise, additional operations may be conducted with visits, audits by key managers or individuals related to that job, review past performance, or inquire from a company that is a reference customer including requesting samples to check before making a decision.

2. Assess the quality of the seller / service provider / subcontractor or contractor according to the topics and criteria for scoring. By evaluating the quality, the seller will be evaluated from 5 main topics, namely Product and service quality, product delivery and after-sales service, product or service price, quality of after-sales service and the quality system and / or environment of the seller / service provider. The assessment of subcontractors / contractors will be evaluated in 4 aspects: quality, delivery, price and other aspects such as environment and safety, information provision, etc.

3 . In case of failing to meet the evaluation criteria, notify the seller / service provider / subcontractor or contractor for cooperation in improving the product or service or registering a blacklist if the assessment results meet the criteria set by the Company.

### Competitors

The Group conducts businesses with professionalism and integrity, competes in accordance with the laws and code of ethics to promote ethical competition. The Group refrains from defaming its competitors and does not use indecent means to obtain information or secrets of competitors.

### Creditors

To foster the creditors' trust, the Group strictly complies with the conditions and agreements made with the creditors, punctually fulfill its debt repayment obligations, and use loans for activities that meet the stated loan purposes, the Group refrains from the concealment of information or facts to the detriment of its creditors. In the prior year, the Group strictly complied with conditions and loan agreements and never missed debt repayments despite the turbulence in the financial markets.

### Society, Community and Environment

Guided by sustainable development principles, the Group contributes to the development of the community and the society by hiring local residents with a view to creating a circular flow of income for the development of the communities and the society as well as regularly implementing CSR activities. To support various social activities in return for social benefits, Quality and Environmental Policy is adopted. With the integration of environmental concerns and the quality and environmental management systems into all of its working processes, the Company successfully minimizes environmental impact from its operations. The Company also promotes environmental awareness among its employees, minimizes environmental impacts from the Company activities on the environment within the Company's premises and the communities, and reinforces strict and organization-wide compliance to the environmental laws across. The Company has been awarded the certificate of environmental management system (ISO 14001:2004). For more information, see "Corporate Social Responsibility" in this annual report.

### Anti-Corruption

The Company is committed to doing the business with integrity, transparency and fairness under the good governance principles as well as embracing corporate social responsibility. The Company is determined to work against all forms of corruption and bribery either directly or indirectly. The Company has developed an "Anti-Corruption Policy" as detailed in "Corporate Social Responsibility" in this annual report.

### **Resources Allocation Management**

The Group conducts business with quality services and products to meet the needs. To create maximum customers' satisfaction, the Group sets Quality and Environmental Policy to be used as a guideline for operation especially in production processes. In addition to environmental protection, the Company also focuses on optimal utilization of production resources. Resources allocation management has been implemented by setting rules for waste disposal to control the management of all types of waste in factories that affect the environment in order to comply with relevant laws and regulations, prepare a manual for working on energy saving in the office, create awareness of valuable resources utilization etc. which can be read more in the topic of social responsibility in this annual report.

In addition, Best Tech has submitted the audit report and certification of energy management report for the year 2017, which is in compliance with the Ministerial Regulations, prescribing standards, criteria and methods for energy management in control plants and buildings B.E.2552 of the control factory. Best Tech and Engineering Limited (TSIC-ID: 24103-0020) has been inspected as Pass according to the standards of the Department of Alternative Energy Development and Efficiency. Energy conservation results can be considered as having actual savings when compared to the year 2016 at the rate of 3.20% . Best Tech has taken several measures to use the current system for maximum benefits by reducing the use hours of fluorescent lamps, cleaning the air conditioning condenser, and in the process of changing the lamp from Floodlight 400W to LED Floodlight 200W.

### Information Technology Management

Company and subsidiaries are careful and strict in using information technology in the operation of staff. Especially the use of computers through various media is in high risk of copyright infringement, viruses, etc. which may cause damage to the organization. Therefore "Information Technology Policy" consists of sub-policies in various matters about the use of corporate information technology, such as continued support policy on Computer Crime Act 2007, Computer Usage Policy, Social Media Usage Policy. The preparation of work manuals on guidelines for the care of information systems, Ethics-Clause in using internet etc. have been disclosed on the website of the company for all employees to acknowledge and abide strictly by the policies and guidelines.

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### *Principle 6 Ensure appropriate risk management and internal control systems.*

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The Company has no Compliance Unit, but has closely monitored and audited its operations by the internal auditor, Risk Management Working Group, Risk Management Committee and the Audit Committee, by using policies and guidelines as the main approach to ensure that the Company has adequate and appropriate risk management and internal control systems.

### Risk Management System

The Company has appointed the Risk Management Committee which is chaired by an independent director and comprised of members being the Company's senior executives. This effectively contributes to the Risk Management Committee's insight into risks associated with the Company's business and its ability to make sound decisions and take a vigorous approach to risk management. The Risk Management Committee is responsible for screening and reviewing risks and make risk management recommendations to the Board of Directors.

In addition, to closely monitor and prevent potential damage from various risk factors, Board of Directors has appointed a Risk Management Working Group which consists of representatives of executives and employees from all departments to assess risk level, follow up, and find solutions to prevent and to provide advice on risk management at an acceptable level, not a problem for the business and can create the right return to the Company. The risk management policy and regulations, foreign exchange hedging policy and regulations, risk management guides, etc., are also set to effectively manage the Company's risk.

Risk Management Working Group will gather and take into account both inside and outside factors that may be risks of the Company, assess the impacts, rank the risks, then summarize all measures and how to manage those risks to propose to the Risk Management Committee and the Board of Directors for consideration. Details of risk factors as well as mitigation plans, monitoring and evaluation in the past year are shown in the topic "Internal Control and Risk Management" in this annual report.

In addition, the Company prepares a manual on Risk and Opportunities Analysis to be used as a guideline for risk analysis and assessment in quality management systems and how to manage and control risk to be at the lowest or acceptable level of impact.

### Internal Control System

The Board of Directors has appointed the Audit Committee to perform duties and responsibilities as specified in the Charter of the Audit Committee. The Audit Committee is composed of 3 directors and all members are independent directors. The list of directors, structure and other details is shown in "Management Structure" in this annual report.

The Company is a holding company and has Best Tech & Engineering Limited as its core company. Therefore, the assessment of the Company's internal control system encompasses the assessment of both Best Tech's internal control system and the Company's supervision of its subsidiaries' operations.

➤ **Internal auditor** For internal control, the Audit Committee has considered hiring ANS Business Consultants Co., Ltd. as the internal auditor of the Company to operate, report, and comment as detailed in the section "Internal control and risk management" in this annual report. The internal auditor has to report the results of the examination and review of various work systems directly to the Audit Committee on quarterly basis to ensure that the company have adequate and effective internal control and internal audit.

➤ **Auditors** The Audit Committee has considered the selection of auditors and the remuneration and proposes to the Board of Directors for consideration and agrees, presenting to the Annual General Meeting of Shareholders for approval. The criteria for consideration are the auditor must obtain approval from the SEC and possess the qualifications of the auditor in accordance with the relevant laws and must have knowledge, ability and independence in accordance with the relevant laws. The Audit Committee has access to the necessary information and needs to be considered in the meeting of the Audit Committee. On November 12, 2018, the Audit Committee held a meeting with the auditor without the management attending the meeting, so that the Audit Committee can discuss and request opinions about the company's financial reports directly from the auditor.

For determining the amount of the audit fee, it must be appropriate with the scope of the audit. The Annual General Meeting of Shareholders for the year 2018 approved the auditors from the EY Office Limited, namely Ms. Manee Rattanabunnakit with her license no. 5313, Mr. Termphong Opanaphan with his license no. 4501 or Mrs. Ponnard Paocharoen with her license no. 5238, as the auditors of the Company and fix the Company's audit fee for the year 2018 of Baht 800,000 and the audit fee in respect of the Company's subsidiaries of Baht 2,125,000. Conclusively, the aggregate audit fees in respect of the Company and its subsidiaries in the year 2018 is Baht 2,925,000 and the non-audit fee for the year 2018 of the subsidiary of Baht 140,000.

## Conflict of Interest Management

### • Prevention of Misuse of Inside Information

The Board of Directors monitors and manages conflicts of interest that may arise between the Company and the Management, the Board or the shareholders. These conflicts also include prevention of inappropriate use of property, information and opportunities of the Company and inappropriate transactions with those who have a relationship with the company. The Group has prevented the use of inside information for equality recognition of information as follows:

1) The Company informed all directors and executives of the Company and the subsidiaries of their duties to report the holding of the Company's securities by themselves, their spouse and minor child(ren) to the SEC pursuant to Section 59 and the penal provisions under Section 275 of the Securities and Exchange Act B.E. 2535 as well as to report the acquisition or divestment of the Company's securities by themselves, their spouse and minor child(ren) to the SEC pursuant to Section 246 and the penal provisions pursuant to Section 298 of the Securities and Exchange Act B.E. 2535.

2) The directors and executives of the Company and the subsidiaries, including their spouse and minor child(ren) prepared and submitted the reports on their holding of the Company's securities including the changes thereto to the SEC within 3 business days from the date of such changes. Copies of such reports were delivered to the Company Secretary on the same day of the report submission to the SEC.

3) The Company and the subsidiaries restricted the non-public information access to only involved personnel on a need-to-know basis and ensured the security of non-public information. Information owners reinforced involved personnel to strictly comply with the policy.

4) The Company Secretary informed the directors, executives and employees privy to confidential information of the non-trading period as detailed below and prohibited them from passing inside information to external parties or unauthorized persons before the public disclosure of the information:

- Directors, executives and management of the Accounting and Finance Division, including their related parties, are prohibited from trading in the Company's securities during the period of 1 month before the release of quarterly and annual financial statements and within 24 hours from the release of such financial statements.

- If directors, executives and employees have access to non-public and material information that may affect the prices of the Company's securities, they shall refrain from trading in the Company's securities within 48 hours after the public release of such information.



### Change in Holding of Ordinary Shares by Director and Executive as of 31 December

(shares)

	Name	Position	No. of shares		Changed
			2017	2018	
1	Assoc. Prof. Dr. Paiboon Sareewiwatthana	Independent Director, Chairman of the Board, Chairman of the Risk Management Committee	-	-	-
	Spouse and Underage child		-	-	-
2	Mrs. Siripond Satawin	Director, Member of the Risk Management Committee, Member of the Nomination & Remuneration and Good Governance Committee	230,400,000	230,400,000	-
	Underage child		-	-	-
3	Mr. Chotic Russamitinakornkul <sup>1)</sup>	Director, Chairman of the Executive Committee, Member of the Risk Management Committee, Chief Executive Officer	168,900,000	168,900,000	-
	Underage child		20,000,000	20,000,000	-
4	Mr. Sarawut Charuchinda	Independent Director, Chairman of the Audit Committee, Member of the Nomination & Remuneration and Good Governance Committee	-	-	-
	Spouse		-	-	-
5	Mr. Sakda Hanbuntrong	Independent Director, Member of the Audit Committee, Chairman of the Nomination & Remuneration and Good Governance Committee	-	-	-
6	Mr. Suwit Manomaiyanon	Independent Director, Member of the Audit Committee, Member of the Nomination & Remuneration and Good Governance Committee	-	-	-
	Spouse and Underage child		-	-	-
7	Mrs. Chutima Katikawong <sup>1),3)</sup>	Director, Executive Director, Vice President Office of Management	-	-	-
	Underage child		-	-	-
8	Mr. Sestha Waiyawutpinyo <sup>2)</sup>	Vice President, Business Development Division	-	-	-
	Spouse and Underage child		-	-	-
9	Mr. Dhanasarn Suruvudhikul	Vice President, Finance and Accounting Division	-	-	-
	Spouse and Underage child		-	-	-
10	Mr. Thanin Kamthornthip <sup>4)</sup>	Vice President, Finance and Accounting Division	450,000	450,000	-
	Spouse and Underage child		-	-	-
11	Mr. Piya Lalitwanichkul <sup>5)</sup>	Assistant Vice President, Finance and Accounting Division – Finance	-	-	-
	Underage child		-	-	-
12	Mr. Puvadon Thongvong <sup>1)</sup>	Assistant Vice President, Finance and Accounting Division – Accounting	66,600	66,600	-
13	Mr. Ravindra Rameshchandra Joshi <sup>6)</sup>	Deputy Director, Sales-Marketing Division Best Tech & Engineering Limited	106,600	106,600	-
	Spouse and Underage child		-	-	-
14	Mr. Supavich Ketmayoon <sup>6)</sup>	Deputy Director, Operations Division Chachoengsao- Sattahip / Best Tech & Engineering Limited	800	1,100	10,300
	Spouse and Underage child		-	-	-
15	Miss Rattiporn Jarusmongkoljaroen <sup>6)</sup>	Manager, Finance Division / Best Tech & Engineering Limited	-	-	-

1) Mr. Chotic Russamitinakornkul, Mrs. Chutima Katikawong and Mr. Puvadon Thongvong are executives of BT Wealth and Best Tech which is the core company.

2) Mr. Sestha Waiyawutpinyo resigned as Director, Executive Director, Member of the Risk Management Committee effective on 28 February 2018.

3) Mrs. Chutima Katikawong was appointed as the authorized director in place of Mr. Sestha Waiyawutpinyo effective from 13 November 2018.

4) Mr. Thanin Kamthornthip resigned from the company effective on 1 January 2019

5) Mr. Piya Lalitwanichkul resigned from the company effective on 1 February 2018

6) Mr. Ravindra Rameshchandra Joshi, Mr. Supavich Ketmayoon and Miss Rattiporn Jarusmongkoljaroen are executives of Best Tech which is the core company.

- **Conflict of Interest management**

The Company monitors and manages conflicts of interest that may arise between the Company and the Management, the Board or shareholders. Including prevention of inappropriate use of property, information and opportunities of the company and transactions with those who have a relationship with the company in a manner that is not appropriate.

The Company has established a policy on Related-Party Transaction. The guidelines for directors and management of the Group are as follows.

1. To provide the Company with information to be used in the implementation of the related-party transaction, Directors and executives of the Company and its subsidiaries must prepare their own report of interests or related parties and notify the Company.
2. Avoid the related-party transaction that may cause conflict of interest.
3. In case of necessity to make a related-party transaction, all such transactions of the Company and its subsidiaries must be submitted to the Audit Committee for comment before submitting to the authorized person, Board of Directors or the shareholders meeting (as the case may be) to approve the transaction. Except for transactions that have trade agreements with generally commercial terms which approved in principle by the Board of Directors.
4. Follow the steps of the company when there are related-party transactions and comply with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
5. Set prices and terms of related-party transactions as transactions with an arm's length basis, which is reasonable and maximizes benefit to the Company. In case of no such price, the Company and its subsidiaries will compare prices of products or services with external prices under the same or similar conditions.
6. Stakeholders with related-party transaction cannot approve or vote on such matters.
7. In considering the related party transaction, the Company or its subsidiaries may appoint an independent appraiser to appraise and compare prices for significant related party transactions. This is to ensure that the related-party transactions reasonable and for the best benefit of the Company.

The Company Secretary arranged for all directors and executives to update reports every year on any conflicts of interest arising from themselves and their related parties and collected such reports to identify their connection in order that the group was made aware in advance of related-party transactions that might arise and could efficiently comply with the Related-Party Transaction Policy. In 2018, all related-party transactions were normal business transactions and supporting normal business transactions.

Direct and indirect conflict of interest in any agreements made by the Company: None

**Anti-Corruption Policy**

The Company is committed to doing business with integrity, transparency and fairness under the good corporate governance principles as well as embracing corporate social responsibility. The Company is determined to work against all forms of corruption and bribery either directly or indirectly. The Company has adopted an anti-corruption policy and communicate at all levels of the staff and outside the organization by published on the company website. The Company's employees have the duty to understand and follow the anti-corruption policy at all stages of the operation and notify the supervisor immediately if the offense is found. Details of the Anti-Corruption Policy Is displayed in the topic "Corporate Social Responsibility" in this annual report.

**Complaints and Action**

One of the Company's business goals is to satisfy all stakeholders. Therefore, the Company has made available whistle blowing channels through which stakeholders can raise their complaints, recommendations and opinions by following the process in whistleblowing policy which disclose on the Company's website. via following channels.

The Company Secretary will then compile and propose to the Board or the Audit Committee. Investigations will be initiated to solve the issues (where applicable).The complainant can be confident that the company will keep the complainant's information confidential and will not disclose to unrelated people. In 2018, The Company has not received any complaints about fraudulent actions or ethical offense or the negative reputation of the company due to the management of the management or the Board in any way.

**Whistleblowing Channels**

- By e-mail to the Company Secretary : [info@btw.co.th](mailto:info@btw.co.th)
- By letter to the Company's address with attention to the Audit Committee or Company Secretary
- Through the Company's website at [www.btwealthindustries.com-menu](http://www.btwealthindustries.com-menu) "Contact us"

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***Principle 7 Maintaining financial credibility and disclosure.***

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**The reporting of financial and non-financial information.**

The Audit Committee considers the qualifications of the auditor taking into account the independence, suitability, responsibility, including having no relationship or equity or transactions that may cause conflict of interest to the company, the management, major shareholders or persons related to such person. The person is also an auditor approved by the Office of the Securities and Exchange Commission. In 2018, the Audit Committee considered the auditor of the Company and its subsidiaries and the audit fee to be proposed to the Board for endorsement and the meeting of shareholders for approval. The designated auditor was Miss Manee Rattanabunnakit, CPA license no. 5313, or Mr. Termphong Opanaphan, CPA license no. 4501, or Mrs. Ponnard Paocharoen, CPA license no. 5238, from EY Office Limited.

- The reporting of financial and non-financial information

Board of Directors has assigned the Company to disclose financial and non-financial information in accuracy, completeness, reliability and timely disclosure of information to provide equal information to shareholders and stakeholders, include,

- \* Reports from sub-committees enclosed in the annual report.
- \* The results of the assessment of the adequacy of the internal control system that the internal auditor considers and submits to the Audit Committee and the Board of Director for comment.
- \* The auditor's opinion on the financial statements and the auditor's remarks on internal control, financial and accounting information that has reviewed, audited and certified by the auditor approved by the Office of the Securities and Exchange Commission. These are presented in the financial statements in the annual report.
- \* MD & A along with financial statements submitted quarterly release to investors and shareholders to acknowledge.

### Monitoring and evaluation of financial status

VP of Finance and Accounting Division has prepared report on liquidity and cash flow, summary report of foreign currency forward contracts and forecast of liquidity to be presented to the Board of Directors for acknowledgment regularly. The Board and management can find a solution soon if there are any signs of financial liquidity problems and the ability to repay. At present, the company has good performance, liquidity and sufficient capital to continue its business.

### Investor relations

The Company discloses important corporate information to the public in order for investors and stakeholders, both shareholders and parties interested, to hold shares in the future, to make good investment decisions. Such disclosures are made through the media and information dissemination of the Stock Exchange of Thailand, Company Website, Annual Report and the Annual Filing (56-1) etc.

The Chief Executive Office and Vice President, Finance and Accounting Division, are in charge of the disclosure of information to shareholders, investors and securities analysts and interested parties under the Communication and Disclosure Policy and Ethics and Practices of Investor Relations to provide accurate information, timely, equitable and transparent manner and protecting confidential information and information on stock price.

#### Contact Investor Relations

Mr.Dhanasarn Suravudhikul  
BT Wealth Industries Public Company Limited  
593/3 Soi Ramkhamhaeng 39 (Thep Leela 1)  
Ramkhamhaeng Road, Wangthonglang Bangkok 10310  
Telephone : 0-2314-2151-2 Ext. 303  
Facsimile : 0-2319-7301-2 E-mail : [ir@btw.co.th](mailto:ir@btw.co.th)

#### Investor relations activities organized in 2018

- Company Visit by group of shareholders 3 Times
- guest lecturer, seminar topics "Analysis of DWs" 1 Times
- Publish press releases 1 Times
- News Release via SET 23 Times

**Company dissemination**

The shareholders have access to the Company's information which is disclosed to the shareholders and the public equally, whether through the company's website ([www.btwealthindustries.com](http://www.btwealthindustries.com)), annual reports posted on the company's website and delivered to all shareholders, and the Annual Filing (56-1) published on the website of the SET. The disclosed information will be prepared carefully, completely, accurately and in a timely manner as well as in accordance with relevant laws. The news and information are made available in both Thai and English and regularly updated on the site.

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***Principle 8 Encourage participation and communication with shareholders.***

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The Company respects the rights of shareholders as the owners of the Company and encourages all shareholders, namely individuals, juristic persons and institutional investors, to attend the meetings of shareholders of the Company and exercise their rights based on the fundamental rights of shareholders. Examples of these rights include: the rights to buy, sell or transfer shares; to receive distributions of the Company's profits; to have adequate to the Company's information; to attend the meeting of shareholders, to be informed of the Company's annual operating results; to cast vote at the meetings of shareholders on material matters that require the shareholders' approval in accordance with the laws; and to make inquiries or express opinions on matters that the Board presents to the meeting of shareholders for acknowledgment or for approval; and etc.

The Company arranged the 2018 AGM by adhering to laws, regulations and good corporate governance standards applicable to listed companies, particularly in relation to the rights of shareholders and equitable treatment of shareholders. The Company's 2018 AGM was arranged within 120 days from the end of the Company's fiscal year, i.e. on 3 April 2018. The Company has been evaluated for the annual meeting of shareholders for the year 2018 under the "Quality of the Annual General Meeting of Shareholders" project held by the Thai Investors Association at 100 points.

**Shareholder participation**

The Company is scheduled to hold annual shareholder meetings to provide shareholders acknowledge the operation of the company and participates in the company's key decisions that are included in the agenda and proposed for approval. In preparation for the Annual General Meeting of Shareholders for the year 2018, the Company gave the minority shareholders the right to propose their agenda, questions and nomination of candidates to be elected as directors to the Nomination & Remuneration and Good Governance Committee in advance in accordance with the rules set by the company and published on the company's website from 1 December 2017 to 30 December 2017. None of the shareholders proposed an agenda or nominated persons to be elected as Directors at the Annual General Meeting of Shareholders for the year 2018 within the time limit set by the Company.

After the Board had approved the 2018 AGM date, the company assigned Thailand Securities Depository Co., Ltd. (TSD), the registrar of the Company to deliver the notice of the meeting to the shareholders. The notice of the meeting which contained date, time and place of meeting, details about the meeting agenda, the facts, rationale and the Board's recommendations on each agenda item and other informations : the accompanying documents, proxy, the proxy appointment, registration procedures and supporting documents that must be presented on the meeting date, procedure and method of voting , the 2017 annual report, etc, were submitted to the shareholders on 21 March 2018 which was in advance of the meeting date to allow the shareholders sufficient time to study the details of each agenda item to be voted at the meeting as well as encourage them to fully exercise their rights. The Company has also sent out the notice of the meeting and supporting documents in the English version to foreign shareholders.

In addition, the Company has also posted the notice of the meeting, supporting documents and the 2017 Annual Report on the company's website in advance of the meeting date or on 12 March 2018. The press announcement of the meeting to inform the shareholders was published in advance for 3 consecutive days before the meeting date or during 26-28 March 2018.

#### **On Meeting Date**

The Company had set the venue, date and time of the meeting, which was considered equally convenient for all shareholders and institutional investors. The Company has hired the outsource company to arrange the shareholders' meeting system to have a modern conference system, fast and accurate registration, as well as ballot counts and voting results. The Company uses ballots on every agenda.

The Company has established a simple and convenient registration procedure for its shareholders as stated in the notice of the meeting. The meeting attendance registration service was available 2 hours before the meeting commencement and continued until the time before last agenda consideration. The Company designated its officers to assist and facilitate convenience to shareholders throughout the meeting. This included provision of free stamp duty to shareholders granted / proxied. There was also snack available for the attending shareholders.

At the 2018 AGM, the Chairman of the Board presided as the chairman and conductor of the meeting and all directors were presented at the meeting. This includes the chairmen of other subcommittees, the management team, and the auditor.

Prior to the meeting commencement, The chairman of the Meeting informed the meeting about the number and percentage of shareholders attending the meeting in person and by proxy ,rules used in the meeting, voting procedure, the right to vote according to each type of share and how to conduct voting in each agenda. A representative from one shareholder was requested to serve as a witness to examine the vote counts throughout the meeting. The Company counted the votes and reported the voting results of each agenda item to the meeting, and the Company Secretary completely recorded the minutes of the meeting and the voting results of each agenda item.



When information was provided on each agenda item, the chairman of the meeting offered the shareholders equal opportunities to express their opinions and recommendations. Directors, Chief Executive Officer and managements have responded to the questions positively and provided timely discussion.

For the election of directors the Company had arranged the shareholders to vote for each director individually. As the Chairman of the Board and the other 2 Directors retired by rotation in this year, the Chairman delegated The Chairman of the Audit Committee to facilitate this agenda item as the Chairman of the meeting and, in adherence to the good corporate governance principle, invited directors nominated for election as directors to vacate the meeting room during the consideration of this agenda item for the meeting to ask and comment fully.

It is the Company's policy to attach importance to and respect the rights of shareholders. There were no unplanned or impromptu changes to the meeting agenda or to important information at the meeting.

#### **Post-Meeting**

The Company has notified the resolution of the meeting via the SET's news system on 4 April 2018. The minutes of the 2018 AGM were correctly and completely prepared and submitted to the Stock Exchange of Thailand. It was published on the company's website within 14 days after the Meeting on 12 April 2018. The minutes contained information about the names of the directors and management present at the meeting, this year, The number of directors attending the meeting was 100%, the voting and vote announcement procedures that were explained the meeting before proceeding with items on the meeting agenda, the meeting's resolutions and the numbers of approval, disapproval abstention votes and bad cards of all agenda items that required voting and also questions and answers in the meeting. In addition, the Company submitted the meeting minutes relating to the approval of the financial statements, the profit allocation and the dividend payment, including the annual report and other documents to the Ministry of Commerce within 1 month from the meeting date.

## Corporate Social Responsibility

### Policy and Overview

The Company aspires to achieve sustainable growth and optimum benefits for the shareholders taking into consideration the impact on stakeholders. To accomplish such aspiration, the Board, at its Meeting No. 3/2015 on 13 May 2015, established policies on corporate social responsibility for example Corporate Social Responsibility Policy, Anti-corruption Policy and Quality and Environmental Policy, which have been communicated to employees of all companies in the group for acknowledgement and strict compliance as follows:

### Corporate Social Responsibility Policy

The Company is committed to operate business with ethic and good corporate governance principles as well as taking responsibility for society and environment to foster the Company's sustainable development. In so doing, the Company upholds the principles as follows:

1. The Company will ensure fairness to all stakeholders.
2. The Company will stand against corruption and bribery.
3. The Company will treat stakeholders, communities and the society with respect for human values and human rights.
4. The Company will treat employees fairly and in compliance with the laws.
5. The Company will be responsible towards consumers through the quality control of its products and services in accordance with applicable standards.
6. The Company will incorporate environmental concerns into all work processes.
7. The Company will actively take part in developing the quality of life of the communities and the society according to the sustainable development framework.
8. The Company will constantly improve work processes to reduce the consumption of resources and minimize the environmental impact.

Executives and employees at all levels have a duty to support and comply with this Corporate Social Responsibility Policy.

### Anti-Corruption Policy

The Company is committed to doing business with integrity, transparency and fairness under the good corporate governance principles as well as embracing corporate social responsibility. The Company is determined to work against all forms of corruption and bribery either directly or indirectly, and therefore requires all employees to strictly adhere and conform to the following:

1. Employees shall not be involved in any form of corruption either directly or indirectly.

2. Employees shall proceed with caution in receiving or giving gifts and entertainment or any other benefits and ensure that it is for business purpose, involves reasonable value, and does not have any influence on decision making.
3. Efficient and proper internal control system and risk assessment must always be in place to prevent corruption. Corruption risk shall be reviewed and assessed at least once a year.
4. Financial statements must be prepared in a transparent and accurate manner and in accordance with the internationally accepted accounting standards.
5. Human resources management processes, from recruitment to employee care services, shall reflect the Company's determination to fight against corruption.
6. There shall be a whistleblowing channel for employees to report concerns, make suggestions, and file complaints about corruption whereby whistleblowers shall be fairly treated and protected.
7. The Company shall conform to the anti-corruption laws of all countries in which the company operates.
8. Employees breaching or violating this Anti-Corruption Policy either directly or indirectly shall be subject to disciplinary actions according to the company's regulations or legal punishment.

Employees shall ensure their understanding of and compliance with the Anti-Corruption Policy in all respects of their operating practices. Acts that may be in breach of this Policy shall be immediately reported to supervisors.

### **Quality and Environmental Policy**

The Company and subsidiaries are committed to do quality business and provide services and products to meet the needs and satisfaction of our customers with regard to environmental protection in all operation processes. The Board of Directors' Meeting No. 2/2558 held on February 25, 2015 has set the quality and environmental policy to be used by the Group as a guideline for the business operations to achieve that purpose as follows:

1. The Company will apply systems of standard quality management and environmental management into the operation processes for development and improvement of the environmental management and development system.
2. The Company will produce quality products according to relevant standards and meeting customer requirements.
3. The Company will procure quality raw materials and select qualified vendors / subcontractors with on time delivering.
4. The Company will reduce waste in the production process and deliver timely goods.
5. The Company will take care of workplace to ensure no serious accident occur.
6. The Company will encourage and educate all staffs to be aware of the environmental protection.
7. The Company will prevent pollution from company's activities that could impact the environment and community and comply with environmental laws of all countries in which the Company operates.

In normal business operation, the Company also requires that all operation processes will take into account of environmental concerns. The systems of standard quality management and environmental management have been applied in the processes. As a result, the company has been able to improve its operation methods to reduce impact on the environment.

Last year Best Tech has submitted the audit report and certification of energy management report for the year 2017, which is in compliance with the Ministerial Regulations, prescribing standards, criteria and methods for energy management in control plants and buildings B.E.2552 of the control factory. Best Tech and Engineering Limited (TSIC-ID: 24103-0020) has been inspected as Pass according to the standards of the Department of Alternative Energy Development and Efficiency. Energy conservation results can be considered as having actual savings when compared to the year 2016 at the rate of 3.20%. Best Tech has taken several measures to use the current system for maximum benefits by reducing the use hours of fluorescent lamps, cleaning the air conditioning condenser, and in the process of changing the lamp from Floodlight 400W to LED Floodlight 200W.

The Company also encourages its employees to be aware of the importance of maintaining the environment, prevention of pollution from company activities that may have an adverse effect on the organization and community environment and strict compliance with the environmental law. The Company has been certified for environmental management standard (ISO 14001: 2015). Furthermore, the Company has set policies, regulations and manuals related to environmental management and resource usage, as follows:

1. The Company has established Quality policy and environmental policy. ISO 9001: 2015 quality management system and ISO 14001: 2015 environmental management system have been applied in the operation under the motto " Produce good quality products. Conserve the environment ”.
2. The Company has made waste disposal procedure to control all kinds of waste management in factories that affect the environment to comply with the relevant laws and regulations.
3. The Company has prepared a manual on energy saving in the office to raise awareness about the use of valuable resources.
4. The Company has established Energy conservation policy to be used as a guideline for energy operations and encourage the use of energy for efficiency and maximum benefits.
5. The Company has provided knowledge and training to new employees on the first day or within the first week of work on all necessary tasks, such as work rules and regulations, corporate policy, quality policy, environmental policy, etc.

In the past, Best Tech has never received any complaints or never had a dispute or legal proceeding about an environmental impact.

### Activities for social and stakeholders' responsibilities.

The Company recognizes the importance of doing business with regard to the principles of conducting business under the Code of Conduct. The Company is committed to the corporate social responsibility and the importance of the stakeholders at all levels. In addition, The Company also recognizes the importance of returning benefits to the society. Therefore, the Company has participated in activities outside the normal business operations of the company as parts of continuously supporting society, community and environment. In the year 2018, company participated in social, community and environmental activities as follows:

- Support the scholarship according to the charity program "The Bridge of Hope # 7" of the AIDS infected person, Saint Camillo Foundation of Thailand to bring income as educational expenses for orphans, who are in the care of the center, affected by HIV.
- Hosted a Kathin Ceremony at Amphawan Temple, Sing Buri Province.
- Granting money to support the Children's Day activities of the year 2018 with the Sattahip Commercial Port and Schools in the community of Plutaluang Subdistrict, Sattahip District, Chonburi Province, Ban kormorha School and Ban Khao Baisri.





- Donate plywood for repairing the bed of soldiers in Sattahip Commercial Port.



- Participate in activities and donate funds in the activity of “2018 Annual Arparkorn’s day” to support soldiers in the Sattahip Commercial Port Authority.
- Participate in activities and donate funds in the activity of “2018 Annual Establishment Day of Chuk Samet Pier” to support soldiers in Chuk Samed Pier, Sattahip Commercial Port Authority.
- Participate in activities and donate scholarships to the children of government officials and employees of Sattahip Commercial Port in the activity "2018 Annual Establishment Day of Sattahip Commercial Port"



- Repaired damaged public road surface in front of the Helicopter Carrier Squadron inside Sattahip-Naval Base to prevent accidents.



- Planting 50 mangroves at Ao Tan Mangrove Forest Center, Sattahip District, Chonburi Province and planting coral at Haad Yao, Sattahip District, Chonburi Province for natural resource conservation.





## Internal Control and Risk Management

### Internal Control System

The Board of Directors has appointed the Audit Committee to have duties and responsibilities as specified in the Charter of the Audit Committee. The list of directors, structure and other details is shown in "Management Structure" in this Annual Report.

#### 1) Internal Control System of the Company

The Company is a holding company and has Best Tech as its core company operating the steel fabrication business which is a core business and the main source of revenue of the Company. Therefore, the assessment of the Company's internal control system encompasses the assessment of both Best Tech's internal control system and the Company's supervision of its subsidiaries' operations.

#### 2) Head of Internal Audit and Head of Compliance

The Company has engaged ANS Business Consultants Company Limited ("ANS") as its internal auditor continued since 31 July 2014 and ANS has designated Mr. Amornpong Nualwiwat, director, as the head of internal auditor of the Company. The Company assigned Vice President of Finance and Accounting Division to be the coordinator between the Company and Internal Auditor and Audit Committee.

The Audit Committee is in charge of reviewing the independence of the internal audit unit and endorsing the appointment, transfer and dismissal of the Company's internal auditor or any unit being responsible for the Company's internal audit activities. The Audit Committee reviewed the qualifications of ANS and Mr. Amornpong Nualwiwat and concluded that they possessed independence and qualifications that suitable for the position as Mr. Amornpong Nualwiwat had more than 10 years of internal audit experiences and completed the Certified Professional Internal Audit of Thailand Program. Qualifications of the Head of Internal Audit are as outlined in the section of Details about Head of Internal Audit in this Annual Report.

ANS audited Best Tech's internal control system from September – October 2014 at the head office, the Chachoensao office and the Sattahip office. The audit covered 9 work processes, i.e. 1) the sale/bidding process 2) the project management process 3) the product design and development process 4) the procurement/employment process 5) the inventory management process 6) the accounting and finance process 7) the information technology management process 8) the fixed asset, tool and equipment management process and 9) the human resources management process. ANS issued a report on internal control audit which presented audit findings and recommendations about each of the audited processes. These suggestions has been modified accordingly by management.

In the following years, ANS has prepared an annual audit plan and perform a system audit include follow-up improvements in the part of the system that has been reviewed and commented on continuously.

In 2018, ANS audited the Human Resource Management process and the accounting and finance process, review the inventory management process and sale/bidding process. ANS has issued an audit report and audit findings and provide suggestions on what should be improved in each process report to the Audit Committee and the Board of Directors. The said audit report included a summary of internal control and risk management issues that the Company and subsidiaries should work on in order to ensure that the internal control system and the risk management are efficient, adequate and appropriate. In this regard, the management team has undertaken improvement actions on most of the issues included in the recommendations.

In addition, no material issues about the internal control system and the risk management are identified by the Company's auditor and the Company's internal audit.

### **3) Opinions of the Board on the Company's Internal Control System**

Internal auditor assessed the adequacy of the Company's internal control system for the year 2018 by using data from the adequacy assessment form of the internal control system prepared when applying for a listing license in the stock exchange, as well as consider policies of relevant administrative and regulatory regulations and the overall opinion of the internal audit work of the year 2018 for Best Tech and Engineering Limited, the subsidiary that has the most major activities in the group. It is believed that this assessment can reflect the internal control of the Company.

Based on the assessment of the internal control system, internal auditor concluded that, in overall, the Group has an internal control system covering all 5 elements in accordance with the integrated internal control framework, namely control environment, risk assessment, control activities, information and communication, and monitoring activities. Build reasonable confidence that the risk management is at an acceptable level. Once the internal auditor detects a defect and report to the management and the responsible unit, the management has urged to correct and improve within a timely manner. The Risk Management Department also monitors the issue continuously. In case that various business units encounter problems and obstacles in the operation, the management will use the Operation Meeting mechanism in order to jointly find a conclusion to solve the problem and follow up with the amendment in time.

The Audit Committee and the Board of Directors have considered and acknowledged the result of such assessment and have opinions in consistent with the opinion of the internal auditor and have concluded that the Company's internal control and risk management system were adequate and appropriate and that the Company ensure that there was adequate personnel to effectively implement the systems. The Company also has in place the internal control system that is adequate for the Company's supervision of its subsidiaries' operations to prevent against the abusive or unauthorized use of assets of the Company or its subsidiaries by directors or executives as well as for controlling transactions with persons having potential conflicts of interest and related parties.

#### 4) Management of Conflicts of Interest

Business dealings generally involve multiple parties. To prevent transactions that may be in conflict with the best interest of the Company and its shareholders and to uphold the good corporate governance principles, the Board of Directors has established the policies governing the conflicts of interest of Company and its subsidiaries addressing different aspects of our transactions. These policies are disclosed on the Company's website under the section of "Code of Conduct". The policy is related to each other as follows

- 1) Policy in making connected transactions involving trade agreement done in similar manner a reasonable person would do to his counter-party in similar situation.
- 2) Policy in making new venture.
- 3) Policy in shareholding of companies that the Company and its subsidiaries have invested in.
- 4) Policy in lending to joint ventured company
- 5) Policy in preparation of written documents.

#### **Risk Management System**

The Company has its own Risk Management Committee which is chaired by an independent director and comprised of members being the Company's senior executives. This effectively contributes to the Risk Management Committee's insight into risks associated with the Company's business and its ability to make sound decisions and take a vigorous approach to risk management. The Risk Management Committee is responsible for screening and reviewing risks and make risk management recommendations to the Board of Directors.

The Company is fully aware that the rapid changes in the business environment, the economic and political volatility, the technological advancement, et cetera, will affect the Company's ability to achieve its goals. Therefore, the Company has developed the "Risk Management Policy" as described below to ensure that it has an adequate risk management mechanism to handle these changes:

1. Risk management is a key strategic aim of the Company and a part of its annual business plan development process.
2. Each functional unit has the duty to identify and manage its own risks.
3. Employees at all levels are responsible for risk management and are expected to be aware of risks associated with their operations.
4. Processes for managing material risks must be established and risks must be controlled within an acceptable level in support of the group's attainment of its business objectives.
5. Risk management performance must be regularly examined, monitored, assessed, and reported.

The Company has prepared the risk and opportunity analysis rules to be used as a basis for considering the impact of both positive and negative risks that will occur on the company in terms of Image, Quality and Environmental systems, Operational process and Goals of the Company. There are 5 levels of risk determination ie very high, high, medium, low, very low. The criteria for determining the risk level in each area will vary as appropriate.

In 2018, a comprehensive risk assessment was conducted for the Company and all entities within the Group, including Chachoengsao Workshop and Sattahip Workshops and Yards. In this regard, risk issues and risk management activities of all functional units were compiled and the following actions were taken to address key risk issues.

1. Improved and appointed a new risk management team to be in line with the organization structure of Best Tech & Engineering Ltd., which has been adjusted, in order to ensure that the Company's risk management is systematic, effective, responsive and timely and can reduce risks that may have adverse impact on the Company's business.

2. Preparing the risk management plan for the year 2019 by preparing a preliminary risk management plan for all departments to be a framework for risk management of the Company.

## Related-Party Transactions

### 1. Related-Party Transactions of the Company and Subsidiaries with Persons Having Potential Conflicts of Interest

Related-party transactions of the Company and subsidiaries with entities/persons with potential conflicts of interest for the year ended 31 December 2018 are as summarized below:

#### 1.1 Related-Party Transactions between the Company and Persons with Potential Conflicts of Interest

##### (1) Mrs. Siripond Satawin (“Mrs. Siripond”)

Mrs. Siripond Satawin is a director, executive and shareholder of the Company. Her shareholding in the Company was equivalent to 30.48% of the Company’s registered and paid-up capital (as of 28 December 2018).

Transaction	Transaction Size (MB)	Rationale and Reasonableness	Audit Committee’s Opinion
Office Space Rental expenses	Rental rate according to the contract Improve rental rate according to the Straight-Line Method Rental rate according to the Straight-Line Method	2.90 0.14 <u>3.04</u>	The office building rental transactions are necessary for the Group’s ability to facilitate the convenience of customers in contacting the Group.  After due consideration, the Audit Committee opined that the transactions were reasonable and the rental rates were lower than those of other buildings in the same area.

## 1.2 Related-Party Transactions between Best Tech and Engineering Company Limited (“Best Tech”) and Persons with Potential Conflicts of Interest

### (1) Mrs. Siripond Satawin (“Mrs. Siripond”)

Mrs. Siripond Satawin is a director of the Company and Best Tech. Her shareholding in the Company was equivalent to 30.48% of the Company’s registered and paid-up capital and 1 share of Best Tech’s registered and paid-up capital. (as of 28 December 2018)

Transaction	Transaction Size (MB)	Rationale and Reasonableness	Audit Committee’s Opinion
Office Space Rental expenses	<p>Rental rate according to the contract 2.25</p> <p>Improve rental rate according to the Straight-Line Method <u>0.11</u></p> <p>Rental rate according to the Straight-Line Method <u>2.36</u></p>	<p>Best Tech rented space of 2,294 sq.m. of a commercial building for use as Best Tech’s office and warehouse, divided into office area of 600 sq.m., common area of 994 sq.m., and warehouse of 700 sq.m. The rental building is located at 593/3 Soi Ramkhamhaeng 39 (Thep Leela 1), Ramkhamhaeng Road, Wangthonglang, Bangkok, from Mrs. Siripond. The rental agreement has a term of 3 years, from 1 January 2018 – 31 December 2020. And the company can renew the contract for another 3 years with the following rental rates.</p> <p>* Year 1 to year 3 ,from 1 January 2018 – 31 December 2020 the rental rate of Baht 187,900 per month.</p> <p>* Year 4 to year 6 ,from 1 January 2021 – 31 December 2023 the rental rate of Baht 206,700 per month.</p>	<p>The office building rental transaction is necessary for Best Tech’s ability to facilitate the convenience of customers in contacting the Company and for use as office and warehouse.</p> <p>After due consideration, the Audit Committee opined that the transaction was reasonable and the rental fee rates were lower than those of other buildings in the same area.</p>



## **2. Approval Procedures for Related-Party Transactions**

Previously, the Company operated as a limited company and thus did not establish procedures governing related-party transactions or an audit committee to review and render opinions on related-party transactions. However, the Company has thereafter defined measures and procedures governing the approval of related-party transactions and transactions with persons having potential conflicts of interest, according to which such transactions shall be escalated to the Audit Committee for opinions of the appropriateness of such transactions in view of the Company's best interest. For related-party transactions that are beyond the Audit Committee's fields of expertise, the Company will solicit opinions of independent experts or the Company's auditor on such transactions to support the consideration or decision of the Audit Committee and/or the Board and/or the meeting of shareholders, as applicable.

Persons with potential conflicts of interest or related parties shall not have the right to vote on such transactions. Related-party transactions that have been executed are disclosed in the notes to the audited financial statements of the Company, the Annual Report and the Annual Filing (Form 56-1) of the Company.

## **3. Related-Party Transactions Policy and Outlook**

### **3.1 Related-Party Transaction Policy**

1) Directors and executives of the Company and subsidiaries must prepare reports on conflicts of interest of themselves and their related parties and submit such reports to the Company in order that the Company has information beneficial for its compliance with rules governing related-party transactions.

2) Related-party transactions that may give rise to conflicts of interest shall be avoided.

3) Where it is necessary to execute related-party transactions, all related-party transactions of the Company and subsidiaries must be escalated to the Audit Committee for opinion and subsequently to the Board or the meeting of shareholders (as applicable) for approval. Exception applies to related-party transactions which have normal commercial terms and are in accordance with the principles that have already been approved by the Board.

4) The Company's internal procedures governing related-party transactions and applicable rules prescribed by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand shall be complied with.

5) The prices and conditions of related-party transactions shall be the same as those executed with third parties (arm's length basis) and must be fair, reasonable and in the Company's best interest. Where such benchmark is not available, the Company and subsidiaries shall refer to the prices of products and services of the same or similar terms and conditions of external parties.

6) Parties having conflicts of interest with related-party transactions shall not have the authority to approve or vote on such transactions.

7) The Company or subsidiaries may appoint an independent appraiser to evaluate and compare the prices of major related-party transactions to ensure that they are reasonable and in the Company's best interest.

### 3.2 Outlook of Related-Party Transactions with Persons having Potential Conflicts of Interest

Despite the Company's policy to avoid related-party transactions, the Company may have to continue to enter into related-party transactions with entities and/or persons having potential conflicts of interest in the future in the circumstances that related-party transactions are necessary and beneficial for the Company. The outlook of related-party transactions is as summarized below:

1) Short-term rental of assets, i.e. the rental of office building by the Company and Best Tech from a director, are likely to continue in the future.

2) Financial assistance:

2.1) Loans from directors and loan guarantees by directors - The Company anticipates that this transactions will not occur in the future as the Company does not have a policy to borrow from its directors nor to seek guarantees from directors for the future loans of the Company or subsidiaries.

2.2) Advance payment by related entities or persons – The Company anticipates that these transactions will occur in the future as and when necessary for the business.

For future related-party transactions, the Company shall comply with the laws governing securities and exchange, Articles of Association, notifications, orders or related rules, including the rules governing related-party transactions and the acquisition and disposal of major assets of the Company. Such transactions shall not give rise to conflicts of interest and shall be conducted in the best interest of the Company and all shareholders.

## Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors attaches importance to its oversight duties and responsibilities and is responsible for the separate and consolidated financial statements of the Company and its subsidiaries. These financial statements were prepared in accordance with generally accepted accounting standards and the rules of the Securities and Exchange Commission. In addition, the Company selected accounting policies deemed appropriate for the Company. These financial statements were audited by an auditor being a certified public accountant in accordance with the generally accepted accounting standards and the auditor issued unqualified opinions on the financial statements of the Company and its subsidiaries.

The Board of Directors has assigned the Audit Committee, which is entirely comprised of independent directors, to oversee the internal control system and the risk management system and review the financial statements of the Company and its subsidiaries to ensure that the financial reports for 2018 of the Company and its subsidiaries are correctly prepared and adequately disclosed. The Audit Committee's opinions with regard to these matters are stated in the Audit Committee Report.

The Board of Directors is of the view that the Company's overall internal control system and risk management system of the Company and its subsidiaries are appropriate and adequate to provide reasonable assurance that the financial reports for 2018 of the Company and its subsidiaries are in accordance with the financial reporting standards and the applicable laws.



(Assoc. Prof. Dr. Paiboon Sareewiwatthana)

Chairman of the Board of Directors

## Analysis of Financial Position and Results of Operation

### Overview of past operations

Previously engaged in the trading and distribution of supplies and metal devices for different types of industries, the Group, operating through Best Tech, is currently providing services related to parts fabrication and modularization to domestic and international customers in large-scale heavy industries. Subsequently since 2016, the Group has expanded its business to cover services as power plant engineering, procurement & construction (EPC) contractor through initially providing EPC services for solar farm projects.

Furthermore, the Group has a plan to expand its business to solar power and other renewable energy plants under the operations of BT and Owl Solar 1 Company Limited (BT Owl) and Global Clean Energy Company Limited (Global Clean), the Company's subsidiaries.

### Analysis of Results of Operation

#### 1) Analysis of results of operation according to revenue structure

The Group's sources of total revenue can be divided into 3 main categories, i.e. revenue from fabrication work, gain on exchange rate, and other revenue, as shown below:

Revenue structure of the Group for 2016, 2017 and 2018

Total Revenue	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Revenue from Fabrication Work	1,781.17	93.89	1,414.31	97.36	1,236.79	95.67
Gain on Exchange Rate	46.63	2.46	2.93	0.20	13.18	1.02
Other Revenue	69.27	3.65	35.44	2.44	42.81	3.31
<b>Total Revenue</b>	<b>1,897.07</b>	<b>100.00</b>	<b>1,452.68</b>	<b>100.00</b>	<b>1,292.78</b>	<b>100.00</b>

The Group's total revenue decreased by 23.43% YOY in 2017 and 11.01% YOY in 2018. The revenue decrease in 2018 was mainly caused by decreasing revenue from fabrication work amid economic slowdown. Foreign exchange gains in 2018 increased from 2017 by approximately 10.25 million baht due to higher revenues in US dollars and effective risk management. In addition, other income increased slightly from 2017, approximately Baht 7.37 million (20.8%).

The Group's revenue from fabrication work for 2017 was Baht 1,414.31 million, decrease of 20.60% or Baht 366.87 million from 2016. Even though the processing and assembly of large pieces of work began (Modularization) came in but still has a relatively small proportion comparing with parts fabrication. Since the main projects that are continuing from 2016 are at the end of the work, which has a small amount of work remaining. New projects received in 2017 is not very high.

The Group's revenue from fabrication work for 2018 was Baht 1,236.79 million, a decrease of Baht 177.52 million or 12.55% YOY. This was because new projects in 2018 were relatively small. Therefore, the aggregate value of new projects awarded to the Group in 2018 was lower than the previous year.

### (1) Revenue from fabrication work

Revenue from fabrication work for 2016, 2017 and 2018 accounted for 93.89%, 97.39% and 95.67% of total revenue, respectively. Revenue from fabrication work consisted of revenue from 4 types of works, namely modularization, parts fabrication, power plant EPC contractor, and others as detailed below:

Revenue structure from fabrication work for 2016, 2017 and 2018

Revenue from Fabrication Work	For the Year ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
1) Modularization	-	-	182.15	12.88	125.00	10.11
2) Parts Fabrication	1,317.15	73.95	1,127.48	79.72	1,045.14	84.50
3) Power Plant EPC Contractor	464.02	26.05	104.68	7.40	48.59	3.93
4) Others	-	-	-	-	18.06	1.46
<b>Total</b>	<b>1,781.17</b>	<b>100.00</b>	<b>1,414.31</b>	<b>100.00</b>	<b>1,236.79</b>	<b>100.00</b>

In 2018, the revenue from fabrication work concentrated primarily in parts fabrication work, which accounted for 84.50% of revenue from fabrication work, while in 2016 and 2017 the Group's revenue from parts fabrication accounted for 73.95% and 79.72% of the revenue from fabrication work respectively. Revenue from the power plant EPC contractor service, which was the Group's new business, represented 26.05%, 7.40%, and 3.93% of the revenue from fabrication work for 2016, 2017, and 2018 respectively.

### 1) Revenue from modularization

Revenue from processing and assembling large work pieces (Modularization) started to receive again in 2017-2018 with a value of Baht 307.15 million, while in 2016, the group had no income from such categories at all. In the last quarter of 2017, the Group received large-scale processing and assembly projects. (Modularization) for Australian mineral crushing plant structure and separation resulting in revenue from modularization in 2017 and 2018, equal to Baht 182.15 million and Baht 125 million baht respectively.

### 2) Revenue from parts fabrication

At present, revenue from parts fabrication is considered the main income. In 2016, 2017, and 2018, the Group has revenue from parts fabrication of Baht 1,317.15 million, Baht 1,127.48 million, and Baht 1,045.14 million respectively, representing 74% -85% of total revenue. The work coming from customers in the power plant industry both in Thailand and abroad were consisted of piping systems, steel structure work, processing and assembly of pressure resistant tanks and tanks. The important works those recognize revenue in 2016 to 2018 were such as the power plant system of Ban Pong, processing and assembly of pressure resistant tanks and tanks, piping systems of Mae Moh Power Plant, steel structure of Gulf SPP3 power plant, and steel structure work in power plant projects in Pakistan, Mexico, United States, and Bahrain etc.

**3) Revenue from power plant EPC contractor**

The Group started providing services as a power plant EPC contractor in 2016 and was engaged in 2 solar farms, each with the capacity of 5 MW, of the Trat District Agricultural Cooperative in Trat Province and the Bang Sapan Noi Agricultural Cooperative in Prachuap Khiri Khan Province. The realized revenue in 2016 was Baht 464.02 million, accounting for 26.05% of revenue from fabrication work.

In 2017, the Group's revenue from power plant EPC contractor was Baht 104.68 million, representing 7.40% of revenue from fabrication work. The revenue was generated by the last phase of the solar farm construction projects, the biogas power plant construction project and the power station construction project. In 2018, the Group had revenue from the construction of a complete power plant in the amount of Baht 48.59 million, representing 3.93% of revenue from production which is the income from the work at the end of the power station construction project.

**4) Revenue from others**

In 2018, the Group received non-core work, such as material supply, paint work, installation work, engineering and other consulting work, factory construction, etc., which were operations other than the main stream work and began to recognize revenue in the amount of Baht 18.06 million.

**(2) Gain on exchange rate**

Part of the main revenue of Best Tech during the past several years was from the steel fabrication service provided for international customers which involved the importation of certain raw materials from other countries. Therefore, main revenue and certain expenses were denominated in foreign currencies. Given the nature of these transactions, the Group incurred gains or losses from foreign exchange as of transaction dates compared with foreign exchange rates as of settlement dates or the last day of the accounting period according to changes in baht values. Nevertheless, the management team of the Group regularly monitored changes in exchange rates with the exchange rate risk management in the form of Natural Hedge, which manages the income and expenditure in foreign currency and some parts will be entered into a forward contracts to mitigate risks from volatile exchange rates that could impact the Group's operating results.

The gain (loss) on exchange rate for 2016, 2017 and 2018 was Baht 46.63 million, Baht 2.93 million, and Baht 13.18 million respectively. In 2016, the termination of forward contracts that did not incur any loss to the Company and the appreciation of the THB against USD (based on the reference rate of Baht 35.82/USD at the end of 2016) allowed the Group to record gains on sales of USD under its outstanding forward contracts which were recorded in liabilities from derivatives instrument based on the reference exchange of Baht 36.08/USD at the end of 2015. In 2017 despite the sharp appreciation of THB against USD to Baht 32.66/USD at the end of the year, the Group recorded small gains on exchange rate because the Group had unwound all the existing USD forward contracts in the first quarter and entered into new forward contracts in the fourth quarter. For the year 2018, the Group has managed some risks by doing some natural hedging and having contracts to sell foreign currency in advance for large projects and earning in US dollars.

At the end of 2016, 2017 and 2018, Best Tech recorded outstanding forward contracts for USD sale at USD 5.04 million, USD 5.53 million, and USD 1.49 million respectively.



### (3) Other revenue

In 2016, 2017 and 2018, other revenue of the Group totaled Baht 69.27 million, Baht 35.44 million, and Baht 42.81 million respectively, representing YOY decreases of 48.83% in 2017 and 20.80% increase YOY in 2018. The Group had other revenue such as revenue from rebates from steel raw material purchases, revenue from contract termination, gains on sales of assets, and rental income of devices and tools. Such other revenue was continuously generated from normal operations but was not of very high value.

## 2) Cost and gross profit margin analysis

Structure of revenue, cost, and gross profit margin from fabrication work for 2016, 2017 and 2018

Item	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Revenue from Fabrication Work	1,781.17	100.00	1,414.31	100.00	1,236.79	100.00
Cost of Fabrication Work	1,575.27	88.44	1,312.37	92.79	1,200.11	97.03
<b>Gross Profit</b>	<b>205.90</b>	<b>11.56</b>	<b>101.94</b>	<b>7.21</b>	<b>36.68</b>	<b>2.97</b>

The Group, operating through Best Tech, recorded the cost of fabrication work for 2016, 2017 and 2018 of Baht 1,575.27 million, Baht 1,312.37 million, and Baht 1,200.11 million respectively, accounting for 88.44%, 92.79% and 97.03% of revenue from fabrication work respectively.

The gross profit margin of the Group varies from period to period depending upon various factors. Key factors are as follows:

1) Different types of work in each period. Modularization yields a higher gross profit margin than parts fabrication due to its complexity and lower market competition.

2) Variation orders in each period. Variation orders offer a higher average gross profit margin than contract-based orders. This is because most variation orders incur labor costs for making adjustments according to customers' orders and are urgent; so the Group can charge customers at higher-than-usual fee rates.

3) Power plant EPC contractor service. This service offers a lower gross profit margin than steel fabrication because the main costs of power plant EPC contractor service are from the purchases of electricity production machinery and equipment with a relatively low gross profit margin.

The factors having greatest impact on the Group's gross profit margin were different types of work and variation orders in the respective periods. In 2016, there was no modularization work. The main revenue only came from parts fabrication work. In 2017 the Group began to have a modularization work but the proportion of revenue is still relatively low, about 10-13% of total revenue from production. In particular, the Group has a relatively high fixed cost which did not reduce in the same proportion as the revenue and lower margin projects amid economic slowdown and intense market competition.

### 3) Administrative expenses

The Group's key administrative expenses include personnel expenses, office expenses, vehicle expenses, selling expenses, consultation and service fees, other fees and taxes, insurance expenses, and other expenses as summarized below:

Structure of administrative expenses for 2016, 2017 and 2018

Item	For the Year Ended 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Personnel Expenses	91.77	50.36	63.86	46.66	64.16	56.87
Office and Vehicle Expenses	38.86	21.32	19.86	14.51	19.20	17.02
Selling Expenses and Consultation/Service Fees	29.50	16.19	15.17	11.08	23.31	20.66
Fees, Taxes and Other Expenses	22.11	12.13	37.99	27.76	6.14	5.45
<b>Total Administrative Expenses</b>	<b>182.24</b>	<b>100.00</b>	<b>136.88</b>	<b>100.00</b>	<b>112.81</b>	<b>100.00</b>

The Group's administrative expenses decreased by 24.89% in 2017 YOY and 17.59% in 2018 YOY. In 2017, the administrative expenses of the Group decreased by Baht 45.36 million compared to the previous year. The main reasons were from employee expenses, including bonuses and reduced compensation, reduced depreciation of the property, and advisory and service fees from the initial public offering of IPO shares. In 2018 Fees, Taxes and other expenses was reduced from 2017 by Baht 31.85 million due to mainly form the provision for doubtful accounts in 2017 amounted to approximately Baht 24.86 million.

### 4) Operating profit and net profit

Operating profit and net profit for 2016, 2017 and 2018

Item	For the Year Ended 31 December		
	2016	2017	2018
Operating Profit (Baht Million)	139.56	3.43	(20.14)
Net Profit (Loss) (Baht Million)	107.53	(10.16)	(24.84)
Operating Profit Margin (%)	7.36	0.24	(1.63)
Net Profit (Loss) Margin (%)	5.67	(0.70)	(1.92)

Operating profit for 2016, 2017 and 2018 was Baht 139.56 million, Baht 3.43 million and Baht (20.14) million, respectively, representing YOY decreases of 97.54% in 2017 and 687.17% in 2018.

In 2016, the Group did not have any modularization work resulting in a relatively low operating profit. In 2017 and 2018, the Group's operating profit margin was positively low of 0.24% and negatively loss of 1.68% respectively. In particular, the Group has a relatively high fixed cost which did not reduce in the same proportion as the reduction of revenue and lower margin projects amid economic slowdown and intense market competition.

The net profit/(loss) of the Group varied with the Group's operating profit each year. The Group reported a net profit of Baht 107.53 million in 2016 and Baht (10.16) million in 2017, but a net loss of Baht (24.84) million in 2018.

In 2016, the Group experienced higher tax expenses since Best Tech's revenue was generated partly from factory building construction for the Company and power plant EPC contractor service; and revenue from such type of work was not exempted from corporate income tax according to the BOI promotion certificate. Consequently, the Group saw a huge difference between its operating profit and its net profit. In 2017 and 2018, finance costs and income tax expenses from certain construction projects that were not entitled to the tax exemption privileges under the BOI promotion certificate, coupled with low operating profit, caused the Group to suffer net loss.

## Financial Position Analysis

### Assets

The Group's total assets as of 31 December 2016, 2017 and 2018 were Baht 2,022.58 million, Baht 1,900.36 million, and Baht 1,744.63 million, respectively. The Group's core assets at the end of 2016, 2017 and 2018 consisted of cash and short-term investment, accounts receivable, accrued revenue, and inventory. These items were current assets necessary for the projects of the Group. Changes in total assets were therefore caused by changes in current assets which were influenced by the types of projects and the operating activities which varied with the volume of works in each year. In 2016, the Group expanded its scope of operations to cover power plant EPC contractor service and the Group was a major contractor of these projects. This service covers design and engineering, machinery and equipment procurement, and power plant construction. As such, the Group needed higher working capital and this led to changes in the proportion of each current asset.

#### (1) Cash and short-term investment

As of 31 December 2016, 2017 and 2018, the Group's cash and short-term investment totaled Baht 216.10 million, Baht 291.92 million and Baht 45.14 million respectively. As of 31 December 2017, the Group has more cash and temporary investments from the previous year. During the year net receiving cash from operating activities of Baht 217.25 million while the company invested in fixed assets, building and equipment in the amount of Baht 66.61 million, dividend payment during the year Baht 52.92 million, and net loan repayment of Baht 12.95 million, resulting in increased cash and temporary investments at the end of 2017.

At the end of 2018, the cash amount decreased from the year 2017, approximately Baht 246.78 million, partly due to the unpaid account receivable, work in progress, inventories, and others.

#### (2) Accounts receivable and other receivable

As of 31 December 2016, 2017 and 2018, the Group's accounts receivable and other receivable totaled Baht 537.28 million, Baht 340.86 million and Baht 300.64 million respectively, with a 36.56% decrease YOY in 2017 and a 11.79% increase YOY in 2018. Most debtors were accounts receivable and other receivable, constituting approximately 80%-91%. Changes in accounts receivable at the end of each year were based upon types of work and quantities of projects being executed by the Group. Also, the amount of finished product that could be charged to the customer as compared with the advance from the customer for that particular project was considered. If at the end of

the year, the project's work in progress of Best Tech was of high value and the amount charged to the customer based on the percentage of completion was higher than the advance from the customer, Best Tech would have a high level of accounts receivable.

As at December 31, 2017 and as at December 31, 2018, the Group had accounts receivable and other receivables decreased from the previous year which is in accordance with the progress of the work during the reporting period. Most of which are parts fabrication which has many medium and small project with smaller value and numbers.

The Group's accounts receivable and other receivable could be divided based on types and aging of debts as follows:

Structure of accounts receivable and other receivable as of 31 December 2016, 2017 and 2018

Item	As of 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
<b>Accounts Receivable</b>						
Undue Balances	321.55	59.85	211.26	61.98	149.83	52.50
Past Due Balances:						
Up to 3 Months	159.36	29.66	44.82	13.15	74.05	24.63
3 – 6 Months	6.82	1.27	13.51	3.96	55.54	18.47
more than 6 Months	-		2.37	0.69	8.11	0.04
<b>Total Accounts Receivable</b>	<b>487.73</b>	<b>90.78</b>	<b>271.96</b>	<b>79.78</b>	<b>287.53</b>	<b>95.64</b>
<b>Other Receivable</b>						
Total Other Receivable	49.55	9.22	68.90	20.22	13.11	4.36
<b>Total Accounts Receivable and Other Receivable</b>	<b>537.28</b>	<b>100.00</b>	<b>340.86</b>	<b>100.00</b>	<b>300.64</b>	<b>100.00</b>

All of the Group's accounts receivable and other receivable were from unrelated parties. Most accounts receivable consisted of undue balances. The Group had a credit term policy of 30-120 days from the date of invoice. As for the policy for setting aside an allowance for doubtful debts, the Group will consider payment history, credit status, and aging analysis of debtors. Debt servicing ability (credit) of each customer was analyzed and evaluated on a regular basis. As of 31 December 2018, no allowance for doubtful accounts was set aside because the Group, after due consideration, found no signs of payment defaults.

### (3) Unbilled receivables

As of 31 December 2016, 2017 and 2018, the Group's unbilled receivables totaled Baht 321.13 million, Baht 253.94 million and Baht 326.22 million, respectively, representing a YOY decrease of 20.92% in 2017 and a YOY increase of 28.46% in 2018.

Unbilled receivables refers to a transaction in which a value of work is recognized based on the percentage of completion method but is not yet charged to the customer as the due date as per the manufacturing service contract is not yet reached. Such transaction cannot yet be recorded as an account receivable and therefore must be recorded as unbilled receivables. A change in unbilled receivables each year is derived from the difference between

the amount of revenue recognized based on the percentage of completion method and the amount of revenue charged to the customer according to the provision in the manufacturing service contract. If the amount of revenue recognized based on the percentage of completion method is higher than the amount of revenue charged to the customer, the difference will be recorded as unbilled receivables at the end of a given period.

The Group's unbilled receivables at the end of 2016, 2017, and 2018 is the nature of the payment conditions of the projects in progress. The Group saw ongoing growth of its parts fabrication works for domestic power plant projects. As for such projects, the Group is required to collect payments from its customers only when each step of operations is completed, for example, the purchase of raw materials and the handover of deliverables to customers. However, as for modularization projects, the Group is required to collect payments from its customers based on actual progress in view of engineering.

#### (4) Work in progress and inventory

As of 31 December 2016, 2017 and 2018, the Group had work in progress and inventory of Baht 235.87 million, Baht 314.09 million, and Baht 360.56 million respectively, representing a 33.16% increase YOY in 2017 and a 14.80% increase YOY in 2017. All inventory items were within the operations of Best Tech and could be divided into: 1) Work in progress which refers to a part of work under manufacturing process which cannot yet be recognized as cost of manufacturing in the income statement because the criteria for revenue and cost recognition based on the percentage of completion method are not met yet. In this regard, such project cost is considered work in progress and a part of assets in the statement of financial position; and 2) Raw materials and supplies most of which are steel plates and structural steel acquired to fulfill customers' manufacturing orders.

Work in progress and inventory as of 31 December 2016, 2017 and 2018

Item	As of 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Work in Progress	10.22	4.33	32.03	10.20	52.15	14.46
Raw Materials and Supplies	219.21	92.93	282.06	89.80	308.41	85.51
Goods in Transit	6.45	2.73	-	-	-	-
<b>Total Work in Progress and Inventory</b>	<b>235.87</b>	<b>100.00</b>	<b>314.09</b>	<b>100.00</b>	<b>360.56</b>	<b>100.00</b>

As of 31 December 2017, Best Tech's work in progress was Baht 32.03 million, most of which was related to modularization works for crushing plant structures and screens in Australia. The main items referred to raw materials under manufacturing process by sub-contractors. During the end of the year, Best Tech sent raw materials to sub-contractors according to their full production requirements while only some parts were finished and sent back by sub-contractors to Best Tech during the year. Thus, at the end of the year, raw materials under manufacturing process by sub-contractors were presented as work in progress of high value in the statement of financial position of the Group. Most of work in progress at the end of 2018 was parts fabrication work that has not yet reached the delivery period and is the overlapping period between 2017 and 2018.

At the end of 2016, 2017 and 2018, the Group's raw materials and supplies totaled Baht 219.21 million, Baht 282.06 million and Baht 308.41 million respectively. The levels of raw materials and supplies during

these years were relatively stable because the Group adopted an inventory management system by ordering raw materials only to fulfill the production needs in each particular period. This was aimed at managing cash flows for raw materials purchase while also reducing the raw material storage. Thus, the level of raw materials was relatively stable although the sizes of projects operated by the Group varied.

#### (5) Property, plant and equipment - net

As of 31 December 2016, 2017 and 2018, the Group's property, plant and equipment – net totaled Baht 625.91 million, Baht 613.68 million and Baht 631.36 million respectively, representing a 1.95% decrease YOY in 2017 and a 2.88% increase YOY in 2018. The property, plant and equipment – net could be divided into the following categories:

Property, plant and equipment – net as of 31 December 2016, 2017 and 2018

Item	As of 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
Land	55.55	8.88	55.55	9.05	55.55	8.80
Building	74.22	11.86	280.36	45.69	337.91	53.52
Machinery and Equipment	129.36	20.67	122.73	19.99	146.54	23.21
Office Equipment	17.51	2.80	13.35	2.18	9.66	1.53
Vehicles	21.18	3.38	13.20	2.15	17.42	2.76
Assets under Installation and Construction	328.10	52.42	128.49	20.94	64.28	10.18
<b>Property, Plant and Equipment - net</b>	<b>625.91</b>	<b>100.00</b>	<b>613.68</b>	<b>100.00</b>	<b>631.36</b>	<b>100.00</b>

The Group's property, plant and equipment (net) increased in the past few years mainly because of the increase in machinery and equipment, vehicles, and assets under installation and construction. The Group purchased machinery and equipment such as steel cutting machines, scaffolding, cranes, etc. in order to expand its production capacity and to accommodate business growth. The Group also purchased vehicles for goods transport between construction sites and for general purposes in place of rented vehicles. Thus, the net value of machinery and equipment and vehicles increased continuously. However, the Group's property, plant and equipment at the end of 2017 slightly decreased from the previous year because the factory construction and improvement were near completion and thus caused the value of additional investment in assets during the year to be less than the depreciation value. Therefore, the Group's property, plant and equipment – net decreased.

Furthermore, as of 31 December 2016, 2017 and 2018, the Group's assets under installation and construction totaled Baht 328.10 million, Baht 128.49 million, and Baht 64.28 million, respectively. Such items referred to a new factory building under construction at the Sattahip site aimed at increasing production efficiency of large-scale projects and ensuring continuity of operations despite rain. Therefore, the Group's assets under installation and construction increased significantly at the end of 2015 and 2016. The decrease of assets under installation and construction at the end of 2017 was attributable to the transfer of the large volume of these assets, after the construction completion, to the categories of land, building, and machinery and equipment during the year. In which the year 2018 is similar to the year 2017 as well.

## (6) Other current assets and other non-current assets

Other current assets and other non-current assets as of 31 December 2016, 2017 and 2018

Item	As of 31 December		
	2016	2017	2018
	MB	MB	MB
Other current assets	35.15	45.36	50.81
Other non-current assets	13.64	10.70	8.08

Other current assets consist of prepaid insurance premiums, withholding corporate income tax, prepaid corporate income tax, Por Ngor Dor 51, other prepaid expenses, purchase tax has not yet been due, assets from foreign exchange contracts, and liabilities from foreign exchange contracts. Other non-current assets consist of prepaid deposits and property rental insurance.

### Capital structure

#### Total liabilities

The Group's total liabilities as of 31 December 2016, 2017 and 2018 were Baht 590.52 million, and Baht 531.65 million, and Baht 400.75 million, respectively, with a 9.97% decrease YOY in 2017 and a 24.62% decrease in 2018. Most liabilities of the Group were current liabilities related to the operations such as short-term loans from financial institutions, accounts payable, unearned revenue from construction. Therefore, changes in total liabilities were in line with changes in total assets and the number of projects implemented each year. As of December 31, 2017, the Group's total liabilities decreased from the end of 2016 due to the payment of debt from derivatives contracts in the year 2016 in the amount of 25.68 million baht and the payment of partial liabilities under the financial lease agreement. In 2018, the Group a decrease in total liabilities due to the construction of a solar farm project, which was completed in the first quarter of 2017. Therefore, accounts payable and other payables decreased by about Baht 106.68 million.

#### 1) Bill of exchange creditors and short-term loans from financial institutions

As of 31 December 2016, the Group had bill of exchange creditors totaling Baht 100.00 million. The bills of exchange was issued to raise additional working capital for the Group and were repaid in February and March 2017. The short-term loan from a financial institution of Baht 132.32 million as of December 31, 2018 was a trust receipt facility and promissory note extended to the Group by a bank to facilitate the purchase of raw materials used in the operations.

#### 2) Accounts payable and other payable

As of 31 December 2016, 2017 and 2018, the Group's accounts payable and other payable totaled Baht 246.40 million, and Baht 235.56 million and Baht 128.89 million, respectively. The Group's accounts payable mainly consisted of balances from purchases of raw materials and accrued expenses, including accrued bonuses and accrued electricity expenses of factories.



## Accounts payable and other payable as of 31 December 2016, 2017 and 2018

Item	As of 31 December					
	2016		2017		2018	
	MB	%	MB	%	MB	%
<b>Unrelated parties</b>						
Accounts Payable and Payable for Purchase of Assets	219.29	88.99	203.05	86.20	105.57	81.91
Accrued Expenses and Other Payable	26.21	10.64	32.51	13.80	23.06	17.89
<b>Related Parties</b>						
Accrued Expenses and Other Payable	0.91	0.37	-	-	0.26	0.20
<b>Total</b>	<b>246.40</b>	<b>100.00</b>	<b>235.56</b>	<b>100.00</b>	<b>128.89</b>	<b>100.00</b>

For the period ended 31 December 2016, the Group had more parts fabrication projects and the power plant EPC contractor projects were still ongoing, though in their last phase, leading to the purchase of raw materials to support such projects. Since such purchase balances were not yet due, the accounts payable increased to a high level at the end of 2016. However, the accounts payable at the end of 2017 decreased as the solar farm construction projects were completed in the first quarter of 2017. As of the end of 2018, the decrease in revenue resulted in a decrease in trade accounts payable in the same direction.

Generally, Best Tech has different credit terms from different creditors. For foreign steel raw material creditors, credit terms are within a range of 30-180 days for purchases under trust receipt facilities. For domestic steel raw material creditors, some creditors require that Best Tech make partial payments in advance for every purchase and pay the remaining balances when all steel raw materials have been received.

### 3) Construction revenue received in advance

As of 31 December 2016, 2017 and 2018, the Group's construction revenue received in advance was Baht 109.84 million, Baht 87.25 million and Baht 29.65 million, respectively. Construction revenue received in advance is cash received in advance from the customer according to the manufacturing service contract. Normally, the customer must pay funds in advance in installments from the contract date and according to the work progress as specified in the contract such as when ordering raw materials. The value of advance payments may vary based upon the conditions stipulated in the manufacturing service contract. Such advance payments will be recorded as part of liabilities in the statement of financial position and gradually recognized as revenue in the income statement according to the percentage of completion and production progress. Amount of construction revenue received in advance decreases each year due to the current high competition conditions. Employer therefore did not propose the construction cost in advance for the project in the latter period.

## Shareholders' equity

The Group's shareholders' equity as of 31 December 2016, 2017 and 2018

Item (Unit: MB)	As of 31 December		
	2016	2017	2018
<b>Share capital</b>			
Registered Capital	378.00	378.00	378.00
Issued and Paid-up Capital	378.00	378.00	378.00
Ordinary Share Premium	495.77	495.77	495.77
Retained Earnings – Appropriated	39.00	39.00	39.00
Retained Earnings – Unappropriated	357.24	294.32	269.66
Other Components of Shareholders' Equity	160.22	160.22	160.22
<b>Shareholders' Equity of the Company</b>	<b>1,430.23</b>	<b>1,367.31</b>	<b>1,342.65</b>
Equity Attributable to Non-controlling Interests of the Subsidiaries	1.84	1.40	1.22
<b>Total Shareholders' Equity</b>	<b>1,432.07</b>	<b>1,368.71</b>	<b>1,343.87</b>

The Group's shareholders' equity as of 31 December 2017 and 2018 decreased by 4.42% YOY and 1.82% YOY respectively. The shareholders' equity declined YOY as a result of net operating loss in 2016 and 2017.

## Cash flow

Item (Unit: MB)	For Year Ended 31 December		
	2016	2017	2018
<b>Cash and Cash Equivalents – At the Beginning of the Period</b>	<b>206.34</b>	<b>115.47</b>	<b>291.92</b>
Operating Activities			
- Operating Profits Before Changes in Operating Assets and Liabilities	134.96	112.85	61.04
- Changes in Operating Assets and Liabilities	(391.90)	104.40	(261.59)
Net Cash Flow from (Used in) Operating Activities	(256.93)	217.25	(201.15)
Net Cash Flow from (Used in) Investing Activities	(174.47)	33.76	(82.17)
Net Cash Flow from (Used in) Financing Activities	340.53	(74.56)	36.54
<b>Cash And Cash Equivalents – At the End of the Period</b>	<b>115.47</b>	<b>291.92</b>	<b>45.14</b>

Operating profits before changes in operating assets and liabilities for the years ended 31 December 2016, 2017 and 2018 increased by Baht 134.96 million, Baht 112.85 million and 61.04 million, respectively. Net cash flow from operating activities decreased Baht 256.93 million in 2016, increased Baht 217.25 million in 2017, and decreased Baht 201.15 million in 2018. Changes in each period were in line with changes in operating assets and liabilities which mainly consisted of accounts receivable and other receivable, accounts payable and other payable, and unearned revenue from construction.

For 2017, the Group's net cash flow from operating activities was Baht 217.25 million due to its lower need for working capital following the completion of the power plant EPC contractor projects in March 2017.

In 2016, 2017 and 2018, the Group had net cash used in investing activities of Baht 174.47 million and net cash received from investing activities of Baht 33.76 million and net cash used in investing activities Baht 82.17 million respectively. Changes in net cash flow from investing activities of the Group in each period were caused by changes in short-term investment mainly in support of cash flow management and investment expenditures in buildings and equipment. Net cash flow used in investing activities in 2016 of Baht 174.47 million were mostly for the investment in assets under installation and construction of the new factory building at the Sattahip site as well as for the purchase of production equipment and tools.

For 2016, the Group received net proceeds from the sale of additional ordinary shares after deduction of direct expenses of approximately Baht 570.96 million, and funds from the issuance of its bills of exchange amounting to Baht 100.00 million while paying dividend totaling Baht 325.32 million during the year. Thus, the Group's net cash flow from financing activities for 2016 amounted to Baht 340.53 million. In 2017, the net cash flow used in financing activities was Baht 74.56 million, resulting from the repayment of short-term bills of exchange of Baht 100.00 million, the borrowing from trust receipt facility of Baht 87.05 million, and the Group's dividend payment of Baht 53.19 million during the year. In 2018, the Group had a decrease in trade accounts payable of Baht 105.27 million, advance received construction revenue decreased by Baht 57.60 million. There was an increase in trade receivables, construction in progress, and inventories amounting to approximately Baht 79 million.

After changes in net cash flow from operating activities, investing activities and financing activities, as of 31 December 2016, 2017 and 2018, the Group's cash and cash equivalents at the end of the period amounted to Baht 115.47 million, Baht 291.92 million and Baht 45.14 million respectively.

#### 4) Financial ratio

Financial ratio	Consolidated		
	For Year Ended 31 December		
	2016	2017	2018
Current ratio	2.45	2.48	2.84
Quick ratio	1.95	1.76	1.76
Debt to equity ratio	0.41	0.39	0.30

Based on financial ratio analysis, the Company has sufficient liquidity for continuous operation without any business disruption by considering liquidity ratio and quick ratio. In addition, debt to equity ratio were relatively low. The Company does not have long-term loans and use only short-term credit lines for working capital.

BT Wealth Industries Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of BT Wealth Industries Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of BT Wealth Industries Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of BT Wealth Industries Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BT Wealth Industries Public Company Limited and its subsidiaries and of BT Wealth Industries Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. 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 Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond are described below.

#### *Revenue from fabrication work*

The Company and its subsidiaries have disclosed their policies on recognition of revenue from fabrication work, estimated cost of fabrication work and allowance for loss on fabrication work projects in Note 4.1 to the financial statements. I identified revenue recognition, cost recognition and estimation of possible losses from fabrication work to be areas of significant matter in the audit. This is because the amount of revenues and costs that the subsidiary recognises from fabrication work contracts in each period form a significant portion of the Group's total revenues and total costs. In addition, the process of measurement, the determination of appropriate timing of recognition, and the estimation of possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. These will affect amount and timing of the recognition of revenue, costs and provisions for fabrication work.

I examined recognition of revenue from fabrication work, costs of fabrication work and allowance for loss on fabrication work projects by assessing and testing the internal controls relevant to the recognition of revenue from fabrication work, and the estimation and revisions of project costs, by making enquiries of responsible executives, gaining an understanding of the controls, and selecting representative samples to test the operation of the controls designed by the subsidiary. In addition, I reviewed the approach and the underlying assumptions that the subsidiary applied in estimating the percentage of completion and cost of fabrication work throughout the project. I evaluated the estimation of possible losses by the management through a compare of the estimated project costs with revenue. I also tested the calculation of percentage of completion and reviewed the rationale for the conclusion reached by management as a result of comparison of the percentage of completion as evaluated by the engineers of the subsidiary and actual cost incurred. On a sampling basis, I examined supporting documents for the recognition of revenue and costs of fabrication work incurred.

**Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the 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 financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 cast 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 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 26 February 2019

**BT Wealth Industries Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2018**

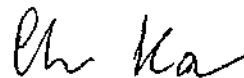
(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	45,143,683	291,920,604	5,259,137	96,840,875
Trade and other receivables	8	300,644,303	340,864,988	18,033,307	60,132,264
Unbilled receivables	9	326,223,109	253,935,393	-	-
Short-term loan to subsidiary	6	-	-	295,000,000	180,000,000
Work in progress		52,150,192	32,033,751	-	-
Inventories	10	308,408,912	282,055,230	-	-
Other current assets		50,808,676	45,356,530	11,013,201	10,769,547
<b>Total current assets</b>		<b>1,083,378,875</b>	<b>1,246,166,496</b>	<b>329,305,645</b>	<b>347,742,686</b>
<b>Non-current assets</b>					
Restricted bank deposits	11	11,655,420	18,065,988	40,076	50,399
Investments in subsidiaries	12	-	-	509,117,602	541,706,376
Property, plant and equipment	13	631,357,532	613,675,779	533,838,136	521,715,285
Intangible assets		4,747,561	8,342,219	116,554	1,073,368
Deferred tax assets	20	5,403,529	3,403,376	1,491,262	1,950,635
Other non-current assets		8,082,860	10,703,660	708,307	3,156,307
<b>Total non-current assets</b>		<b>661,246,902</b>	<b>654,191,022</b>	<b>1,045,311,937</b>	<b>1,069,652,370</b>
<b>Total assets</b>		<b>1,744,625,777</b>	<b>1,900,357,518</b>	<b>1,374,617,582</b>	<b>1,417,395,056</b>

The accompanying notes are an integral part of the financial statements.



.....Director  
(Mr. Chotic Russamitinakornkul)



.....Director  
(Mrs. Chutima Katikawong)

**BT Wealth Industries Public Company Limited and its subsidiaries**

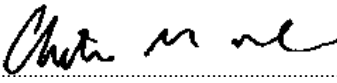
**Statement of financial position (continued)**

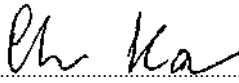
**As at 31 December 2018**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	14	132,315,274	87,051,229	-	-
Trade and other payables	15	128,883,068	235,560,313	5,002,143	11,504,554
Unbilled payables		53,390,788	56,208,672	-	-
Construction revenue received in advance	9	29,649,695	87,245,151	-	-
Current portion of liabilities under					
finance lease agreements	16	9,116,361	8,728,475	9,116,361	8,728,475
Liabilities from derivative instruments		-	12,820	-	-
Short-term provision		10,933,790	2,567,014	-	-
Other current liabilities		17,533,929	25,263,180	2,661,488	2,932,394
<b>Total current liabilities</b>		<b>381,822,905</b>	<b>502,636,854</b>	<b>16,779,992</b>	<b>23,165,423</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements					
- net of current portion	16	8,049,839	17,166,210	8,049,839	17,166,210
Provision for long-term employee benefits	17	10,836,544	11,845,769	7,136,429	9,753,177
Deferred tax liabilities	20	44,721	-	-	-
<b>Total non-current liabilities</b>		<b>18,931,104</b>	<b>29,011,979</b>	<b>15,186,268</b>	<b>26,919,387</b>
<b>Total liabilities</b>		<b>400,754,009</b>	<b>531,648,833</b>	<b>31,966,260</b>	<b>50,084,810</b>

The accompanying notes are an integral part of the financial statements.

  
.....Director  
(Mr. Chotic Russamitinakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

**BT Wealth Industries Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

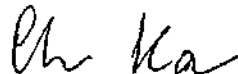
(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Shareholders' equity</b>					
Share capital					
Registered					
756,000,000 ordinary shares of Baht 0.50 each		378,000,000	378,000,000	378,000,000	378,000,000
Issued and fully paid-up					
756,000,000 ordinary shares of Baht 0.50 each		378,000,000	378,000,000	378,000,000	378,000,000
Shares premium		495,768,000	495,768,000	495,768,000	495,768,000
Retained earnings					
Appropriated - statutory reserve	18	39,000,000	39,000,000	31,000,000	31,000,000
Unappropriated		269,663,920	294,322,844	437,883,322	462,542,246
Other components of shareholders' equity		160,219,402	160,219,402	-	-
Equity attributable to owners of the Company		1,342,651,322	1,367,310,246	1,342,651,322	1,367,310,246
Equity attributable to non-controlling interests of the subsidiaries		1,220,446	1,398,439	-	-
<b>Total shareholders' equity</b>		<b>1,343,871,768</b>	<b>1,368,708,685</b>	<b>1,342,651,322</b>	<b>1,367,310,246</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,744,625,777</b>	<b>1,900,357,518</b>	<b>1,374,617,582</b>	<b>1,417,395,056</b>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.



.....Director  
(Mr. Chotic Russamitinakornkul)



.....Director  
(Mrs. Chutima Katikawong)


**BT Wealth Industries Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2018**

		(Unit: Baht)			
Note	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from fabrication work	1,236,788,465	1,414,307,045	-	-	
Rental and service income	-	-	78,934,828	86,216,260	
Other income					
Interest income	698,002	489,230	9,310,374	10,994,612	
Gains on exchange	13,184,365	2,932,403	-	34,136	
Others	42,110,110	34,954,634	12,476,588	12,186,557	
<b>Total revenues</b>	<b>1,292,780,942</b>	<b>1,452,683,312</b>	<b>100,721,790</b>	<b>109,431,565</b>	
<b>Expenses</b>					
Cost of fabrication work	1,200,113,097	1,312,370,427	-	-	
Cost of rental and service	-	-	57,368,495	51,966,661	
Administrative expenses	112,812,692	136,882,637	34,032,128	34,695,678	
<b>Total expenses</b>	<b>1,312,925,789</b>	<b>1,449,253,064</b>	<b>91,400,623</b>	<b>86,662,339</b>	
<b>Profit (loss) before share of loss from investments</b>					
<b>in subsidiaries, finance cost and income tax expenses</b>	(20,144,847)	3,430,248	9,321,167	22,769,226	
Share of loss from investments in subsidiaries	12	-	(32,588,774)	(30,228,560)	
<b>Profit (loss) before finance cost and income tax expenses</b>	(20,144,847)	3,430,248	(23,267,607)	(7,459,334)	
Finance cost	(6,647,501)	(8,853,568)	(931,943)	(2,676,891)	
<b>Loss before income tax expenses</b>	(26,792,348)	(5,423,320)	(24,199,550)	(10,136,225)	
Income tax benefits (expenses)	20	1,955,431	(459,374)	143,042	
<b>Loss for the year</b>	(24,836,917)	(10,162,747)	(24,658,924)	(9,993,183)	
<b>Other comprehensive income:</b>					
Other comprehensive income for the year	-	-	-	-	
<b>Total comprehensive income for the year</b>	<b>(24,836,917)</b>	<b>(10,162,747)</b>	<b>(24,658,924)</b>	<b>(9,993,183)</b>	

The accompanying notes are an integral part of the financial statements.

  
.....Director  
(Mr. Chotic Russamitnakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

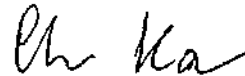
**BT Wealth Industries Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 December 2018**

		(Unit: Baht)			
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Loss attributable to:</b>					
Equity holders of the Company		(24,658,924)	(9,993,183)	(24,658,924)	(9,993,183)
Non-controlling interests of the subsidiaries		(177,993)	(169,564)		
		<u>(24,836,917)</u>	<u>(10,162,747)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(24,658,924)	(9,993,183)	(24,658,924)	(9,993,183)
Non-controlling interests of the subsidiaries		(177,993)	(169,564)		
		<u>(24,836,917)</u>	<u>(10,162,747)</u>		
<b>Loss per share</b>					
Basic loss per share	21				
Loss attributable to equity holders of the Company		<u>(0.033)</u>	<u>(0.013)</u>	<u>(0.033)</u>	<u>(0.013)</u>

The accompanying notes are an integral part of the financial statements.



.....Director  
(Mr. Chotic Russamitinakornkul)



.....Director  
(Mrs. Chutima Katikawong)



BT Wealth Industries Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2018

	Consolidated financial statements							(Unit: Baht)
	Equity attributable to owners of the Company				Other component of shareholders' equity			
			Retained earnings		Surplus on business combination under common control	Total equity attributable to owners of the Company	Non-controlling Interest of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2017	378,000,000	495,768,000	39,000,000	357,236,027	160,219,402	1,430,223,429	1,842,934	1,432,066,363
Total comprehensive income for the year	-	-	-	(9,993,183)	-	(9,993,183)	(169,564)	(10,162,747)
Decrease in non-controlling interests of the subsidiary from dividend payment of the subsidiary	-	-	-	-	-	-	(274,931)	(274,931)
Dividend paid (Note 24)	-	-	-	(52,920,000)	-	(52,920,000)	-	(52,920,000)
Balance as at 31 December 2017	378,000,000	495,768,000	39,000,000	294,322,844	160,219,402	1,367,310,246	1,398,439	1,368,708,685
Balance as at 1 January 2018	378,000,000	495,768,000	39,000,000	294,322,844	160,219,402	1,367,310,246	1,398,439	1,368,708,685
Total comprehensive income for the year	-	-	-	(24,658,924)	-	(24,658,924)	(177,993)	(24,836,917)
Balance as at 31 December 2018	378,000,000	495,768,000	39,000,000	269,663,920	160,219,402	1,342,651,322	1,220,446	1,343,871,768

The accompanying notes are an integral part of the financial statements.

  
.....Director  
(Mr. Chotic Russamitnakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

**BT Wealth Industries Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2018**

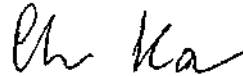
(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2017</b>	378,000,000	495,768,000	31,000,000	525,455,429	1,430,223,429
Total comprehensive income for the year	-	-	-	(9,993,183)	(9,993,183)
Dividend paid (Note 24)	-	-	-	(52,920,000)	(52,920,000)
<b>Balance as at 31 December 2017</b>	<u>378,000,000</u>	<u>495,768,000</u>	<u>31,000,000</u>	<u>462,542,246</u>	<u>1,367,310,246</u>
<b>Balance as at 1 January 2018</b>	378,000,000	495,768,000	31,000,000	462,542,246	1,367,310,246
Total comprehensive income for the year	-	-	-	(24,658,924)	(24,658,924)
<b>Balance as at 31 December 2018</b>	<u>378,000,000</u>	<u>495,768,000</u>	<u>31,000,000</u>	<u>437,883,322</u>	<u>1,342,651,322</u>

The accompanying notes are an integral part of the financial statements.



.....Director  
(Mr. Chotic Russamitinakornkul)



.....Director  
(Mrs. Chutima Katikawong)


**BT Wealth Industries Public Company Limited and its subsidiaries**

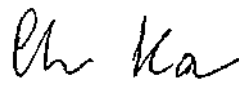
**Cash flow statement**

**For the year ended 31 December 2018**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(26,792,348)	(5,423,320)	(24,199,550)	(10,136,225)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	76,293,712	83,004,860	52,168,969	49,430,242
Write-off unbilled receivables	-	24,866,956	-	-
Gain on sales of investments in trading securities	-	(218,475)	-	(4,877)
Reduction of inventory to net realisable value (reverse)	(180,658)	5,108,088	-	-
Gain on sales of equipment	(1,388,105)	(146,667)	(99,999)	(99,998)
Share of loss from investments in subsidiaries	-	-	32,588,774	30,228,560
Provision for long-term employee benefits	3,336,825	2,908,031	633,252	712,940
Write-off withholding tax deducted at source	722,213	278,525	722,213	278,525
Unrealised gain on exchanges	(456,031)	(1,258,175)	-	-
Short-term provision	8,366,776	2,567,014	-	-
Interest income	(698,002)	(489,230)	(9,310,374)	(10,994,612)
Interest expenses	1,835,867	1,649,543	-	671,961
Profit from operating activities before changes in operating assets and liabilities	61,040,249	112,847,150	52,503,285	60,086,516
Decrease (increase) in operating assets				
Trade and other receivables and unbilled receivables	(33,135,325)	239,036,442	42,957,809	(14,429,975)
Work in progress	(20,116,441)	(21,810,640)	-	-
Inventories	(26,173,024)	(61,512,707)	-	-
Other current assets	(2,623,103)	(3,513,153)	(530,825)	1,527,699
Other non-current assets	2,620,800	2,932,998	2,448,000	3,348,660
Increase (decrease) in operating liabilities				
Trade and other payables	(105,268,082)	(9,903,613)	(6,502,411)	(4,800,613)
Unbilled payables	(2,817,884)	12,557,169	-	-
Construction revenue received in advance	(57,595,456)	(22,590,227)	-	-
Cash paid for liabilities from derivative instruments	-	(25,663,794)	-	-
Cash paid for long-term employee benefits	(4,346,050)	(5,769,340)	(3,250,000)	-
Other current liabilities	(7,686,597)	9,295,399	(270,906)	2,245,147
Cash flows from (used in) operating activities	(196,100,913)	225,905,684	87,354,952	47,977,434
Cash paid for interest expenses	(1,734,763)	(1,649,543)	-	(671,961)
Cash paid for income tax	(6,940,924)	(9,435,161)	(4,064,697)	(3,870,071)
Cash receipt from withholding tax refundable	3,629,652	2,433,417	3,629,652	2,433,417
<b>Net cash flows from (used in) operating activities</b>	<b>(201,146,948)</b>	<b>217,254,397</b>	<b>86,919,907</b>	<b>45,868,819</b>

The accompanying notes are an integral part of the financial statements.

  
.....Director  
(Mr. Chotic Russamitnakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

**BT Wealth Industries Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

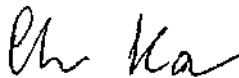
**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	6,410,568	1,109,641	10,323	(181)
Acquisition of investments in trading securities	-	(90,000,000)	-	-
Cash received from sales of investments in trading securities	-	190,848,721	-	499,060
Decrease (increase) in short-term loan to subsidiary	-	-	(115,000,000)	185,000,000
Acquisition of building and equipment and payment of payables for purchase of assets	(89,684,809)	(66,610,161)	(63,335,007)	(65,283,065)
Acquisition of intangible assets	(993,340)	(2,296,920)	-	-
Proceeds from sales of equipment	1,402,807	190,658	100,000	100,000
Interest income	699,241	513,995	8,451,524	14,909,255
Dividend received	-	-	-	54,725,069
<b>Net cash flows from (used in) investing activities</b>	<b>(82,165,533)</b>	<b>33,755,934</b>	<b>(169,773,160)</b>	<b>189,950,138</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loan from financial institution	45,264,045	(12,948,771)	-	(100,000,000)
Repayment of liabilities under finance lease agreements	(8,728,485)	(8,413,557)	(8,728,485)	(8,358,473)
Dividend paid	-	(52,920,000)	-	(52,920,000)
Dividend paid to non-controlling interests of the subsidiary	-	(274,931)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>36,535,560</b>	<b>(74,557,259)</b>	<b>(8,728,485)</b>	<b>(161,278,473)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(246,776,921)</b>	<b>176,453,072</b>	<b>(91,581,738)</b>	<b>74,540,484</b>
Cash and cash equivalents at beginning of the year	291,920,604	115,467,532	96,840,875	22,300,391
<b>Cash and cash equivalents at end of the year</b>	<b>45,143,683</b>	<b>291,920,604</b>	<b>5,259,137</b>	<b>96,840,875</b>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

  
.....Director  
(Mr. Chotic Russamitinakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

**BT Wealth Industries Public Company Limited and its subsidiaries****Notes to consolidated financial statements****For the year ended 31 December 2018****1. General information**

BT Wealth Industries Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the rental of assets and its registered address is at 593/3 Soi Ramkhamhaeng 39 (Thep Leela 1), Ramkhamhaeng Road, Wangthonglang, Bangkok.

**2. Basis of preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of BT Wealth Industries Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2018</u>	<u>2017</u>
			(%)	(%)
Best Tech & Engineering Limited	Steel fabrication work	Thailand	99.5	99.5
BT & OWL Solar 1 Limited	Generation and supply of electricity	Thailand	90.0	90.0
Best Tech Industries Limited	Steel fabrication work	Thailand	100.0	100.0
Global Clean Energy Limited	Generation and supply of electricity	Thailand	100.0	100.0

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

### **3. New financial reporting standards**

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

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

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

### **TFRS 15 Revenue from Contracts with Customers**

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

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

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

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

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

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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



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

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

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### **a) Revenues**

###### *Revenues from fabrication work under long-term contracts*

Revenues from fabrication work under long-term contracts are recognised on a percentage of completion basis, based on the assessment of the subsidiaries' engineers. Recognised revenues, that are not yet due per the contracts have been presented under the caption of "Unbilled receivables" in the statements of financial position.

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### *Rental income*

Rental income is recognised on an accrual basis over the period of contracts.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

**b) Expenses***Costs of fabrication work*

Costs of fabrication work are recognised in accordance with the percentage of work completed based on the project budget costs. Provision for anticipated losses on construction projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the recorded costs on the percentage of work completed based on the project budget cost and the actual costs are presented as current assets or current liabilities in the statements of financial position.

*Other expenses*

Other expenses are recognised on an accrual basis.

**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

**4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

**4.4 Inventories**

Raw materials, spare parts and factory supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

**4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the equity method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and construction	-	5, 10, 20	years
Machinery, tools and construction equipment	-	5, 10	years
Furniture, fixtures and office equipment	-	5	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.7 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives are computer software with useful lives of 5 years.

#### 4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company's and its subsidiaries' operations.

#### **4.9 Long-term leases**

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

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.10 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

## 4.12 Employee benefits

### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### ***Post-employment benefits***

#### ***Defined benefit plans***

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

## 4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

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**

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 Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 utilised.

At each reporting date, the Company and its subsidiaries 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 utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Derivatives**

##### **Forward exchange contracts**

Forward exchange contracts are presented in the financial statements at fair value. Unrecognised gains and losses from the translation are recognised in profit or loss.

#### **4.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply 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 in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

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

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

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

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

## 5. Significant accounting judgements 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:

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### Percentage of completion

The subsidiary recognises construction income by reference to the stage of completion of the construction contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to survey of works and estimates performed by project engineer. The management is required to make judgement and estimates based on past experience and information obtained from the project engineer.

### Estimated construction project costs

The subsidiary estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, design cost, labor cost, subcontracting costs and other related 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 construction projects

Management applied judgement in estimating the loss they expect to be realised on each construction 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.

## 6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and related parties.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Revenue from rental assets	-	-	49.9	86.2	Mutual agreement
Service income	-	-	29.0	-	Contract price
Management income	-	-	12.0	12.0	Contract price
Purchase fixed assets	-	-	19.2	16.6	Mutual agreement
Interest income	-	-	9.1	10.9	3.5%, 3.95% and 4.05% per annum
<u>Transactions with related party</u>					
Consulting fee	-	2.8	-	-	Contract price
<u>Transactions with management and directors</u>					
Office space rental expenses	5.4	4.7	3.0	2.6	Contract price

The balances of the accounts between the Company and those related parties are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b><u>Trade and other receivables - related party (Note 8)</u></b>				
Trade receivables - subsidiary	-	-	16,908	27,664
Other receivables - subsidiary	-	-	868	88
Total trade and other receivables - related party	-	-	17,776	27,752

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Other payables - related parties (Note 15)</u></b>				
Subsidiary	-	-	251	3,014
Director	<u>257</u>	<u>-</u>	<u>144</u>	<u>-</u>
Total other payables - related parties	<u>257</u>	<u>-</u>	<u>395</u>	<u>3,014</u>

#### Short-term loan to subsidiary

As at 31 December 2018, the balance of short-term loan between the Company and its subsidiary and the movement is as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at 1 January 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2018
Short-term loan to				
Best Tech & Engineering Limited	<u>180,000</u>	<u>125,000</u>	<u>(15,000)</u>	<u>295,000</u>

#### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	32,298	36,367	24,341	18,883
Post-employment benefits	<u>612</u>	<u>841</u>	<u>350</u>	<u>563</u>
Total	<u>32,910</u>	<u>37,208</u>	<u>24,691</u>	<u>19,446</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	210	184	3	1
Bank deposits	44,934	291,737	5,256	96,840
Total	45,144	291,921	5,259	96,841

As at 31 December 2018, bank deposits in saving accounts carried interests between 0.04% and 1.50% per annum (2017: between 0.04% and 1.50% per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	-	-	7,949	6,161
Past due				
Up to 3 months	-	-	8,024	21,220
3 - 6 months	-	-	30	-
Over 6 months	-	-	905	283
Total trade receivables - related party	-	-	16,908	27,664
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	149,834	211,261	-	-
Past due				
Up to 3 months	74,047	44,822	-	-
3 - 6 months	55,537	13,514	-	-
Over 6 months	8,112	2,370	-	-
Total trade receivables - unrelated parties	287,530	271,967	-	-
Total trade receivables	287,530	271,967	16,908	27,664
<u>Other receivables</u>				
Other receivables and advances - related party	-	-	868	88
Other receivables and advances - unrelated parties	3,874	33,828	1	13
Revenue department receivable	9,240	35,070	256	32,367
Total other receivables	13,114	68,898	1,125	32,468
Trade and other receivables	300,644	340,865	18,033	60,132

## 9. Unbilled receivables/ Construction revenue received in advance

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		2018	2017
<b>Unbilled receivables</b>			
Project value as per contract		4,411,651	3,416,569
Accumulated amount recognised as revenue on percentage of completion basis		4,071,217	3,067,096
Less: Value of total billed		(3,744,994)	(2,813,161)
Unbilled receivables		326,223	253,935
<b>Construction revenue received in advance</b>			
Project value as per contract		367,953	527,748
Value of total billed		62,940	326,911
Less: Accumulated amount recognised as revenue on percentage of completion basis		(33,290)	(239,666)
Construction revenue received in advance		29,650	87,245

## 10. Inventories

		(Unit: Thousand Baht)					
		Consolidated financial statements					
		Cost		Reduce cost to net realisable value		Inventories - net	
		2018	2017	2018	2017	2018	2017
Raw materials		307,666	281,003	(4,927)	(5,108)	302,739	275,895
Spare parts and factory supplies		5,670	6,160	-	-	5,670	6,160
Total		313,336	287,163	(4,927)	(5,108)	308,409	282,055

During the current year, the subsidiary reversed the write-down of cost of inventories by Baht 0.2 million and reduced the amount of inventories recognised as expenses. (2017: The subsidiary reduced cost of inventories by Baht 5.1 million to reflect the net realisable value. This was included in cost of fabrication work).

## 11. Restricted bank deposits

Restricted bank deposits of the Company and its subsidiary consist of fixed deposits of Baht 8 million (2017: Baht 14 million) pledged with banks to secure credit facilities and guarantees granted by banks and fixed deposits of Baht 4 million (2017: Baht 4 million) which guarantee received from employee.

## 12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Best Tech & Engineering Ltd.	80,000	80,000	99.5	99.5	79,600	79,600	479,480	511,689
BT & OWL Solar 1 Ltd.	5,000	5,000	90.0	90.0	4,500	4,500	1,867	2,022
Best Tech Industries Ltd.	25,000	25,000	100.0	100.0	25,000	25,000	24,286	24,356
Global Clean Energy Ltd.	5,150	5,150	100.0	100.0	5,150	5,150	3,484	3,639
Total					114,250	114,250	509,117	541,706

## 12.2 Share of comprehensive income and dividend received

The Company recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements and dividend received are as follows.

(Unit: Thousand Baht)

Company's name	Share of profit/loss from investments in subsidiaries during the year		Dividend received during the year	
	2018	2017	2018	2017
Best Tech & Engineering Limited	(32,209)	(29,654)	-	54,275
BT & OWL Solar 1 Limited	(155)	(169)	-	-
Best Tech Industries Limited	(70)	(244)	-	-
Global Clean Energy Limited	(155)	(162)	-	-
Total	(32,589)	(30,229)	-	54,275

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
<b>Cost:</b>							
1 January 2017	55,549	216,785	355,097	52,312	52,440	328,102	1,060,285
Additions	-	450	4,429	1,930	841	58,960	66,610
Disposals/write off	-	-	(696)	-	(32)	(39)	(767)
Transfer in (out)	-	228,247	30,291	-	-	(258,538)	-
31 December 2017	55,549	445,482	389,121	54,242	53,249	128,485	1,126,128
Additions	-	-	11,561	3,117	1,513	73,493	89,684
Disposals/write off	-	-	(1,308)	(187)	(1,259)	-	(2,754)
Transfer in (out)	-	81,065	63,063	(5,386)	-	(137,700)	1,042
Adjust	-	-	-	(511)	-	-	(511)
31 December 2018	55,549	526,547	462,437	51,275	53,503	64,278	1,213,589
<b>Accumulated depreciation:</b>							
1 January 2017	-	142,570	225,740	34,804	31,263	-	434,377
Depreciation for the year	-	22,548	41,343	6,089	8,818	-	78,798
Depreciation on disposals/ write off	-	-	(691)	-	(32)	-	(723)
31 December 2017	-	165,118	266,392	40,893	40,049	-	512,452
Depreciation for the year	-	23,337	31,854	5,501	11,604	-	72,296
Depreciation on disposals/ write off	-	-	(1,294)	(187)	(1,259)	-	(2,740)
Depreciation on transfer in (out)	-	179	4,639	(4,250)	-	-	568
Depreciation on adjust	-	-	-	(344)	-	-	(344)
31 December 2018	-	188,634	301,591	41,613	50,394	-	582,232
<b>Net book value:</b>							
31 December 2017	55,549	280,364	122,729	13,349	13,200	128,485	613,676
31 December 2018	55,549	337,913	146,537	9,662	17,418	64,278	631,357
<b>Depreciation for the year</b>							
2017 (Baht 72 million included in cost of fabrication work, and the balance in administrative expenses)							78,798
2018 (Baht 69 million included in cost of fabrication work, and the balance in administrative expenses)							72,296

(Unit: Thousand Baht)

	Separate financial statements					Total
	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	
<b>Cost:</b>						
1 January 2017	35,418	207,256	9,069	5,980	352,850	610,573
Additions	1,572	4,699	85	-	58,927	65,283
Disposals/write off	-	(657)	-	-	-	(657)
Transfer in (out)	277,729	30,291	-	-	(308,020)	-
31 December 2017	314,719	241,589	9,154	5,980	103,757	675,199
Additions	-	9,526	375	-	53,434	63,335
Transfer in (out)	52,004	50,725	(1,450)	-	(100,043)	1,236
31 December 2018	366,723	301,840	8,079	5,980	57,148	739,770
<b>Accumulated depreciation:</b>						
1 January 2017	2,095	99,466	2,318	1,396	-	105,275
Depreciation for the year	12,372	33,474	1,824	1,196	-	48,866
Depreciation on disposals/ write off	-	(657)	-	-	-	(657)
31 December 2017	14,467	132,283	4,142	2,592	-	153,484
Depreciation for the year	18,814	26,169	1,774	4,888	-	51,645
Depreciation on transfer in (out)	42	1,242	(481)	-	-	803
31 December 2018	33,323	159,694	5,435	7,480	-	205,932
<b>Net book value:</b>						
31 December 2017	300,252	109,306	5,012	3,388	103,757	521,715
31 December 2018	333,400	127,909	2,644	12,737	57,148	533,838
<b>Depreciation for the year</b>						
2017 (Baht 45 million included in service cost, and the balance in administrative expenses)						48,866
2018 (Baht 48 million included in service cost, and the balance in administrative expenses)						51,645

As at 31 December 2018, the Company had machinery and vehicles with net book values of Baht 22 million (2017: Baht 28 million) which were acquired under finance lease agreements.

As at 31 December 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 398 million (2017: Baht 347 million) (Separate financial statements: Baht 80 million, 2017: Baht 64 million).

The subsidiary has mortgaged its land and structures thereon with total net book value as at 31 December 2018 of Baht 56 million (2017: Baht 61 million) as collateral against credit facilities granted by bank.



#### 14. Short-term loans from financial institution

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2018</u>	<u>2017</u>
Trust receipt payable	112,315	87,051
Short-term loan from bank	20,000	-
Total	<u>132,315</u>	<u>87,051</u>

Short-term loans from financial institution are bearing interest at market rate and secured by the pledge of the subsidiary's fixed account deposit, the mortgage of the subsidiary's land and structures thereon, and guaranteed by the Company.

#### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - unrelated parties	101,779	198,674	-	-
Payables for purchase of assets				
- unrelated parties	3,792	4,373	3,792	4,373
Payable for purchase of assets				
- related parties	-	-	251	3,014
Other payables - unrelated parties	3,085	3,426	302	542
Accrued expenses - unrelated parties	19,970	29,087	513	3,576
Accrued expenses - related parties	257	-	144	-
Total trade and other payables	<u>128,883</u>	<u>235,560</u>	<u>5,002</u>	<u>11,505</u>

#### 16. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2018</u>	<u>2017</u>
Liabilities under finance lease agreements	17,991	27,640
Less: Deferred interest expenses	(825)	(1,746)
Total	17,166	25,894
Less: Portion due within one year	(9,116)	(8,728)
Liabilities under finance lease agreements - net of current portion	<u>8,050</u>	<u>17,166</u>

The Company has entered into the finance lease agreements with leasing companies for rental of machinery, motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements					
	As at 31 December 2018			As at 31 December 2017		
	Less than			Less than		
	1 year	1-5 years	Total	1 year	1-5 years	Total
Future minimum lease payments	9,649	8,342	17,991	9,649	17,991	27,640
Deferred interest expenses	(533)	(292)	(825)	(921)	(825)	(1,746)
Present value of future minimum lease payments	9,116	8,050	17,166	8,728	17,166	25,894

## 17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	11,846	14,707	9,753	9,040
Included in profit or loss:				
Current service cost	2,893	2,533	393	488
Interest cost	444	375	240	225
Benefits paid during the year	(4,346)	(5,769)	(3,256)	-
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	10,837	11,846	7,136	9,753

Line items in the statement of comprehensive income under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit or loss:</b>				
Cost of fabrication work	1,445	1,465	-	-
Administrative expenses	1,891	1,443	633	713
	<u>3,336</u>	<u>2,908</u>	<u>633</u>	<u>713</u>

The Company and its subsidiaries expect to pay Baht 0.5 million of long-term employee benefits during the next year (Separate financial statements: None) (2017: Baht 3.8 million, Separate financial statements: Baht 3.5 million).

As at 31 December 2018, the weighted average duration of the long-term employee benefit liabilities is 7 years (Separate financial statements: 7 years) (2017: 7 years, Separate financial statements: 7 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.60	2.60	2.60	2.60
Salary increase rate	3.00 - 7.00	3.00 - 7.00	3.00 - 7.00	3.00 - 7.00
Turnover rate	0 - 68	0 - 68	0 - 68	0 - 68

The effects of sensitivity analysis for significant assumptions on the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	% per annum	(Unit: Thousand Baht)			
		As at 31 December 2018			
		Consolidated financial statements		Separate financial statements	
		Increase	Decrease	Increase	Decrease
Discount rate	1.0	(802)	879	(183)	191
Salary increase rate	1.0	1,195	(1,101)	(620)	(797)
Turnover rate	20.0	(1,571)	2,187	(209)	242

(Unit: Thousand Baht)

		As at 31 December 2017			
		Consolidated financial statements		Separate financial statements	
	% per annum	Increase	Decrease	Increase	Decrease
Discount rate	1.0	(797)	871	(254)	267
Salary increase rate	1.0	1,030	(956)	357	(344)
Turnover rate	20.0	(1,304)	1,806	(81)	206

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 5 million (The Company only: Baht 2 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

#### 18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

#### 19. Expenses by nature

Significant expenses classified by nature are as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries, wages and other employee benefits		298,091	249,377	21,182	24,401
Depreciation and amortisation		76,294	83,005	52,169	49,430
Construction materials and subcontractors		836,947	926,852	-	-
Changes in inventories of raw materials, supplies and work in progress		(46,289)	(89,768)	-	-

## 20. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Current income tax charge	-	72	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,955)	4,667	459	(143)
<b>Income tax expenses (benefits) reported in the statement of comprehensive income</b>	<u>(1,955)</u>	<u>4,739</u>	<u>459</u>	<u>(143)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting loss before tax	(26,792)	(5,423)	(24,200)	(10,136)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(5,358)	(1,085)	(4,840)	(2,027)
Deferred tax assets which have not been recognised during the year	72	70	-	-
Previously unrecognised deferred tax assets on unused tax loss	(8,033)	(3,437)	(898)	(3,642)
Share of loss from investments in subsidiaries	-	-	6,518	6,046
Effects of elimination entries on the consolidated financial statements	52	117	-	-
Effects of:				
Promotional privileges	11,346	8,636	-	-
Non-deductible expenses	837	1,305	550	347
Additional expense deductions allowed	(871)	(867)	(871)	(867)
Total	<u>11,312</u>	<u>9,074</u>	<u>(321)</u>	<u>(520)</u>
Income tax expenses (benefits) reported in the statement of comprehensive income	<u>(1,955)</u>	<u>4,739</u>	<u>459</u>	<u>(143)</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	985	1,022	-	-
Provision for long-term employee benefits	2,167	2,369	1,427	1,951
Short-term provision	2,187	-	-	-
Other	64	12	64	-
Total	<u>5,403</u>	<u>3,403</u>	<u>1,491</u>	<u>1,951</u>
<b>Deferred tax liabilities</b>				
Forward contracts	(45)	-	-	-
Total	<u>(45)</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2018, the Company and its subsidiaries have unused tax losses totaling Baht 41.3 million (2017: Baht 26.2 million) (Separate financial statements: Baht 1.8 million, 2017: Baht 6.7 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the Company and the subsidiaries amounting to Baht 41.3 million will expire by 2023.

## 21. Loss per share

Basic loss per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic loss per share:

	Consolidated/Separate financial statements	
	<u>2018</u>	<u>2017</u>
Loss for the year (Thousand Baht)	(24,659)	(9,993)
Weighted average number of ordinary shares (Thousand shares)	756,000	756,000
Loss attributable to equity holders of the Company (Baht per share)	(0.033)	(0.013)

## 22. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as executive committee.

The Company and its subsidiaries are operating in two segments as follows:

- Fabrication work for construction and industrial purpose segment
- Generation and supply of electricity segment

The subsidiaries have not commenced their operations in the generation and supply of electricity segment. As a result, the fabrication work for construction and industrial purpose segment is the only major reportable operating segment and its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the year 2018, the subsidiary has revenues from 3 major customers in amount of Baht 605 million (2017: one major customer of Baht 305 million), arising from fabrication work for construction and industrial purpose.

## 23. Provident fund

The Company, its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiary contribute to the fund monthly at rates of 3% and 5% of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 3 million (2017: Baht 3 million) were recognised as expenses (Separate financial statements: Baht 1 million, 2017: Baht 1 million).



## 24. Dividend paid

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the earnings of the operations as from 1 January 2017 to 31 March 2017	Annual General Meeting of the shareholders on 24 April 2017	52,920	0.07

## 25. Commitments and contingent liabilities

### 25.1 Capital commitments

- As at 31 December 2018, the Company and its subsidiaries had capital commitments of Baht 7 million (2017: Baht 3 million) (Separate financial statements: Baht 1 million, 2017: Baht 3 million) relating to the renovation of office building and acquisition of machinery and equipment.
- As at 31 December 2018, the Company had capital commitment amounting to Baht 90 million (2017: Baht 90 million) in respect of the uncalled portion of investment in the subsidiaries.

### 25.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, machinery, motor vehicles and equipment. The terms of the agreements are generally between 1 and 10 years. Operating lease agreements are non-cancellable.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable:				
In up to 1 year	18	12	7	3
In over 1 and up to 5 years	12	7	10	7
Over 5 years	6	7	6	7

## 25.3 Bank guarantees

- a) As at 31 December 2018, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 1,406 million (2017: Baht 1,436 million).
- b) As at 31 December 2018, there were outstanding bank guarantees of USD 6 million and Baht 240 million (2017: USD 5 million and Baht 234 million) issued by banks on behalf of the subsidiary to guarantee purchase of goods, electricity use, among others.
- c) As at 31 December 2018, the subsidiary has outstanding letters of credit of USD 1 million (2017: USD 2 million and Baht 21 million).

## 26. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	As at 31 December 2018				As at 31 December 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Foreign currency forward contracts	-	224	-	224	-	1,878	-	1,878
<b>Financial liabilities measured at fair value</b>								
Foreign currency forward contracts	-	-	-	-	-	13	-	13

## 27. Financial instruments

### 27.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivables and other receivables as stated in the statement of financial position.

### Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term loans and short-term borrowings. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those 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.

(Unit: Million Baht)

As at 31 December 2018						
Consolidated financial statements						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	45	-	45	0.04 - 1.50
Trade and other receivables	-	-	-	301	301	-
Restricted bank deposits	12	-	-	-	12	0.85 - 1.35
	12	-	45	301	358	
<u>Financial liabilities</u>						
Short-term loans from financial institution	132	-	-	-	132	2.38 - 2.95
Trade and other payables	-	-	-	129	129	-
Liabilities under finance lease agreements	9	8	-	-	17	4.10 - 5.03
	141	8	-	129	278	

(Unit: Million Baht)

As at 31 December 2017						
Consolidated financial statements						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate	(% per annum)
Within 1 year	1-5 years					
<u>Financial assets</u>						
Cash and cash equivalents	-	-	292	-	292	0.04 - 1.50
Trade and other receivables	-	-	-	341	341	-
Restricted bank deposits	18	-	-	-	18	0.85 - 1.35
	18	-	292	341	651	
<u>Financial liabilities</u>						
Short-term loans from financial institution	87	-	-	-	87	2.38 - 2.95
Trade and other payables	-	-	-	236	236	-
Liabilities under finance lease agreements	9	17	-	-	26	4.10 - 5.03
	96	17	-	236	349	

(Unit: Million Baht)

As at 31 December 2018									
Separate financial statements									
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate  (% per annum)				
Within 1 year	1-5 years								
<u>Financial assets</u>									
Cash and cash equivalents	-	-	5	-	5	0.37 - 0.75			
Trade and other receivables	-	-	-	18	18	-			
Short-term loan to subsidiary	295	-	-	-	295	3.50 - 4.05			
	295	-	5	18	318				
<u>Financial liabilities</u>									
Trade and other payables	-	-	-	5	5	-			
Liabilities under finance lease agreements	9	8	-	-	17	4.10 - 5.03			
	9	8	-	5	22				

(Unit: Million Baht)

As at 31 December 2017									
Separate financial statements									
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate  (% per annum)				
Within 1 year	1-5 years								
<u>Financial assets</u>									
Cash and cash equivalents	-	-	97	-	97	0.37 - 0.75			
Trade and other receivables	-	-	-	60	60	-			
Short-term loan to subsidiary	180	-	-	-	180	3.95			
	180	-	97	60	337				
<u>Financial liabilities</u>									
Trade and other payables	-	-	-	12	12	-			
Liabilities under finance lease agreements	9	17	-	-	26	4.10 - 5.03			
	9	17	-	12	38				

### Foreign currency risk

The subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currency is summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	2	2	-	-	32.4036	32.6407
CNY	-	-	-	9	4.7085	5.0009

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2018			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	1	32.3200 - 32.3800	September 2019

As at 31 December 2017			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
USD	6	32.4400 - 33.1600	October and December 2018

## 28.2 Fair values of financial instruments

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

## 29. Capital management


The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.30:1 (2017: 0.39:1) and the Company's was 0.02:1 (2017: 0.04:1).

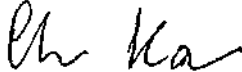
### 30. Events after the reposting period

On 26 February 2019, the Company's Board of Directors Meeting passed the resolution to approve to pay a dividend of Baht 0.02 per share, or a total of Baht 15.12 million, to the shareholders in respect of the unappropriated retained earnings as at 31 December 2018. The above resolution will be proposed to the Annual General Meeting of shareholders for approval.

### 31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2019.

  
.....Director  
(Mr. Chotic Russamitinakornkul)

  
.....Director  
(Mrs. Chutima Katikawong)

**Details about Directors, Executives, Persons with Controlling Interest and Company Secretary**



**Details about Directors, Executives, Persons with Controlling Interest and Company Secretary of BT Wealth Industries Public Company Limited. As of 31 December 2018**

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Assoc.Prof.Dr.Paiboon Sareewiathana / 13 August 2014	64	<ul style="list-style-type: none"> <li>Ph.D. Business Administration, University of Mississippi, U.S.A.</li> <li>Master in Business Administration with Honors, National Institute of Development Administration (NIDA)</li> <li>Bachelor of Engineering, Chulalongkorn University</li> <li>Director Certification Program (DCP) in 2011, Thai Institute of Directors Association (IOD)</li> <li>The Role of Chairman (RCM) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	2014-Present	Chairman of Board of Directors / Independent Director / BT Wealth Industries Public Company Limited
					2014-Feb.2019	Chairman of Risk Management Committee
					Aug.16- Present	BT Wealth Industries Public Company Limited
					2013-Jan.2019	Chairman of Board of Directors/ Chic Republic Company Limited
					2012-Present	Chairman of Board of Directors /
					2012-Present	Thai Packaging Industry Public Company Limited
					2005-Present	Chairman of Board of Directors/UAC Global Public Company Limited
					1993-2017	Chairman of Board of Directors/Union Auction Public Company Limited
					1988-Present	Limited
					1984-Present	Arbitrator / Securities and Exchange Commission, Thailand
					2012-Present	Director / B & P Services Company Limited
					2014-Present	Director / B R C S Company Limited
					2012-Present	Associate Professor Level 9/
					2012-Present	National Institute of Development Administration (NIDA)
Mrs. Siripond Satawin / 23 July 2012	60	<ul style="list-style-type: none"> <li>Vocational Certificate, Convent of the Holy Infant Jesus School</li> <li>Director Accreditation Program (DAP) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>	30.48	Elder sister of Mr.Chotic Russamitnakornkul	2012-Present	Authorized Director / Member of Risk Management Committee / Member of Nomination & Remuneration and Good Governance Committee / BT Wealth Industries Public Company Limited
					2012-Nov.2016	Executive Director / BT Wealth Industries Public Company Limited
					1987-Present	Authorized Director / Best Tech & Engineering Limited
					2014-Present	Director / BT & Owl Solar 1 Limited
					2014-2016	Director / BT & Owl Solar 2 Limited
					2014-2016	

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Mr.Chotic Russamitnakomkul / 23 July 2012	57	<ul style="list-style-type: none"> <li>Bachelor of Engineering, Chulalongkorn University</li> <li>Director Accreditation Program (DAP) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>	24.99	Younger brother of Mrs. Siripond Satavin	2012-Present	Authorized Director / Chairman of Executive Director / Member of Risk Management Committee / Chief Executive Officer / BT Wealth Industries Public Company Limited
					1987-Present	Authorized Director / Managing Director / Best Tech & Engineering Limited
					Sep.2018- Present	Deputy Director, Research & Development Division (Acting)/ Best Tech & Engineering Limited
					1987- Aug.2018	Deputy Director, Sales and Marketing Division (Acting), Deputy Director, Operations Division (Acting) – Sattahip
					2015-Present	Best Tech & Engineering Limited Director / BT Metal Limited
					2015-Present	Director / Best Tech Industries Limited
					2015-Present	Director / Global Industrial Asset Limited
					2015-Present	Director / Global Clean Energy Company Limited
					2015-Present	Director / BT & Owl Solar 1 Limited

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Mr. Sarawut Charuchinda/ 1 October 2016	60	<ul style="list-style-type: none"> <li>Master of Business Administration in Finance, University of Mississippi, USA.</li> <li>Bachelor of Accountancy with Second-Class Honors, Chulalongkorn University</li> <li>Directors Certificate Program (DCP) in 2000, Thai Institute of Directors Association (IOD)</li> <li>Advanced Audit Committee Program (AAP) in 2015, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	2016-Present	Independent Director Chairman of Audit Committee / Member of Nomination & Remuneration and Good Governance Committee / BT Wealth Industries Public Company Limited
					Mar.2019-Present	Chairman of Risk Management Committee / BT Wealth Industries Public Company Limited
					2018-Present	Director Executive Director Member of Risk Management / Union Auction Public Company Limited
					2018-Present	Chairman of Board of Directors Member of Risk Management / Assetwise Company Limited
					2016-Present	Independent Director Chairman of Audit Committee / Chic Republic Company Limited
					2012-2017	Independent Director Member of Audit Committee Member of Risk Management / Union Auction Public Company Limited
					2012-2017	First Executive Vice President, Head of Commercial Lending Group / Kiatnakin Bank Public Company Limited
					2013-Jan.2019	Chairman of Audit Committee Thai Packaging Industry Public Company Limited
Mr. Suvit Manomaiyanon / 13 August 2014	64	<ul style="list-style-type: none"> <li>Bachelor of Business Administration, Sukhothai Thammathirat University</li> <li>Director Accreditation Program (DAP) in 2008, Thai Institute of Directors Association (IOD)</li> <li>Finance for Non-Finance Director (FN) in 2007, Thai Institute of Directors Association (IOD)</li> <li>Understanding the Fundamental of Financial Statements (UFS) in 2007, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	2014-Present	Member of Audit Committee / Member of Nomination & Remuneration and Good Governance Committee/ Independent Director /BT Wealth Industries Public Company Limited
					2011	Director / Senior Vice President & General Manager of Sales & Investor Relation Division/ Toyo-Thai Corporation Public Company Limited

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Mr. Sakda Hanbuntrong / 13 August 2014	64	<ul style="list-style-type: none"> <li>Master of Arts (Business Law), Chulalongkorn University</li> <li>Bachelor of Laws, Chulalongkorn University</li> <li>Director Accreditation Program (DAP) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>		-	2014-Present	Chairman of Nomination & Remuneration and Good Governance Committee / Member of Audit Committee / Independent Director / BT Wealth Industries Public Company Limited Director / Mode Thai Company Limited
Mrs. Chutima Katikawong / 1 May 2015	57	<ul style="list-style-type: none"> <li>Bachelor of Political Science, Ramkhamhaeng University</li> <li>Director Accreditation Program (DAP) in 2017, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	Nov.2018-Present 2015-Present Mar.18-Present Nov.18-Present 1991-Present 2015-Present	Authorized Director, Executive Director / BT Wealth Industries Public Company Limited Vice President, Office of Management / BT Wealth Industries Public Company Limited Director / Global Clean Energy Company Limited Authorized Director/ Best Tech & Engineering Limited Deputy Director, Operations Division –Head Office / Best Tech & Engineering Limited Director / Best Tech Industries Limited
Mr.Sestha Waiyawutpinyo / 6 January 2017	54	<ul style="list-style-type: none"> <li>Bachelor of Science (Chemistry), Srinakharinwirot University</li> <li>Director Accreditation Program (DAP) in 2017, Thai Institute of Directors Association (IOD)</li> </ul>			2015-Present 2017-Feb.2018 Apr.17-Feb.18 2015-Feb.18 1989-2015	Vice President, Business Development Division / BT Wealth Industries Public Company Limited Authorized Director / Executive Director / Member of Risk Management Committee / BT Wealth Industries Public Company Limited Authorized Director / Best Tech & Engineering Limited Director / Global Clean Energy Company Limited Manager, Sales Division / Best Tech & Engineering Limited

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Mr.Dhanasam Suravudhikul / 17 December 2018	54	<ul style="list-style-type: none"> <li>• M.Sc (International Banking &amp; Financial Studies), Heriot-Watt University UK.</li> <li>• Master of Business Administration (Finance), National Institute of Development Administration</li> <li>• Bachelor of Science (Chemistry), Chulalongkorn University</li> <li>• Director Accreditation Program (DAP) in 2019, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	Dec.18–Present May.18–Present Sep. 16–Jun.17 Nov.15–Aug.16 Oct.12-Jun.15	Vice President Finance and Accounting Division / BT Wealth Industries Public Company Limited Director / Islamic Bank of Thailand Consultants / Siam Wellness Group Plc. Chief Financial Officer / Ocean Life Insurance Plc. Chief Financial Officer / Mass Rapid Transit Authority of Thailand
Mr. Thanin Kamthornthip / 2 November 2015	49	<ul style="list-style-type: none"> <li>• Master of Business Administration in Finance, DePaul University, Chicago, Illinois, U.S.A.</li> <li>• Bachelor of Mechanical Engineering, Chulalongkorn University</li> <li>• Director Accreditation Program (DAP) in 2017, Thai Institute of Directors Association (IOD)</li> </ul>	0.06	-	2015-2018 2014-2015 2008-2013	Vice President, Finance and Accounting Division / BT Wealth Industries Public Company Limited Vice President, Finance & Wealth Management Office / Magnolia Quality Development Corporation Company Limited Vice President, Finance Department / Golden Land Property Development Public Company Limited
Mr. Puvadon Thongvong / 2 November 2015	32	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration (Accounting), Rajamangala University of Technology Thanyaburi</li> </ul>	0.008	-	2015–Present 2012–Present	Assistant Vice President, Finance and Accounting Division - Accounting / BT Wealth Industries Public Company Limited Manager, Accounting Division / Best Tech & Engineering Limited
Mrs. Worawan Viriya / 23 February 2017	52	<ul style="list-style-type: none"> <li>• Master of Business Administration in Finance, Ramkhamhaeng University</li> <li>• Bachelor of Science (Statistic), Chiangmai University</li> <li>• Company Secretary Program (CSP) 1<sup>st</sup> year 2017, Thai Listed Companies Association</li> </ul>	-	-	2017–Present 2002–2016 2002 2000–2002 1994–1999 1988–1994	Company Secretary /BT Wealth Industries PLC. Vice President , Data Center / Countrygroup Securities PLC. Budgeting Manager / Stock Exchange of Thailand Budgeting Manager /National Fertilizer PLC Senior Analyst / Thana Nakorn Finance & Securities PLC. Unit Head , Bank Planning unit / Thaidanu Bank PLC.

**Details about Directors , Executives , Persons with Controlling Interest and Company Secretary of Best Tech & Engineering Company Limited As of 30 December 2018**

Name / Date appointed	Age (Year)	Education / Training	Shareholding in the Company (%)	Family relationship between directors and executives	Experiences	
					Duration	Position / Company
Mrs. Siripond Satawin / January 1988 (Authorized Director)	60	<ul style="list-style-type: none"> <li>Vocational Certificate, Convent of the Holy Infant Jesus School</li> <li>Director Accreditation Program (DAP) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>	0.00 (1 share)	Elder sister of Mr.Chotic Russamitnakornkul	2012-Present	Authorized Director / Member of Risk Management Committee / Member of Nomination & Remuneration and Good Governance Committee / BT Wealth Industries Public Company Limited
					2012-Nov.16	Executive Director / BT Wealth Industries Public Company Limited
					1987-Present	Authorized Director / Best Tech & Engineering Limited
					2014-Present	Director / BT & Owl Solar 1 Limited
					2014-2016	Director / BT & Owl Solar 2 Limited
Mr.Chotic Russamitnakornkul / January 1988 (Authorized Director)	57	<ul style="list-style-type: none"> <li>Bachelor of Engineering, Chulalongkorn University</li> <li>Director Accreditation Program (DAP) in 2014, Thai Institute of Directors Association (IOD)</li> </ul>	0.00 (1 share)	Younger brother of Mrs. Siripond Satawin	2012-Present	Authorized Director / Chairman of Executive Director / Member of Risk Management Committee / Chief Executive Officer / BT Wealth Industries Public Company Limited
					1987-Present	Authorized Director / Managing Director / Best Tech & Engineering Limited
					Sep.18-Present	Deputy Director, Research & Development Division (Acting)/ Best Tech & Engineering Limited
					1987-Aug.18	Deputy Director, Sales and Marketing Division (Acting), Deputy Director, Operations Division (Acting) – Sattahip Best Tech & Engineering Limited
					2015-Present	Director / BT Metal Limited
					2015-Present	Director / Best Tech Industries Limited
					2015-Present	Director / Global Industrial Asset Limited
					2015-Present	Director / Global Clean Energy Company Limited
					2015-Present	Director / BT & Owl Solar 1 Limited

Name / Date appointed	Age (Years)	Education / Training	Shareholding in the Company(%)	Family relationship between directors and executives	Experience	
					Duration	Position / Company
Mrs. Chutima Katikawong / 1 April 1989	57	<ul style="list-style-type: none"> <li>Bachelor of Political Science, Ramkhamhaeng University</li> <li>Director Accreditation Program (DAP) in 2017, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	Nov.18-Present	Authorized Director, Executive Director / BT Wealth Industries Public Company Limited
					2015-Present	Vice President , Office of Management / BT Wealth Industries Public Company Limited
					Mar.18-Present	Director / Global Clean Energy Company Limited
					Nov.18-Present	Authorized Director/ Best Tech & Engineering Limited
					1991-Present	Deputy Director, Operations Division –Head Office / Best Tech & Engineering Limited
Mr.Ravindra Rameshchandra Joshi / 6 January 2015	54	<ul style="list-style-type: none"> <li>Bachelor of Science (Chemistry), India Institute of Technology Madras</li> </ul>	-	-	2015-Present	Director / Best Tech Industries Limited
					Sep.18-Present	Deputy Director, Sales-Marketing Division / Best Tech & Engineering Limited
					2015-Aug.18	Deputy Director, , Operations Division – Chachoengsao / Best Tech & Engineering Limited
					2002-2014	Vice Chairman / Eurotech Company Limited
					Sep.18-Present	Deputy Director, Operations Division – Chachoengsao-
Mr.Supavich Ketmayoon / 3 September 2018	50	<ul style="list-style-type: none"> <li>Bachelor of Science (Industrial Engineering) Rajamangala Institute of Technology</li> </ul>	-	-	2012-Aug.18	Sattahip / Best Tech & Engineering Limited
						Manager , Yard Management Division / Best Tech & Engineering Limited
					2008-2012	Manager, Production Department / Best Tech & Engineering Limited
					2004-2008	Manager, Quality Control Division / Best Tech & Engineering Limited
						Assistant Vice President, Finance and Accounting Division-
Mr. Puvadon Thongvong / 5 June 2012	32	<ul style="list-style-type: none"> <li>Bachelor of Business Administration (Accounting), Rajamangala University of Technology Thanyaburi</li> </ul>	-	-	2015-Present	Accounting / BT Wealth Industries Public Company Limited
					2012-Present	Manager, Accounting Division / Best Tech & Engineering Limited
Miss Rattiporn Jarumongkoljaroen / 15 April 1988	55	<ul style="list-style-type: none"> <li>Diploma, Silom Commercial School</li> </ul>	-	-	1988-Present	Manager, Finance Division / Best Tech & Engineering Limited



**Holding position of Directors, Executives, Persons with Controlling Interest and Company Secretary of Company, Subsidiaries and Related companies as of 31 December 2018**

Company Management & Controlling Authority	Asso.Prof. Dr.Pai boon	Sareewithana	Mrs.Stripond Satwin	Mr.Chotic Russamitnakornkul	Mr. Sarawut Charuchinda	Mr.Sakda Hanbuntrong	Mr.Suvit Manomaiyanon	Mrs.Chutima Kattikawong	Mr.Sestha Waiyapwinyo	Mr.Anucha ChumChuen	Mr.Dhanasarn Suravudhikul	Mr.Thanin Kamthornthip	Mr.Puvadon Thongvong	Mrs.Worawan Viriya	Mr.Ravindra Rameshchandra Joshi	Mr.Supavich Ketmayoon	Miss Rattiporn Jarusmongkoljaroen
BT Wealth Industries PCL.	X		/	/, ///, V	/, //	/, //	/, //	/, ///, V	V		V	V	V	Z			
<b>Subsidiaries</b>																	
1. Best Tech & Engineering Ltd.			/	/, V				/, V					V			V	V
2. BT & Owl Solar 1 Ltd.			/	/				/									
3. Best Tech Industries Ltd.				/				/									
4. Global Clean Energy Co.,Ltd.				/				/									
<b>Related companies</b>																	
<b>* Listed Company</b>																	
1. UAC Global PCL.	x																
2. Union Auction PCL.	x				///												
<b>* Other Company</b>																	
1. Thai Packaging Industry PCL.	x				///												
2. B R C S Co.,Ltd.	/																
3. BT Metal Ltd.				/													
4. Global Industrial Asset Ltd.				/													
5. Mode Thai Co.,Ltd.																	
6. Chic Republic Co.,Ltd.	x				///												
7. Assetwise Co.Ltd.					x												

Remark: X = Chairman / = Director // = Member of Audit Committee /// = Executive Director V = Management Z = Company Secretary

**Details about Directors of the Company's subsidiaries**

#### Details about Directors of subsidiaries

<b>Company \ Directors</b>	<b>Mrs.Siripond Satawin</b>	<b>Mr.Chotic Russamitinakornkul</b>	<b>Mrs.Chutima Katikawong</b>	<b>Mr.Anucha Chumcheun</b>
Best Tech & Engineering Limited	/	/, X	/	
BT & Owl Solar 1 Limited	/	/		/
Best Tech Industries Limited		/	/	
Global Clean Energy Company Limited		/	/	

Remark : / = Director      X = Managing Director

**Details about Head of Internal Audit**

### Details about Head of Internal Audit

**Name** Mr. Amornpong Nualwiwat  
**Position** Director  
**Company** ANS Business Consultants Co., Ltd.

#### Education / Diploma

- MBA Thammasat University
- BBA (Accountancy) Thammasat University
- Member of the Institute of Internal Auditors of Thailand
- Certified Professional Internal Auditor of Thailand

#### Experiences

Duration	Position / Company
2005-Present	Director / ANS Business Consultants Co., Ltd.
1997-2004	Senior Manager / KPMG Advisory (Thailand) Ltd.
1990-1996	MIS Manager and Acting Manager, Office of Managing Director / Thairung Union Cars Public Company Limited
1984-1990	Accountant System and Procedure Department / Electricity Generating Authority of Thailand
1982-1984	Accountant / Siam Commercial Bank Public Company Limited



บริษัท บีที เวย์ลธ์ อินดัสตรีส์ จำกัด (มหาชน) BT Wealth Industries Public Company Limited





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