

ANNUAL REPORT

PATKOL COMPANY LIMITED



2015



PATKOL

Public Company Limited



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About Us

PATKOL Public Company Limited was established in 1965 under the registered name “Patanakolkarn Company Limited” and was renamed “PATKOL Company Limited” in 1992.

The company was registered as a public company listed on the Stock Exchange of Thailand (SET) and transformed into a public company limited on June 28, 1993.

PATKOL is renowned for being an excellent engineering company specializing in providing quality refrigerating and food processing machines, varying in ice-making machine, refrigerated room, freezing system for liquid products such as pasteurized and UHT dairy, energy drink, beer, fruit juice, and drinking water. The company is also keen on inventing high-quality machines and equipment used in pharmaceutical, chemical, and food processing plants while developing freezing machine, grading machine for fish, shrimp, and fruit, and crate washing machine used in supermarkets. The company has always remained firm and consistent in offering the highest satisfaction to customers of all classes, emphasizing on a comprehensive range of customer-focused services varying in design, engineering, construction, and installation, with various patent-certified products currently available in the market.

The company has been recognized as the Thailand’s first tube ice maker achieved by Thai pioneers and is also honored as the top ice making leader in the major global markets, guaranteed by a massive number of international customers in Asia, the Middle East, Africa, the United States, Australia, and Europe.

PATKOL’s head office is situated in Bangkok’s Prawet district, with its first and second production plants, stretched in a large area of more than 30,000 square meters, operated under the name “PATKOL Manufacturing Company Limited” located in Samut Prakan and Phetchaburi provinces, respectively.





2015 Highlight

Patkol Public Company Limited had increased the investment in a subsidiary company by increasing in the registered capital of the subsidiary company “Patkol Trading Company Limited” from former registered capital Baht 3,000,000 changed to Baht 30,000,000. The company held shares 99.98% of paid-up registered capital.

Patkol Public Company Limited had increased the investment by establishing the subsidiary company in Philippines and Indonesia as the details below:

Philippines

- Registered capital USD 500,000
- Objective of establishment: to run a business as a subsidiary company for selling machinery and handling with project of Patkol Company in Philippines, including installation and maintenance the machinery in Philippines.

Indonesia

- Registered capital USD 800,000
- Objective of establishment: to run a business to provide a service “Preventive Maintenance (PM)” for ice making machine business group to expand service offering in Indonesia and revenue opportunity



Message from the Chairman

Dear valued shareholders and investors,

According to the splendid achievement prior to 2015, I would like to reaffirm that PATKOL Public Company Limited was able to generate highly outstanding performances from all business units despite the country's sluggish economic situation.

However, in 2015, the prolonged economic crisis started to hit hard on the company's business operations. Although a massive number of product orders were made, many customers were apparently affected by the lack of investment flexibility and some of them had even requested us to delay the delivery of their ordered products.

To survive the economic depression, the Board of Directors and Executive Committee are considering the strategic plan to boost new investments on manufacturing plants in the ASEAN countries, particularly in Indonesia where a sales and maintenance office is already existed. However, the new overseas investments will certainly have an impact on the payment of shareholders' dividends in the short run. Nevertheless, on behalf of PATKOL Public Company Limited, I truly believe that all shareholders will regain expected dividends at the most appropriate rates in the near future.

Best wishes,

Assoc. Prof. Dr. Somchob Chaiyavej
Chairman of the Board of Director



Message from the Managing Director

Dear respective shareholders, investors, and benefactors,

In 2016, PATKOL has remained firm and steadfast in consistently generating greater operational development and business performances. Early this year, we have successfully announced official establishments of PT Indonesia PATKOL Service based in Jakarta, the capital and largest city of Indonesia, and PATKOL Philippines Corporation situated in Manila, the capital city of the Philippines, to demonstrate our global leadership of the refrigeration and food and beverage processing machinery market while preparing to maximize larger workforces in the two countries to support our international business expansion. As PATKOL has already announced its business operations in Vietnam and Myanmar, we are currently hatching our strategic plans to boost new offices in Malaysia and Cambodia as well. We have also planned to increase our trading partners in the EU and Central America, as part of the goal to maintain strong business growth and achieve rising revenue in foreign markets. Last year, the company achieved rising revenue of 26% from its international business segment.

For the domestic market, we are strictly committed to developing advanced technology, new innovation, and modern automation to provide effective solutions for the shortage of manpower, increase efficiency of production and energy utilization for customers of PATKOL's different business categories, and promote a variety of patented products and new innovations consistently and appropriately.

Despite the sluggish world economy, PATKOL can still maintain remarkable profit margin while vowing to become the biggest leader of its current business in Thailand and international markets, particularly in ASEAN countries. PATKOL has also generated massive investments in the installation of new machinery systems to ensure greater efficiency and quality of products and services, prompting the company to sparkle in the global markets and cope effectively with the changing competitive world.

In developing our human resources, PATKOL has always focused on providing training programs and seminars to encourage larger participation in operational practices among its manpower, aiming to create effective problem-solving skills as well as sustainable development of products and services to guarantee the highest satisfaction and positive impression of its customers derived from the comradeship of outstanding engineering capacity and exceptional service quality.

Best wishes,

Mr. Sangchai Chotchuangchutchaval
Managing Director



Vision and Mission

Vision

PATKOL serves the world with friendly engineering in Refrigeration, Ice and Food Processing

Mission

1. We will hold commitment to our customers and will always concern to the optimum benefits of our customers.
2. We will develop our human resources both in professional and management skills to be efficient and competitive.
3. We will be innovative and devoted to develop our machines and our technology to maintain the leading edges in all our businesses.
4. We will develop to be an IT organization with simplify work process and real time information for quick and correct decision.
5. We will contribute to the society and the environmental preservation



50 th PATKOL Anniversary





Policy and Business Overview

The company has policy to invest in subsidiaries and joint ventures by placing importance on businesses in which the company has expertise and businesses similar to the company's business. The company invests directly as a major shareholder or through a subsidiary in which the company holds more than 80 percent of shares or the company has control, except in cases where business conditions and competition do not facilitate business or when business operations require support and cooperation from other business operators, in which case the company will invest as a joint venture in a ratio where the company will have status as a joint venture. The Board of Directors has regulating mechanisms enabling control of management and responsibility for performance by subsidiaries and joint ventures to maintain interests in the company's investment.

The company's main business operations involve the engineering of cooling machines and machines used to process and produce various types of food such as ice machines, refrigeration rooms, machinery and factories for producing liquid products such as pasteurized milk, UHT milk, energy beverages, beer, fruit juice and bottled water including pharmaceutical and chemical factories. The company also builds food processing factories such as canned tuna factories and all-round shrimp factories in addition to building refrigerating machines, machines for sizing fish, shrimps or fruits and supermarket tray washing machines. The company is able to meet customer demand by offering one-stop services covering consultation, designing and engineering, including building and installations. Moreover, the company also has many patented products.

The company places importance on service provision by establishing regional and overseas service centers with adherence to service quality. Our team of experts has operational guidelines based on a foundation of creating quality products with complete and fast service. Patkol is able to make the company's products and engineering work accepted in over 50 countries worldwide.



Business Operation

Patkol Public Company Limited is a manufacturer of industrial machinery such as ice making machines, cooling machines, machines for the food industry, pressure vessels and machines for the petrochemical industry. The company emphasizes the selection of raw materials for machine structure to meet high standards and accredited sources. Machine designs require strict inspections, so machines are easy to clean, safe and easy to use. Nearly all materials such as stainless steel, electrical equipment and plastic, etc. and parts used in the assembly of food industry machines are imported from overseas. The imported raw materials and equipment distributed set the standard for the assembly of machinery designed by the company. And this is one of the company's strong points in terms of controlling costs and designs that avoid environmental impact, minimize resource utilization, conserve energy and efficiently use raw materials.

For the food industry, the company gives importance to the design of conveyor systems to enhance production effectiveness and efficiency, e.g. shrimp processing machines, reduced freezing time, designing conveyor systems to minimize operation procedures and boosting production in shrimp boiling and tuna processing, etc.

Ice Making Machines

Tube Ice Machines: The company manufactures ice machines with capacity ranging from 5 - 120 tons per day. Target clients can be divided into the following two groups:

- ❖ Machines with capacity of 5 - 10 tons per day are suitable for medium enterprises such as hotels, resorts, restaurants, clubhouses, sports clubs, golf clubs and small food factories.
- ❖ Machines with capacity of 10 - 120 tons per day are suitable for commercial ice making businesses and the food processing industry which requires crushed ice in food processes for maintaining food ingredient freshness.

Scale Ice Machines: The company designs and builds scale ice machines with capacity ranging from 2.5 - 5 tons per day: Target clients are food processing plants such as chicken meat processing, tuna canning and integrated shrimp processing plants. Scale ice is also used in fish freezing and in the fishing industry.

Block Ice: The company designs and builds custom block ice plants to meet customer needs with capacity ranging from 100 - 2,400 blocks per day and standard block sizes of 25, 50, 135, 150 and 165 kilograms per block. Block ice is mainly used in the fishing industry to maintain the freshness of foods or raw materials before processing and production. Another popular use is for consumption (in crushed form).

Ice Packing Machine and Ice Storage Room: Ice packing machines come in semi-automatic and hand-free automatic systems. Package sizes are 1.5 - 5 kg and 10 - 25 kg or as needed by clients. The system is a form - fill - seal packing system. For ice storage rooms, there are small standard sizes that are either portable or large rooms that are constructed to meet customer needs.

The company sells its products through salespersons, agents, the internet, tradeshow and existing customers. The company also expands its market to domestic clients and exports its products to foreign countries in Asia, the Middle East, Africa, America, Australia and Europe.

Although there are a number of domestic tube ice machine manufacturers, the company has the advantage over its rivals in terms of high quality and standards. The company's ice making machines are manufactured in compliance with ASME (American Society of Mechanical Engineer) standards, which are the standards for product design based on mechanical engineering principles and met by only a few manufacturers. Therefore, Patkol's tube ice machines are accepted both domestically and internationally. The company also has a team of engineers and technicians who are expert in design control as well as domestic and international installation from ice machine manufacturing, cooling machine and systems, water filtering equipment procurement, ice packing machines, conveyor systems and ice storage rooms. The products are designed so they can produce clean ice that is suitable for consumption in

compliance with the Ministry of Public Health Notification on Good Manufacturing Practice (GMP). The company's products come with a one-year warranty. The company gives importance to fast, one-stop services. Thus, we have established regional and foreign service centers to provide post-sale services such as repairs, maintenance and preventive maintenance programs.

The company is constantly improving the efficiency of its products and machines with a goal to increase production capacity and conserve energy. Its products are designed for good quality, durability and easy use.

At present, the company's sales for tube ice machines are the highest in Asia, especially in Malaysia. Markets have been expanded to the Middle East, South Africa, America and Australia.

For block ice, the company has expanded its market to ASEAN countries where the sales of ice for consumption and the fishing industry are steadily rising.

Our domestic and foreign clients include small and large ice producers for consumption, the fishing industry, hotels, resorts, large retail stores, food processing plants and concrete mixing plants.

The world's average global temperature rises and hot seasons are growing longer annually. Consequently, there are more areas with demands for ice consumption and usage. This creates opportunities for existing entrepreneurs to increase production capacity and expand business to new countries.

Refrigeration

The company classifies refrigeration into the following five types:

Cold room for large and small industries: The company designs, manufactures and installs industrial refrigeration room systems for the food industry. Clients for the refrigeration industry include entrepreneurs engaged in food processing, ready-made foods, seafood, meat, fruits and vegetables, the fishing industry and refrigeration room service providers for storing frozen foods such as chicken, seafood, fruits and vegetables.

The company's affiliate, S Panel Co., Ltd., sells cold room walling. It also designs, manufactures and installs commercial cold rooms for storing ice, instant foods, meats and seafood for small producers, shops and stores and restaurants.

Cold water and frozen food system are composed of the following products involved in frozen foods.

- ❖ Frost-free ripple plate chillers, water cooling systems to reduce food temperature with capacity for reducing food temperature to 0.5 degrees Celsius.
- ❖ Individual Quick Freezers (IQF) - Continual freezing systems following the process of product preparation.
- ❖ Air Blast Freezers - batch freezing systems. Products are loaded into a freezing container so they can be frozen.
- ❖ Spare parts related to refrigeration systems such as ripple plates, valves and insulation for cold rooms.

Parts for machine assembly are mainly manufactured by Patkol Manufacturing Co., Ltd., one of the company's affiliates.

Heat Radiation Systems - The company is a leader in the manufacture of evaporative condensers made of stainless steel. These products are popularly used in the refrigeration industry because of their durability. In 1990, the company began producing stainless steel evaporative condensers before any manufacturers in the world.

Refrigerators - The company offers one-stop services in refrigerators for supermarkets and hypermarkets. Clients include leading supermarkets and hypermarkets in Bangkok and other provinces.

Most of the raw materials used in the manufacture of refrigerators are procured because the company is an agent for the sale and installation of BONNET brand refrigerator products which are well known domestically and abroad.

Plate Ice Machines: This product is for making plate ice for the food processing industry with capacity ranging from 2.5-80 tons per day that uses ice for maintaining product freshness and requires clean ice with minimal contaminants in ice transport. Plate ice also needs to meet Good Manufacturing Practice (GMP) standards. Furthermore, there is limited space for machinery and the ice size needs to be suitable for the food industry.

The company sells its products through salespersons, the internet, tradeshow, and existing customers. The company also expands its market to domestic clients and exports its products to foreign countries.

The company has also founded Heataway Co., Ltd. to conduct marketing activities and sell evaporative condensers to achieve timely responses to customer needs.

Investments in plants using small and medium refrigeration systems using HFCs refrigerants are increasing. Patkol has expanded its market to domestic small and medium clients and to the ASEAN. In the future, the company intends to distribute its products on the global market.

The company has been able to retain its market share with its advantage of having modern machineries designed to save energy, offering integrated services and expanding the business to foreign countries. Our customer groups are as follows:

- ❖ Persons conducting business involving domestic food processing, exporting or selling, ready-made food, ready-to-eat foods, sea foods, meats such as pork, chicken, duck, fruits, vegetables and the fish industry.
- ❖ Persons providing cold room services for storing frozen foods such as chicken, sea food and fruits and vegetables.
- ❖ Persons conducting business involving fresh milk, dairy products, carbonated beverages, ice cream, green tea and other beverages.
- ❖ Restaurant entrepreneurs.
- ❖ Persons engaged in the business of distribution centers for fresh and frozen foods.
- ❖ Hypermarkets and supermarkets.
- ❖ Persons who have refrigerators for storing fresh foods, beverages, dairy products, fruits and vegetables, or persons who have frozen food refrigerators.
- ❖ Persons engaged in the businesses of small and medium sized commercial cold rooms.
- ❖ Persons conducting non-food business requiring refrigeration in the production process.

The expansion of CLMV nations and the opening of AEC results in positive trends for fresh food and processed food industry, because Thailand is the center for product transport, causing cold room business and product distribution centers to expand with high rates, in small, medium and large sizes, to various areas.

Exporters are waiting to observe the growth trends in Europe, Japan and the USA which are Thailand's main export markets. The trends for recovery in these markets are gradual.

Restaurants, wholesalers and retailers are waiting to observe the trends for domestic economic growth. The greatly expanding tourism industry will help raise domestic consumption. Furthermore, sales promotion will help stimulates short-term consumption. Recovery trends are gradual.

The foreign customer base is constantly growing due to the fact that the company is the source for raw materials. This growth is also due to low labor costs, expanding purchasing power in markets such as Vietnam, the Philippines and Indonesia. There are also existing Thai customers who are increasing their investments in foreign countries and new customers in those countries.

Liquid Product Processing

The company divides liquid product processing goods and services based on industrial system and machinery construction into the following four types:

Systems and Machines for the Dairy and Beverage Industries – The company is commissioned for the design and production of machinery, installation mixing, sterilizing and packaging systems for the dairy and beverage industries, including alcoholic and non-alcoholic beverages. The company uses automated systems and controlled measurement systems to control every piece of machinery and equipment for maximum efficiency in the production line in terms of energy and time conservation. The company also does troubleshooting for food production processes such as pasteurizing dairy products, UHT milk, fruit juice, bottled water, energy beverages, beer and other beverages. Furthermore, the company procures spare parts and equipment for machinery in the system by designing products and selecting equipment meeting international standards on good manufacturing practice (GMP) and standards compliant with the Ministry of Public Health Notification on Production Methods, Instruments, Tools and Storage, which are required to ensure that the food production process is hygienic.

Systems and Machinery for the Seasoning Production Industry – The company is commissioned for the design and production of machinery along with installing systems for seasoning production factories such as sauces, soy sauces, fish sauces, soybean paste and various types of dips. The company is able to design and produce suitable systems and machinery for each step of the production process to meet customer needs with accuracy based on customers' desired production capacity from the construction of systems. The objective is to clean and convert raw material status, systems for preparing mixtures, fermentation, filtering and disinfection along with packaging including tanks and equipment in the system. The stainless steel tanks used in this industry must have hygienic designs with smooth internal surfaces different from stainless steel tanks used in other activities. The company designs products and selects equipment and systems in compliance with international standards for hygiene. The equipment and systems designed by the company are easy to clean and have no areas that cannot be washed by the CIP system (Cleaning In Place or cleaning without removing equipment parts).

Systems and Machinery for the Cosmetic and Pharmaceutical Industries – The company has the capacity to design, produce and install machinery for the pharmaceutical and cosmetic industries such as skin care creams, shampoo and pharmaceutical supplies. The equipment and machines used in this industry must be designed to meet specific standards and criteria for pharmaceutical factories. The company creates accurate systems for controlling mixing and measurements in addition to continually building automated control systems. These automated systems help solve problems and difficulties in the production process. The core of automated system designs is the step for producing goods with maximum production quality and standards including safety. Therefore, Patkol places importance on systems for controlling, monitoring, reporting and analyzing results.

Systems and Machinery for the Paint and Chemical Industry – The company accepts to design, produce and install pressure vessels, storage tanks, heat exchangers (Shell and Tube), stacks, piping and installation work in the area of chemicals, paint and petrochemicals. The company designs according to mechanical engineering principles of ASME standards (American Society of Mechanical Engineers) for equipment strength and safety.

Sales Characteristics and Distribution Channels

- ❖ Existing customers who have purchased goods in other sections from the company.
- ❖ Direct sales to various projects after passing inspection by the project engineer and the procurement system.
- ❖ Sales via a main contractor.
- ❖ Tradeshow and exhibitions.
- ❖ Recondition or Modify.

The company is able to meet customer needs in the industry in every aspect with one-stop-services from consultation to planning, machine design and installation site design, production processes, machinery in the production processes and operations. Patkol is the first and only Thai company providing consultation, design services and automated system installations for production line suitability equivalent to foreign companies. Due to a number of factors such as continually upward trends in employee wages to reduce human work errors, the automated control system is an excellent option for managing problems with ease for adjustment to increase future production capacity. This is a significant advantage for the company.

Moreover, the company has an advantage over competitors in the area of experience in making production tanks meeting food factory standards. In addition, the company has Patkol Manufacturing, which has standardized production and quality control including engineering designs with certified ability to produce pressure tanks certified by U-STAMP in compliance with ASME standards (American Society of Mechanical Engineers). This has resulted in customer confidence in the company's high pressure tank quality. The costs for the aforementioned operations to meet higher standards have resulted in a loss of advantage over trade rivals concerning price. In the meantime, the company has advantages over competitors in the areas of ability to design and accept work for entire systems, including automated systems. This has enabled customers to manage systems more easily and conveniently.

The company's customers are entrepreneurs with dairy factories, yogurt factories, ice cream factories, alcoholic and non-alcoholic beverage factories such as beer, wine, drinking water, green tea, soft drink, fruit juice, energy beverages, extracted soup, sugar factory (syrup products) and entrepreneurs in the seasoning industry such as sauces, soy sauce, coconut milk, including the cosmetics industry, the pharmaceutical industry, the paint and chemical industry and the petrochemical industry.

Due to the overall environment in 2015, product exports were affected by global economic and export stagnation. Consequently, most customers have postponed investments and decisions. Nevertheless, the Thai economy gradually improved in the third quarter of 2015 as a result of expansions in spending. Furthermore, high tourism growth continues to support economic

expansion. Private sector consumption and investment are likely to recover with changing consumer trends in various beverages. Furthermore, in response to the different needs of consumers at different ages including healthcare beverages, customers have invested more in machinery in this sector of the market.

The company's main customers are composed of large and medium finished dairy businesses with production capacity expansion and production process modification into automated systems. For beverages, only major customers have continual growth. Furthermore, the heightened stringency of current regulations on production plant standards concerning hygiene has created opportunities for the company. With its knowledge and expertise in this industry, the company can help customers in plant development and modification. This has enabled the company to maintain sales figures.

Food Processing Engineering Businesses

The company has divided the food processing engineering business group into the following four types:

Primary machinery for the frozen food industry as follows:

- ❖ Individual Quick Freezers (IQF) are rapid freezing systems for storing and preserving foods, meat, vegetables and fruit. Three models are available.
- ❖ Cabinet Freezers with production capacity ranging from 100 – 300 kilograms/hour. Cabinet Freezers are appropriate for small entrepreneurs.
- ❖ Tunnel Freezers with production capacity ranging from 500 – 1,000 kilograms/hour. Tunnel Freezers are appropriate systems for medium entrepreneurs.
- ❖ Spiral Freezers with production capacity ranging from 1,000 – 3,000 kilograms/hour. Spiral Freezers are appropriate for medium and large entrepreneurs or entrepreneurs with problems due to low production space.

Canned food industry machinery with the following main machines:

- ❖ Retorts used to disinfect the inside of food cans with temperatures as high as 115 degrees – 147 degrees, which were produced according to US standards.
- ❖ Pre-canning cookers. This disinfection process uses temperatures lower than 100 degrees.

Basket Washers – The company has developed basket washers to meet needs for cleaning baskets used to transport frozen food products to build user confidence in our washing standards due to the fact that every basket is equally clean. This has enabled the company to sell washers among all large retail businesses with distribution centers.

Conveyor Belt System – The company has installed systems and procured spare parts and equipment for the food processing industry such as seafood, chicken meat, vegetables, fruits and canned foods such as tuna, sardines, vegetables and fish by designing production lines in the form of continuous conveyor belts with grader machines, boiling machines, scalding machines, washing machines, disinfecting machines, blending machines and tanks for flavoring liquids.

Most machine parts are produced by Patkol Manufacturing Co., Ltd., a subsidiary of the company.

Domestic and Overseas Sales Characteristics and Distribution Channels

- ❖ Sales of main products with sales engineers overseeing specific products based on clear sale goals for each product.
- ❖ Increased sales channels from continually increasing service work stemming from the company's past product sales.
- ❖ Continual hosting at tradeshow and exhibitions with sales via advertisement media. This has given the company satisfactory results in the past while maintaining media consistency in every area.
- ❖ Continual hosting at tradeshow and exhibitions with sales via advertisement media. This has given the company satisfactory results in the past while maintaining media consistency in every area.
- ❖ Emphasis only on sales in countries with production expansion trends and raw materials in the country.
- ❖ Use of sales channels from existing customers with whom the company has worked in the past.
- ❖ Creation of trading partners by considering trading partners with capacity for growth and ability to adapt to the company's business.

The company designs products to meet customer needs by using professional food processing engineering criteria in concurrence with international standards for the production of foods with hygienic design. Consideration is given to production effectiveness, labor reduction and energy conservation used in the production line. This is one of the company's strong points and great advantages that cause customers to opt for using the services of Patkol over the competition. As a result, the company continues to maintain its market share. The company's customer group is composed of frozen meat processors; frozen seafood producers, e.g. canned tuna and frozen ready-to-eat food processors; rice and sugar packers; bakeries and larger retailers with distribution centers.

Under current conditions, the frozen meat processors are developing frozen goods for large-scale retail sales. They are also delivering raw meat materials to restaurants. Furthermore, the lifestyles of working people in the new generation require more frozen ready-to-eat foods. Thus, the number of large-scale entrepreneurs is increasing. This presents an opportunity for food preservation machinery. Although the domestic market was rather stagnant during the past year, the company was able to find alternative markets by exerting its efforts toward the expansion of foreign markets in the Asian region. These markets are in the Philippines, Indonesia and Malaysia. Also included are businesses involving food processing machinery which are part of the four requisites, so the impact is not very significant.

Services, Parts and Other Businesses

The service business group provides post-sale parts procurement, repair and maintenance for machinery under warranty with the company and machinery for which the warranty has expired, including preventive maintenance service programs.

This group is mainly engaged in service provision for the procurement of parts, repairs and maintenance. It also overhauls machinery to support the work of other business units in the company, e.g. tube ice machines, block ice pools, all sizes of machinery in the cooling machine industry, equipment in all types of cooling systems in plants involved in the food processing, milk and beverage industries, including preventive maintenance programs or annual service contracts for ice plants, large-scale wholesale and retail groups such as Big C Supercenters and Ek-Chai Distribution System. As for sales characteristics and distribution channels, most of the company's customers are existing customers who buy from the company in the company's other business groups. Furthermore, direct sales can be made under various structures. In addition, the company's distribution channels involve participation at events such as tradeshow held domestically and overseas.

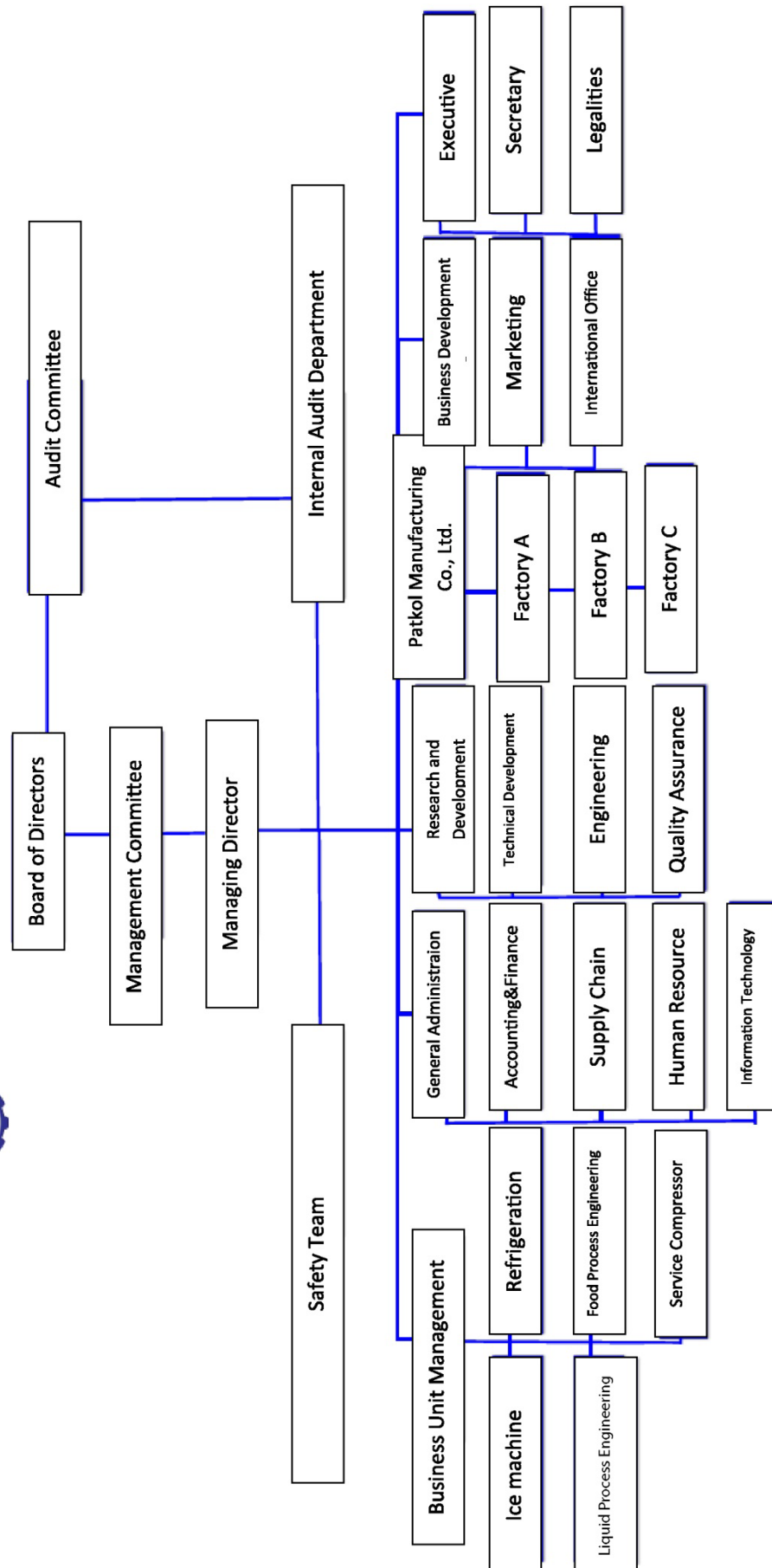
Most of the company's competitors with the same standards in services, repairs and maintenance are compressor distributors. The company's advantage is our focus on post sale services for customers who buy our products. At the same time, the company is also ready to provide general customer services due to our advantage of extensive experience and high degree of ability. In addition, the company continues to propose preventive maintenance systems and machinery before damages occur. As a result, damages are minimal and product quality is maintained. The company goes to repair and maintain machinery for customers beginning with delivery. And when a product's warranty from the company has expired, customers make contracts for continued service provision. This expands our income and customer groups as a result of honest service provision for customers from experts with warranty terms that are compatible with urgent work that is performed on time. Therefore, Patkol's services are different from the usual service provision while building good relationships with customers, too.

The ice machine and cooling system industries have been in business for a long time with continual growth every year. As a result, repair and maintenance services based on equipment usage life and use are in demand. Furthermore, compressors always need to be replaced, while the needs of customers include speed and promptness. Therefore, the company places importance in providing services by opening regional and overseas service centers.

Patkol PCL Organizational Chart



Patkol PCL Organizational Chart





Board of Directors



- | | |
|-------------------------------------|--|
| 1. Assoc.Prof.Dr Somchob Chaiyavej | Chairman of the Board, Independent Committee Member |
| 2. Dr. Piya Chongvatana | Chairman of Management Committee |
| 3. Mr.Sangchai Chotchuangchutchaval | Managing Director |
| 4. Mr. Paradorn Chulajata | Committee |
| 5. Ms. Nongluck Sakdakrai | Committee |
| 6 Ms. Anongsiri Chaiyakul | Committee |
| 7. Mr. Panet Chongvatana | Committee, Company Secretary |
| 8. Mr. Sumet Jiambutr | Committee |
| 9. Mr. Rangsan Thammanee Wong | Committee |
| 10. Mr. Suchart Suksumitr | Independent Committee Member,
Chairman of Audit Committee |
| 11. Mr. Veerachai Srikajorn | Independent Committee Member, Audit Committee |
| 12. Mr. Preecha Chantrangkul | Independent Committee Member, Audit Committee |

Profiles of Directors



Name	Assoc. Prof. Dr. Somchob Chaiyavej
Age	79 Years
Nationality	Thai
Position	Chairman of the Board, Independent directors
Date of Assuming of Office	April 27, 2006
Number of Years in the Office	9 Year

Holding of Company's Share	None
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the past 10 years.
Highest Academic Qualification	Ph.D in Mechanical Engineering, Purdue University, USA. National Defense College, Class 28
Training Courses for Director	Director Accreditation Program (DAP)
Employment Records	Past:
	<ul style="list-style-type: none"> - Instructor at the Thai-German Tech Institute (TGTI) - Deputy Director of TGTI - Dean, Faculty of Engineering, the King Mongkut's Institute of Technology North Bangkok (KMITNB) - Vice President and President (KMITNB) - Member of the Board: University Education Bureau - Member of the Board of Investment (BOI) - Member: National Research Council in Science and Technology - Member of the Board: Thailand Institute for Science and Technology Research
	Present:
	<ul style="list-style-type: none"> - Member: Steering Committee Thai-German Institute for Production Technology (Ministry of Industry) - Member: National Parliament Civil Service Council - Senior Advisor to Joint-Venture Fund "One" for SME - Council President: North Bangkok College - Council Member: Rajmongkol (Tanya Buri)

Technical University

- Advisor to the Board of Investment
- Advisor to the Board of Science and Technology

Research Center (STRC) of King Mongkut's

Institute of Technology North Bangkok

- Director, Dr.Piya Chongvatana Foundation

Senior licensed Professional Engineer: Machinery. 419



Name	Dr. Piya Chongvatana
Age	71 Years
Nationality	Thai
Position	Chairman of Management Committee
Date of Assuming of Office	June 28, 1993
Number of years in the Office	22 Years

Holding of Company's Share	54,869,844 Ordinary shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the past 10 years
Highest Academic Qualification	<ul style="list-style-type: none"> - Associated Degree in Applied Science in Air Conditioning Engineering Technology, Milwaukee School of Engineering, Milwaukee, Wisconsin, USA. - Bachelor's Degree in Mechanical Engineering, Chulalongkorn University - The Honorary Degree of Doctor of Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok
Training courses for Director	Director Certification Program (DCP)
Employment Records Present:	<ul style="list-style-type: none"> - Chairman, Patkol Manufacturing Co.,Ltd. - Chairman, Patkol R&D Co.,Ltd. - Chairman, Patkol Trading Co.,Ltd. - Chairman, Siam Patkol Co.,Ltd. - Chirman, Spanel Co.,Ltd. - Director, Prepack Thailand Co.,Ltd. - Advisor to the Board of Science and Technology Research Center (STRC) of King Mongkut's Institute of Technology North Bangkok - Honorary President, Thai Refrigeration Association - Honorary Director of ASHRAE Thailand Chapter

- Vice President, Thai - Bangladesh Chamber of Commerce
- Director of The Federation of Thai Industries
- Chairman, Dr.Piya Chongvatana Foundation

Engineering License Mechanical Senior Professional Engineer



Name	Mr. Sangchai Chotchuangchutchaval
Age	59 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	May 26, 1998
Number of years in the Office	17 Years

Holding of Company's Share	45,041,303 Ordinary shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	<ul style="list-style-type: none"> - Bachelor's Degree in Electrical Engineering, King Mongkut's institute of Technology North Bangkok - Master Degree of Public Administration
Employment Records Present:	<ul style="list-style-type: none"> - Director, Patkol Manufacturing Co.,Ltd. - Director, Patkol Trading Co.,Ltd. - Director, Siam Patkol Co., Ltd. - Director, Spanel Co.,Ltd. - Director, Patkol R&D Co.,Ltd.. - Director, Dr.Piya Chongvatana Foundatio
Engineering License Professional Electrical Engineer (Power)	



Name	Mr.Paradon Chulajata
Age	50 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	June 28, 1993
Number of years in the Office	22 Years

Holding of Company's Share	500 Ordinary Shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	- Master's Degree in Business Administration, Faculty of Finance, Eastern Michigan University, USA.
Training Courses for Director	- DCP Refresher Course - Director Certification Program (DCP) - Director Accreditation Program (DAP)
Employment Records	Past: - Investment Banking Officer, Patra Thanakij Plc. - Vice President Financial, Patkol Plc.
	Present: - Audit Committee's Consultant, Patkol Plc. - Director, Prepack Thailand Co., Ltd



Name	Mr. Suchart Sooksumitr
Age	79 Years
Nationality	Thai
Position	Director, Independent Director
Date of Assuming of Office	May 28, 1996
Number of years in the Office	19 Years

Holding of Company's Share	None
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	<ul style="list-style-type: none"> - Bachelor's Degree of Law, Thammasart University - Barrister at Law
Training Courses for Director	<ul style="list-style-type: none"> - Accounting for Non-Accounting Audit Committee - Director Accreditation Program (DAP)
Employment Records	<p>Past:</p> <ul style="list-style-type: none"> - Judge, Ministry of Justice (26 years) last position, Judge of the Supreme Court Thailand <p>Present:</p> <ul style="list-style-type: none"> - Director and Chairman of Audit Committee - Legal Advisor of Patkol Plc.



Name	Mr. Virachai Srikajorn
Age	62 Years
Nationality	Thai
Position	Director, Independent Director
Date of Assuming of Office	June 28, 1993
Number of years in the Office	22 Years

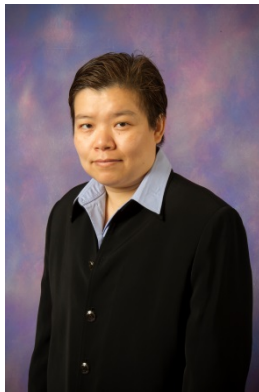
Holding of Company's Share	None
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the past 10 years
Highest Academic Qualification	Master's Degree in Business Administration, South Eastern University, Washington DC, USA.
Training Courses for Director	Director Certification Program (DCP)
Employment Records	Present:
	- Director Thailand Professional Qualification Institute (Public Organization)
	- Director and Audit Committee, Patkol Plc.
	- Director, Thai Storage Battery Plc.
	- Director, TKS Technologies Plc.

Engineering License Mechanical Professional Engineer



Name	Mr. Preecha Chantarangkul
Age	72 Years
Nationality	Thai
Position	Director, Independent Director
Date of Assuming of Office	June 9, 1999
Number of years in the Office	16 Years

Holding of Company's Share	None
Member of the Board of other businesses	
In conflict of interest with the Company's	None
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	Bachelor's Degree in Business Administration, Faculty of Management, Thammasart University
Training Courses for Director	Audit Committee Program Director Accreditation Program (DAP)
Employment Records	Present: Director and Audit Committee, Patkol Plc.



Name	Miss Nongluck Sakdakrai
Age	41 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	June 26, 2000
Number of years in the Office	16 Years

Holding of Company's Share	27,285,080 Ordinary shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	Master's Degree in Perfect Management, George Washington University
Training Courses for Director	DCP Refresher Course, Director Certification Program (DCP)
Employment Records	Present: Vice President, Thai Ice Club limited



Name	Mrs. Anongsiri Chaiyakul
Age	72 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	January 14, 2004
Number of years in the Office	12 Years

Holding of Company's Share	None
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	Bachelor's Degree in Accounting, Thammasart University
Training Courses for Director	Director Accreditation Program (DAP)
Employment Records	Present:
	- Director, Patkol Manufacturing Co.,Ltd.
	- Director, Patkol Trading Co.,Ltd.
	- Director, Patkol R&D Co.,Ltd..
	- Director, Siam Patkol Co., Ltd.



Name	Mr. Panet Chongvatana
Age	39 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	August 20, 2008

Holding of Company's Share	13,348,742 Ordinary shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Education Record	<ul style="list-style-type: none"> - Bachelor's Degree of Seines in Engineering Mechanical Engineering King M. - Master's Degree of Science in Engineering Management Majoring in Project Management has Jersey Institute of Technology.
Training Courses for Director	<ul style="list-style-type: none"> - Financial Statement for Director (FSD) - Director Accreditation Program (DAP)
Employment Record	<p>Present:</p> <ul style="list-style-type: none"> - Executive Director General Administrator - Director, Patkol Plc. - Director, Patkol Trading Co.,Ltd. - Director, Patkol Manufacturing Co.,Ltd - Director, Spanel Co.,Ltd. - Director, Patkol R&D Co.,Ltd. - Director, Heataway Co.,Ltd.



Name	Mr. Sumet Jiembutr
Age	61 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	April 29, 2009

Holding of Company's Share	977,442 Ordinary shares
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the post 10 years
Highest Academic Qualification	Bachelor's Degree in Engineering in Mechanical Engineer of King Mongkut's Institute of Technology North Bangkok
Training Courses for Director	Director Accreditation Program (DAP)
Employment Records Present:	<ul style="list-style-type: none"> - Director, Patkol Plc. - Director, Patkol Manufacturing Co., Ltd. - Director, Patkol Trading Co., Ltd. - Director, Patkol R&D Co., Ltd. - Director, Siam Patkol Co., Ltd. - Director, Spanel Co., Ltd. - Director, Heataway Co., Ltd.



Name	Mr. Rangsang Thammanee Wong
Age	55 Years
Nationality	Thai
Position	Director
Date of Assuming of Office	May 16, 2014

Holding of Company's Share	None
Member of the Board of other businesses	None
In conflict of interest with the Company's	
Involvement in any lawsuits	None during the past 10 years
Highest Academic Qualification	<p>- Master's Degree in College of Business Administration, Joseph M.Katz, Graduate School University of Pittsburgh, Pittsburgh, Pennsylvania, USA.</p> <p>- Bachelor's Degree in Master of Business Administration, Brigham Young University, Provo, Utah, USA.</p>
Training Courses for Director	Director Accreditation Program (DAP)
Employment Records Present:	<p>- President, Prudent Advisory Co., Ltd.</p> <p>- Director, SS-National-Logistics Co.,Ltd.</p> <p>- Director, Sermasuk Plc.</p> <p>- Member of Chartered, Society of Advancement for Consulting, USA</p> <p>- Director, Patkol Plc.</p>



Board of Executive Directors



Dr. Piya Chongvatana

Age 71 Years
Nationality Thai
Position Chairman of Management Committee



Mr. Sangchai Chotchuangchutthaval

Age 59 Years
Nationality Thai
Position Managing Director



Mr. Panet Chongvatana

Age 39 Years
Nationality Thai
Position Executive Director General Administration



Mr. Rangsan Thammanee Wong

Age 55 Years
Nationality Thai
Position Executive Director



Management Team



Dr. Piya Chongvatana

Chairman of Management Committee



Mr. Sangchai Chotchuangchutthaval

Managing Director



Mr. Panet Chongvatana

Executive Director General Administration



Mr. Sumet Jiambutr

Executive Director Manufacturing



Mr. Adisak Poolsri

Executive Director Technical and Development



Ms. Wannaporn Trinvisutthikul

Financial and Accounting Director



General Information

Company name	Patkol Public Co.,Ltd.
Registered No.	0107536000587 (Bor Mor Jor 132)
Company set up	28 November 1965 by the Chongvatana families.
Registered Capital	600,243,737 Baht (PK)
Types of Business	Industrial Materials and Machinery
Head office	348 Chalerm Prakiat Rama 9 Rd., Nongbon, Pravate, Bangkok 10250, Thailand.
Telephone	+662 3281035
Fax	+662 328-1058 , +662 328-1245
Homepage	www.patkol.com
Company Secretary	Telephone 662 328-1058, 662 328-1245 E-mail:panet@patkol.com
Investor Relations Contacts	Telephone 662 328-1058, 662 328-1245 E-mail:wannaporn@patkol.com
Corporate Communication	Telephone 662 328-1058, 662 328-1245
Contacts	E-mail:sureerats@patkol.com

The other businesses holding of Company's share > 10%

Subsidiaries 1	Patkol Manufacturing Co.,Ltd.
Types of Business	Manufacture, modify, repair of Machinery and equipment for the food industry.
Company set up	4 December 2003
Head Office	129 moo 3 phetchakasem Rd., Huairong, Khao-Yoi, Phetchaburi Telephone (032)447-920-27 Fax (032)447-928
Registered Capital	100,000,000 Baht, divided into 1,000,000 general shares, Par 100 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 99.99%

Subsidiaries 2	Patkol R&D Co.,Ltd.
Types of Business	Research and Development Product
Company set up	20 April 2004
Head Office	348 Chalerm Prakiat Rama 9 Rd., Nongbon, Pravate, Bangkok 10250, Thailand. Telephone 02-328-1035 Fax 02-328-1245
Registered Capital	5,000,000 Baht, divided into 50,000 general shares, Par 100 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 99.98%

Subsidiaries 3 Patkol Trading Co.,Ltd.

Types of Business	To purchase, sell, equipment, Spare parts for Ice machine and Refrigeration
Company set up	13 June 1984
Head Office	348 Chalerm Prakiat Rama 9 Rd., Nongbon, Pravate, Bangkok 10250, Thailand. Telephone 02-328-1035 Fax 02-328-1245
Registered Capital	30,000,000 Baht, divided into 300,000 general shares, Par 100 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 99.98%

Subsidiaries 4 Saim Patkol Co.,Ltd.

Types of Business	Current none operations
Company set up	15 March 1990
Head Office	348 Chalerm Prakiat Rama 9 Rd., Nongbon, Pravate, Bangkok 10250, Thailand. Telephone 02-328-1035 Fax 02-328-1245
Registered Capital	2,500,000 Baht, divided into 100,000 general shares, Par 25 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 39.99 % Patkol Trading Co.,Ltd. Shareholding 60.00%

Subsidiaries 5

S panel Co.,Ltd.

Types of Business	Manufacturing, Retail –Wholesale, Import –Export for cold storage small size including Insulation plate
Company set up	4 April 1995
Head Office	89/64 Moo 2 Kolong, Muang samutsakorn, Samutsakorn Telephone (034)885090-91 Fax (034)885215
Registered Capital	10,000,000 Baht, divided into 100,000 general shares, Par 100 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 80%

Subsidiaries 6

Heataway Co.,Ltd.

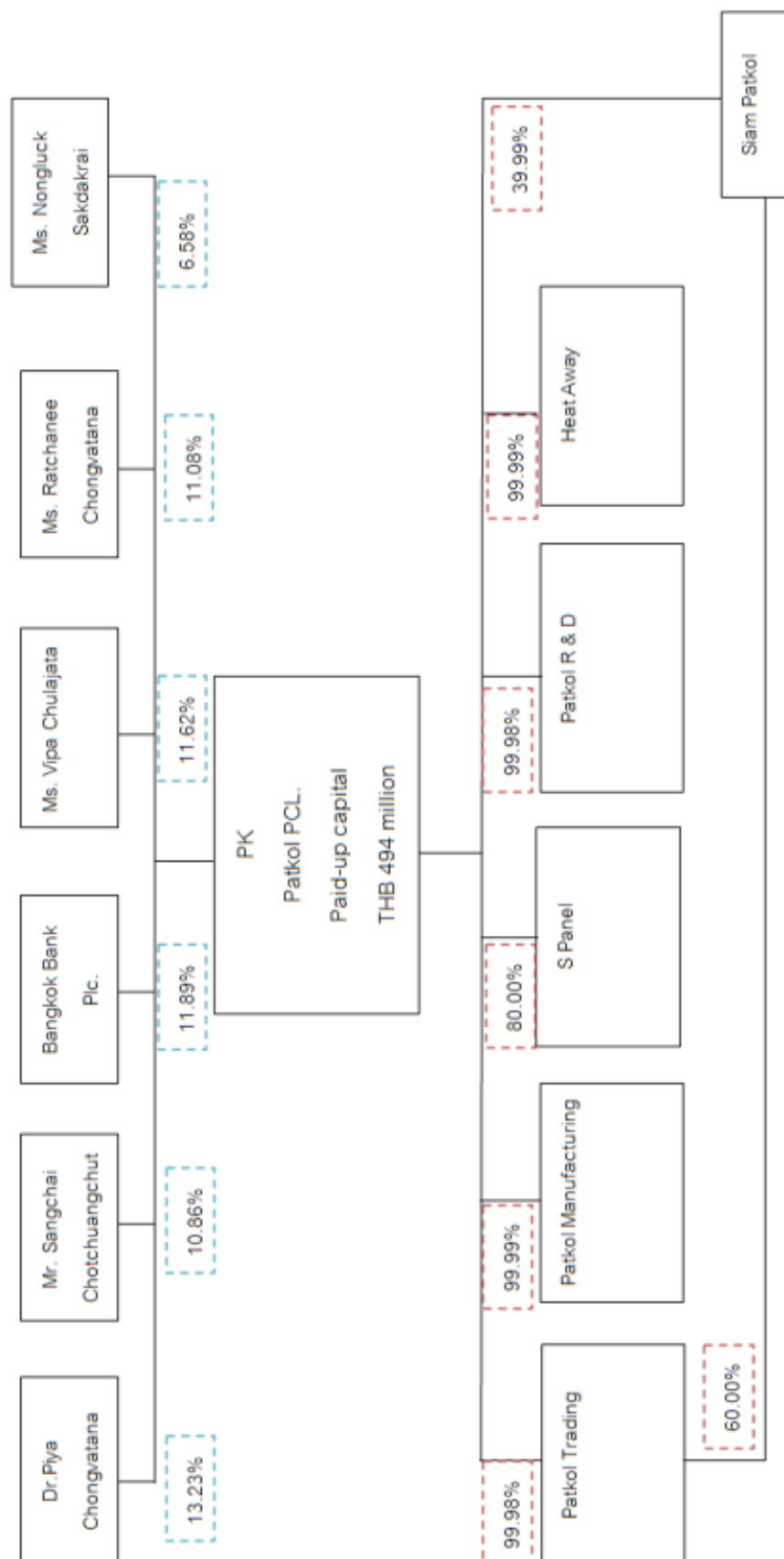
Types of Business	To purchase and sell Stainless Steel Evaporative Condenser, Spare parts for Stainless Steel Evaporative Condenser
Company set up	4 April 2014
Head Office	567/14 Onnut Road, Pravate,Pravate, Bangkok,10250 Thailand
Registered Capital	10,000,000 Baht, divided into 100,000 general shares, Par 100 Baht, - none- Prefer shares
Percentage of shareholding	Patkol Public Co.,Ltd. Shareholding 99.99%

Reference

1. Securities Registrar of Common Shares	THAILAND SECURITIES DEPOSITORY CO., LTD. 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. : +662-009-9000 Fax: +662-009-9991
2. Auditor	Karin Audit Co., Ltd. 138 Bunmit Bldg Silom Khwang Suriyawong, Bang Rak Province Bangkok 10500 Tel. : +662-634-2484-6 Fax: +662-634-2668
3. Financial Consultant	-- None --
4. Legal Consultants	Dharmniti Law Office Co., Ltd. 4th Floor, Nai Lert Tower, 2/4 Wireless Road, Lumphini, Pathumwan, Bangkok 10330 Tel: +66 2 6809 777 Fax: +66 2 6809 711
5. Financial Institutions Regularly in Contact	The Company is regularly in contact with local and international commercial banks and financial Institutions

Shareholders' Structure

Shareholding Structure as of March 17, 2016



The Top Shareholders

Top 10 majority shareholders as of March 17, 2016

No.	Name of person / Private Co.,	No. of shares	Percentage of shares
1	Mr. Piya Chongvatana	54,869,844	13.23
2	Bangkok Bank PCL.	49,307,800	11.89
3	Mrs. Vipra Chulajata	48,216,475	11.62
4	Ms. Ratchanee Chongvatana	45,970,942	11.08
5	Mr. Sangchai Chotchuangchutchaval	45,041,303	10.86
6	Ms. Nongluck Sakdakrai	27,285,080	6.58
7	Mr. Panet Chongvatana	13,348,742	3.22
8	Mrs. Noppavan Chongvatana	12,624,151	3.05
9	Ms. Patama Chaikitti	4,700,000	1.13
10	SWEE CHENG INVESTMENTS PTE LTD	4,586,038	1.10



Dividend Policy

The company may recommend that the pay-out annual dividend subject to approval of the Annual General Meeting of Shareholders. Presently, the company's policy is to pay the dividend of not less than 70% of net profit before gain on the company's consolidated financial statement and subject to considerations related to other relevant factors.

Dividend payment during 1992 – 2015

Year	Interim Dividend Payment	Annual Dividend Payment	(Baht/Share) Total
1992	-	1.00	1.00
1993	-	3.50	3.50
1994	-	1.00	1.00
1995	-	0.90	0.90
1996	-	2.00	2.00
1997	-	2.00	2.00
1998 - 2002	-	-	-
2003	-	2.00	2.00
2004	0.15 Stock Dividend/Share 1:1	0.05	0.20 Stock Dividend/Share 1:1
2005		0.10	0.10
2006		0.15	0.15
2006 - 2015	-	-	-



Management Structure

The Company's management structure can be divided as follow:

1. The Board of Director
2. The Audit Committee
3. The Executive Committee
4. The Risk Management Committee
5. The Nomination and Compensation Committee
6. The Executive Director

1. The Board of Director

1. Assoc.Prof.Dr Somchob Chaivej	Chairman of the Board, Independent Committee Member
2. Dr. Piya Chongvatana	Chairman of Management Committee
3. Mr.Sangchai Chotchuangchutchaval	Managing Director
4. Mr. Paradorn Chulajata	Committee
5. Ms. Nongluck Sakdakrai	Committee
6 Ms. Anongsiri Chaiyakul	Committee
7. Mr. Panet Chongvatana	Committee, Company Secretary
8. Mr. Sumet Jiambutr	Committee
9. Mr. Rangsang Thammaneeuwong	Committee
10. Mr. Suchart Suksumitr	Independent Committee Member, Chairman of Audit Committee
11. Mr. Veerachai Srikajorn	Independent Committee Member, Audit Committee
12. Mr. Preecha Chantrangkul	Independent Committee Member, Audit Committee

Authorized Directors

Mr. Piya Chongvatana, Mr.Sangchai Chotchuangchutchaval, Mr. Panet Chongvatana 2 of 3 Director have been authorized to sign and stamp with the company's seal or Mr. Piya Chongvatana, Mr.Sangchai Chotchuangchutchaval, Mr. Panet Chongvatana 1 of 3 Director have been authorized to sign with Ms. Anongsiri Chaiyakul, Mr. Paradorn Chulajata, Mr. Sumet Jiambutr that combine 2 Director of sign and stamp with the company's seal.

The Authorities and Duties of the Board of Directors

The Board of Directors values the importance of good corporate governance, which leads to stability and confidence for shareholders, clients, staffs, and the society. The Authorities and Duties of the Board of Directors have To perform their duties by utilizing their knowledge, skills, and experiences in order to benefit the company's business operation. Their duties must be in compliance with the company's objectives, regulations, the Public Limited Companies Act B.E.2535, Securities and Exchange Commission B.E.2535, and the resolutions of the Annual General Meeting of shareholders. Furthermore, the Board of Directors shall manage the company's business in the best interest of the company and its shareholders;

To consider and approve the company's policies, operation strategy, operation plans and working capital of its business proposed by the management, and request the management to report issue at the monthly director meeting about significant affects to the company's operation. The Board of Directors shall assure that all related parties' transactions are conducted in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. To supervise the company and to set up effective internal control and Internal Audit system such as financial statement, company operation and then report directly to the Board of Director as quarter.

2. The Audit Committee

The company perform as a member of the Audit Committee as the following :

- | | |
|-----------------------------|------------------------------------|
| 1. Mr. Suchart Suksumitr | <i>Chairman of Audit Committee</i> |
| 2. Mr. Veerachai Srikajorn | <i>Audit Committee</i> |
| 3. Mr. Preecha Chantrangkul | <i>Audit Committee</i> |

The director who are not the management or the executive board and their qualification of the directors under the rules and regulation of the Stock Exchange of Thailand, Mr. Preecha Chantrangkul who have knowledge and experience of financial and accounting. The board of director had appoint Mr. Paradorn Chulajata to advisor of the Audit Committee. The audit committee have a period term as 3 years or resignation or relieve from the board of directors or termination from the board of director.

Qualifications of the Audit Committee

1. Possess shares no greater than 1 percent of paid-in capital of the company, subsidiaries, joint companies, or related entities. This includes shares held by related parties.
2. Not a part of managing work of the company, subsidiaries, joint companies, or related entities.
3. Not an employee, staff, or advisor receiving salaries from the company, subsidiaries, joint companies, related entities, or major shareholders of the firm.
4. Does not share direct or indirect financial or managerial benefits with the company, subsidiaries, joint companies, related entities, or major shareholders of the firm. The member must not possess the aforementioned benefits for a time period of 1 year prior to appointment as the Audit Committee member, unless the company perceives that such benefits do not affect the member's performance and independence.
5. Not a related party or relative of the company's executives or major shareholders.
6. Not appointed as a representative to protect the benefits of the Board of Directors, major shareholders, or shareholders related to the company's major shareholders.
7. Capable of performing, providing opinions, or preparing reports as appointed by the Board of Directors without being under the supervision of executives, major shareholders, or parties related to such individuals.

Tenure and Discharge from Position

1. The Audit Committee shall remain effective in the tenure for 3 years and shall be re-appoint to return to the position plausibly and appropriately.
2. The Audit Committee shall discharge from position in dismissal for board of director, resignation, or impeachment.

3. The Audit Committee resign before due of tenure from position, the audit committee must inform with the company before 1 month. The Board of Director or the Shareholder's meeting can be considerate for appointment new of the audit committee as qualification completely.
4. The Audit Committee shall be considered from the termination of normal tenure and
 - 1) Death
 - 2) Resignation
 - 3) Disqualification of directorial properties, possession of any action or lack of proper qualifications required for the Audit Committee.

Authorities and Responsibilities of the Audit Committee

1. Ensure that the company provides accurate and adequate financial reports for public disclosure
2. Ensure that the company contains appropriate and effective internal control systems, risk management systems, and internal auditing systems.
3. Ensure that the company follows rules and regulations of the SET and ensure that the company follows regulations of the SET or related legal requirements
5. Evaluate, select, nominate, and propose remunerations for the company's accounting auditors
6. Carry out tasks assigned by the Board of Directors that are also approved by the Auditing Committee.
7. Provide a report summarizing the work of the Auditing Committee as a part of the company's annual report, signed by the President of the Auditing Committee.

Responsibilities

The Internal Audit Committee shall be responsible to the Board of Directors directly in accordance with assigned duties and responsibilities. Meanwhile, the Board of Directors shall also be responsible for the company's business implementation towards other third parties.

3. The Executive Committee

The Executive Committee was approved by the Board of Directors No. 2/2014 dated May 9, 2014. The name list of the Executive Committee is described below.

- | | |
|--------------------------------------|---|
| 1. Dr. Piya Chongvatana | <i>Chairman of Management Committee</i> |
| 2. Mr. Sangchai Chotchuangchutchaval | <i>Management Committee</i> |
| 3. Mr. Panet Chongvatana | <i>Management Committee</i> |
| 4. Mr. Rangsan Thammanee Wong | <i>Management Committee</i> |

To support the confidence in business implementation for stakeholders, ensure the company's sustainable growth, and clarify important details of the effective term of the Executive Committee in accordance with specified roles and responsibilities towards the Executive Committee's meetings, the Board of Directors has agreed to prepare a charter for the Executive Committee to serve as a guideline for legal business implementation conforming to the principles of good corporate governance.

Essential Qualifications and Requirements of Executive Committee

- 1) Members of the Executive Committee shall be appointed by the Board of Directors, with the consideration of the appropriate number of members. The Executive Committee shall possibly consist of the Board of Directors, executives of the company, and/or members of any third party.
- 2) The Executive Committee shall compulsorily consist of the minimum requirement of 3 members.
- 3) The Board of Directors shall be required to appoint members of the Executive Committee, where one of the entire members shall be a member of the Board of Directors to hold the position of Chairman of the Executive Committee.
- 4) Members of the Executive Committee shall possess desirable knowledge and experience required for the roles and responsibilities while being able to devote great effort in implementing required tasks. All members are also expected to refrain from any illegal actions required by law.

Effective Tenure

- 1) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position for a 3-year term. When the term is due, the Board of Directors shall be allowed to re-appoint the same members to return to the position plausibly and appropriately.
- 2) Members of the Executive Committee deemed as members of the company's Board of Directors shall remain effective in the position of executive management, except as otherwise determined by the Board of Directors.
- 3) Members of the Executive Committee deemed as members of the third party shall remain effective in the position in accordance with the resolution of the company's Board of Directors and shall be altered as appropriate.

Apart from the aforementioned provisions, members of the Executive Committee shall be withdrawn from the position due to the following causes.

- 1) Death
- 2) Resignation
- 3) Disqualification of directorial properties, possession of any illegal action under the law on public company limited, or lack of proper qualifications required for the company's corporate management, where shareholders are selected in accordance with the requirements cited in Article 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008).
- 4) The Board of Directors has resolved for retirement.

Any member of the Executive Committee who intends to resign from the position shall be required to submit a resignation letter to the President of the Board of Directors. In case that the position is vacant due to any reason other than the normal expiration of tenure, the Board of Directors shall appoint a new qualified person who possesses no illegal manner required by law to substitute the vacant position. In case that the remaining period of effective tenure is less than 2 months, the Board of Directors shall be allowed to determine not to appoint any person to substitute the vacant position as the substituted member shall remain effective in the position for the remaining period of effective term only.

Authorization

- 1) Determine policies, strategies, and goals on the implementation plan for annual budgeting and other management authorization to be proposed to the company's Board of Directors for approval.
- 2) Supervise and monitor the company's business operations consistent to the policies, strategies, and goals on the implementation plan for annual budgeting approved by the Board of Directors efficiently and appropriately for the nature of business while being able to provide required management suggestions for high-ranking executives.
- 3) Consider the approval of financial budgets for business investments, prepare financial transaction with financial institutions to facilitate the request for loan, mortgage, and guarantee as well as trading and land ownership registration to ensure that all transactions are made under the limited amount of financial budget approved by the company.
- 4) Determine effective organizational structure and management covering training, employment, and unemployment of employees, where Chairman of the Executive Committee shall be authorized to grant an approval in the employment contract.
- 5) Supervise and monitor the company's business operations and shall appoint or assign a person or party to act on behalf of the Executive Committee as appropriate while the Executive Committee shall be authorized to cancel or alter such authorization.
- 6) Assess all business tasks to be proposed to the Board of Directors unless the tasks shall remain under the authorization of any other sub-committee who shall propose the tasks directly to the Board of Directors.
- 7) Perform other duties as assigned by the Board of Directors.

The Executive Committee's authority shall not be delegated as authority or subrogation of authority that allows any member of the Executive Committee or attorney-in-fact to grant an approval for any business transaction that may cause conflicts of interest towards the company or its subsidiaries defined in the announcement issued by the Securities and Exchange Commission (SEC). The approval granted for any business transaction shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (depending on cases) to assure the approval of such business transaction in accordance with the requirements of the company or its subsidiaries or the related laws, except the approval of any other transaction with clearly specified scope under the general conditions.

Responsibilities

The Executive Committee shall be accountable to the Board of Directors directly in accordance with assigned duties and responsibilities specified in the charter and the Board of Directors shall also be responsible for the company's business implementation towards other third parties.

Meeting

- 1) It is required to arrange the Board of Directors' meeting on a monthly basis, at least once a month or as appropriate.
- 2) In calling a meeting, the Chairman or Secretary of the Executive Committee shall be required to submit a meeting invitation letter to members of the Executive Committee at least 7 days prior to the actual meeting date. In case that it is deemed urgent to maintain the right and authority of the company, the announcement of meeting appointment shall be made by any other means and the meeting date shall be rescheduled prior to the previously scheduled date.
- 3) Any member of the Executive Committee considered as a stakeholder of any business matter shall not be present in the meeting and authorized to cast a vote on certain issues.
- 4) The Executive Committee shall invite any other related person or party to participate in the meeting as appropriate and shall be allowed to determine a separate meeting if there shall be any particular issue to be discussed.

Quorum

- 1) To settle a quorum, more than half of the total members of the Executive Committee are required to be present in each meeting. In case that the Chairman of the Executive Committee shall not be present in the meeting or able to perform the required duties in the meeting, members of the Executive Committee shall be required to appoint one of the present members as a temporary Chairman of the meeting.
- 2) The verdict of the meeting shall be deemed final in accordance with the majority of the votes. As one member shall possess one authorized vote, if the voting result is appeared to be equal, the Chairman of the meeting shall be required to cast another special vote to finalize the verdict on each particular issue.

Reporting Procedures

The Chairman of the Executive Committee shall prepare a meeting report with summary of targeted performances to be proposed to the Board of Directors.

Meeting Attendance

The Board of Directors shall hold an executive meeting at least once in every three months, where meeting agendas and minutes are specified in advance, in accordance with the submission of the quarterly financial statements. Each meeting agenda and minutes shall be specified clearly, with sufficient related documents used as references to support the meeting agenda and minutes. The meeting agendas and minutes, together with related documents, shall be submitted to the Board of Directors within 7 days prior to the actual meeting date to prompt all members for comprehensive study and clearer understanding for each particular agenda and minute.

Meanwhile, the addition of a meeting agenda or minute after the submission of required documents and references shall be allowed for genuinely necessary issue only. As each meeting shall last for 2 hours, each member of the Board of Directors shall have an opportunity to discuss on particular issues and express their opinions openly. In case that any member of the Board of Directors deemed as stakeholder shall be involved in any serious matter, the matter shall be abstained not to be discussed or voted at that time.

The record of meeting agendas and minutes shall be made in a written form. The meeting report shall also be certified by the Chairman of the meeting and the company's Secretary to assure accuracy of each document. All meeting-related documents shall be arranged and kept in files, consisting of original and duplicated copies to facilitate inspection and verification procedures.

4. The Risk Management Committee

The Board of Directors has officially appointed the Risk Management Committee on May 12, 2015 to develop effective risk management policies for the organization as a whole while promoting systematic regulatory requirements to prevent possible impacts that may affect the company's business operations efficiently and appropriately. The scope of authority and responsibility is clearly specified to facilitate the Risk Management Committee to achieve all assigned tasks. The name list of the Risk Management Committee is described below.

1. Mr. Veerachai Srikajorn	<i>Chairman of Risk Management Committee</i>
2. Mr. Paradorn Chulajata	<i>Risk Management Committee</i>
3. Mr. Panet Chongvatana	<i>Risk Management Committee</i>
4. Mr. Rangsan Thammanee Wong	<i>Risk Management Committee</i>

1. Risk Management Committee

- 1.1 The Committee shall consist of a minimum of three (3) members who are appointed by the Board from non-executive Directors, together with the CEO. At least one member of the Committee shall be a non-executive director sitting on the Audit Committee.
- 1.2 The Risk Management Committee shall remain effective in the position for a 1-year term. As the effect term is due, any member of the Risk Management Committee shall be re-appointed to return to the position plausibly and appropriately.
- 1.3 In case that the position is vacant due to any reason other than the normal expiration of effective term specified in No. 1.2, varying in dismissal of required status, resignation, or impeachment, the Board of Directors shall appoint a new qualified person who possesses no illegal manner required by law to substitute the vacant position. The Board of

Directors shall appoint a new member of the Risk Management Committee to substitute the vacant position as the substituted member shall remain effective in the position for the remaining period of effective term only.

2. Scope of Performance, Authority, and Responsibility

2.1 Determine effective policies for integrated risk management framework covering major risks on the company's core business implementation specified below.

- 1) Strategic Risks
- 2) Market Risk
- 3) Financial Risks
- 4) Operational Risks

2.2 Develop a set of efficient risk management plans and procedures for the organization as a whole.

2.3 Promote follow-up and assessment actions to keep pace with the risk management policies applied for the entire organization.

2.4 Provide productive advices on the implementation of risk management.

2.5 Submit a report on possible risks and risk management procedures to the Board of Directors as required.

2.6 Perform other required tasks as assigned.

5. The Nomination and Compensation Committee

1. Mr. Suchart Suksumitr *Chairman of Nomination and Compensation Committee*
2. Mr. Paradorn Chulajata *Nomination and Compensation Committee*
3. Ms. Nongluck Sakdakrai *Nomination and Compensation Committee*

The Nomination and Compensation Committee has officially been appointed by the Board of Directors, where the Chairman and independent committee shall perform their duties in nominating committee members, substituting retired committee members, appointing a committee member to substitute a vacant position, and considering remuneration for the Board of Directors comparing to business operations performed by other firms in the industry to ensure transparency and fairness for all stakeholders and stimulate greater organizational efficiency.

Qualifications of Nomination and Remuneration Consideration Committee

Nomination and remuneration consideration committee shall possess the following qualifications.

1. Be a member of the Board of Directors.
2. Able to devote time and effort in implementing required tasks.
3. Independent committee appointed as Chairman of the Nomination and Remuneration Consideration Committee shall possess required qualifications completely in accordance with the announcement issued by the Securities and Exchange Commission (SEC).

Tenure and Discharge from Position

5. The Nomination and Remuneration Consideration Committee shall remain effective in the tenure for 3 financial years and shall be re-appointed to return to the position plausibly and appropriately.
6. When a member of the Nomination and Remuneration Consideration Committee is dismissed from the position or shall not be able to remain effective throughout the tenure, the Board of Directors shall appoint a new member to substitute a vacant position within a period of 3 months following the date of position vacancy. The newly appointed member shall remain effective in the position for the remaining period of effective tenure only.
7. The discharge of the Nomination and Remuneration Consideration Committee shall be considered from the termination of normal tenure and
 - 1) Death
 - 2) Resignation
 - 3) Disqualification of directorial properties, possession of any action or lack of proper qualifications required for the company's Director.

Scope of Performance, Authority, and Responsibility of Nomination and Remuneration Consideration Committee

1. Select a qualified candidate who deserves to be nominated as a new member of the Nomination and Remuneration Consideration Committee.
2. Determine procedures and standards for nominating members of the Board of Directors or Managing Director with transparency and fairness.
3. Seek and appoint a person deemed appropriate for the nomination of the Board of Directors and Managing Director to be proposed to the meetings of the Board of Directors and shareholders accordingly.

4. Consider guidelines for remuneration offered to the sub-committee.
5. Determine procedures and standards for offering remuneration to members of the Nomination and Remuneration Consideration Committee and the sub-committee fairly and reasonably to be proposed to the meetings of the Board of Directors and shareholders accordingly.
6. Perform other tasks as assigned, particularly those related to the nomination and remuneration to be offered to the Board of Directors and Managing Director.

Responsibilities

The Nomination Committee is responsible to the Board of Directors directly in accordance with assigned duties and responsibilities while being responsible for the company's business implementation towards other third parties.

6. The Executive Director

1. Dr. Piya Chongvatana	<i>Chairman of Management Committee</i>
2. Mr. Sangchai Chotchuangchuchaval	<i>Managing Director</i>
3. Mr. Panet Chongvatana	<i>Executive Director General Administration</i>
4. Mr. Sumet Jiambutr	<i>Executive Director Manufacturing</i>
5. Mr. Adisak Poolsri	<i>Executive Director Technical and Development</i>
6. Ms. Wannaporn Trinvisutthikul	<i>Financial and Accounting Director</i>

Note: An executive means a committee member, manager, or a person in the Management Level 4 following the Managing Director, who possesses an absolute authority in the financial and accounting department in accordance with the announcement issued by the Securities and Exchange Commission (SEC).

Scope of Authority of Executive Committee

The Board of Directors has determined strategic goals of business practices performed by the Executive Committee in the short and long runs in accordance with the effective period of the strategic plan. It is compulsorily required to set the targeted goals and reveal the assessment results used as references to the consideration of remuneration offered to executives at all levels, where targeted goals and standards shall be referred to the strategic plan, annual plan, and operational plan approved by the Board of Directors, as part of the strategy to determine the most appropriate remunerations and incentives.

In 2015 the Board of Director's Meeting was 5 times as per records of the Board of Director's meeting:

Name of Director	Position	Board of Directors Meeting	
		(Time)	(Join)
1. Asso.Prof.Dr.Somchob Chaiyavej	Chairman of the Board	5	5
2. Dr. Piya Chongvatana	Committee	5	5
3. Mr.Sangchai Chotechuangchutchaval	Committee	5	5
4. Mr. Paradorn Chulajata	Committee	5	5
5. Mr. Suchat Suksumitr	Independent Committee Member	5	5
6. Mr. Veerachai Srikajorn	Independent Committee Member	5	5
7. Mr. Preecha Jantrarangkul	Independent Committee Member	5	5
8. Mrs.Anongsiri Chiyakul	Committee	5	5
9. Miss. Nongrak Sakdakrai	Committee	5	5
10. Mr.Panet Chongvatana	Committee	5	4
11. Mr.Sumat jiambutr	Committee	5	5
12. Mr. Rangsan Thammanee Wong	Committee	5	5

The Company Secretary

The Board of Directors appointed Mr. Panet Chongvatana as the company's secretary. The Company Secretary must act with responsibilities, care and integrity, as well as comply with the laws, objectives, Company's regulations, resolutions of the Board of Directors, and the resolutions of the General Meeting of Shareholders. The Company Secretary's duties under Section 89/15 and Section 89/16 of the Securities and Exchange Commission (No. 4) Act 2551 are as follows:

1. Prepare and maintain the following documents:

1.1 Registrations of Directors

1.2 Notice of the Board of Directors meetings, meeting documents, and the minutes of meetings

1.3 Notice of Shareholders' meetings, meeting documents, and the minutes of meetings

1.4 The Company's annual reports

2. Maintain the reports of related parties as submitted by the Directors or the Executive Officers and file a copy of the same to the Chairman of the Board and the Chairman of the Audit Committee within 7 days from the date of submission of the reports.

3. Other duties as specified by the Capital Market Commission.

Details on shareholding of each Director

The shareholders of Board Directors are amount 140,544,969 Share and 33.89 % Percentage of shares

No.	Name of Person	No. of shares	Percentage of shares
1	Mr. Piya Chongvatana	54,869,844	13.23
2	Mr.Sangchai Chotchuangchutchaval	45,041,303	10.86
3	Ms. Nongluck Sakdakrai	27,285,080	6.58
4	Mr. Panet Chongvatana	13,348,742	3.22

Remuneration for Directors and Executives

The directors' remuneration for the year 2015 as follows:-

	<u>Remuneration</u>	<u>Remuneration rate</u>
1.) The Company's directors		
- Monthly remuneration (pension)	Chairman	78,750 Baht
	Director	34,650 Baht /person
- Meeting attendance payment	All directors	10,000 Baht/meeting

2.) Sub-committees

- Audit Committee

Monthly remuneration 23,100 Baht
/person

- Nominating Committee

None

Directors	Remuneration for each Director in 2015			
Title	Emolument	Meeting Allowance for Board of Directors Meeting	Meeting Allowance for Audit Committee Meeting	Aggregated Remuneration
Asso.Prof.Dr.Somchob Chaiyavej	945,000.00	40,000.00		985,000.00
Chairman of the Board				
Dr. Piya Chongvatana	415,800.00	110,000.00		525,800.00
Chairman of Management Committee				
Mr.Sangchai Chotchuangchutchaval	415,800.00	110,000.00		525,800.00
Managing Director				
Mr. Paradorn Chulajata	415,800.00	40,000.00	277,200.00	733,000.00
Audit Committee				
Mr. Suchart Suksumitr	415,800.00	40,000.00	277,200.00	733,000.00
Audit Committee				
Mr. Veerachai Srikajorn	415,800.00	40,000.00	277,200.00	733,000.00
Audit Committee				
Mr. Preecha Chantrangkul	415,800.00	40,000.00	277,200.00	733,000.00
Audit Committee				
Ms. Nongluck Sakdakrai	415,800.00	40,000.00		455,800.00
Committee				
Ms. Anongsiri Chaiyakul	415,800.00	80,000.00		495,800.00
Committee				
Mr. Sumet Jiambutr	415,800.00	110,000.00		525,800.00
Committee				
Mr. Panet Chongvatana	415,800.00	100,000.00		515,800.00
Committee				
Mr. Rangsan Thammaneewong	415,800.00	40,000.00		455,800.00
Committee				
Total				7,417,600.00

The remuneration of the Director and the Executives Directors

Aggregated remuneration for the Director and the Executives Directors in 2015 the amount of Baht 46,781,944.

Personnel

As at December 31, 2015 there were 1,603 employees, divided according to the main business lines

as follows:-

Department	Engineering	Worker	Other	Total
Management (E1-E3)	-	-	18	18
Refrigeration (RF)	15	52	25	92
Ice Machine (IM)	16	6	19	41
Ice Machine Export (IE)	22	34	19	75
Liquid processing (FD)	42	36	17	95
Food processing (FP)	25	13	17	55
Control & Automation (CA)	21	8	3	32
Tank Pressure Vessel (TP)	20	-	3	23
Service (SV)	12	184	48	244
Refrigeration Export (RE)	5	1	4	10
Commercial Refrigeration (CR)	14	6	5	25
Block Ice (BI)	9	12	4	25
Finance & Accounting (AF)	7	19	13	39
International	-	-	20	20
Spare Part	5	-	1	6
Financial and Accounting	-	-	43	43
Admin/Personnel/AdminBU/ Purchasing	9	56	334	399
Technical & Development (T&D)	20	2	8	30
Factory Personnel	57	223	51	331
Total	299	652	652	1,603

Employee Benefits

The totaling amount benefit of employees as of December 31, 2015 was 654,177,854.53 Baht with 1,603 employees as detailed below:

Type of Benefit	Total mount (Baht)
Wages/salary	553,356,521.09
Bonus	0.00
Incentive	76,255,376.42
Provident fund	12,144,329.02
Social security fund	12,421,628.00

Employee Development Policies

PATKOL has strategically issued regulatory policies to encourage its executive and operational employees at all levels to advance their working knowledge and skills, aiming to ensure technical expertise required for each particular task while prompting quality people for effective management and leadership. In addition, the company has always recognized the importance of quality, environment, and occupational health and safety, with the expectation to promote the company's employees of quality and professionalism who are eager to keep pace with organizational progress.

To achieve the aforementioned ideas, we have determined to promote our employee development policies covering the following aspects.

1. Provide effective plans and budgets for corporate training programs and career-oriented activities in the short and long runs to support the company's continuing growth.
2. Foster development training programs and behavior-focused activities to promote the significance of the "Friendly Engineering" working concept conforming to the corporate cultures in various fields.
3. Encourage executive and operational employees at all levels to have greater involvement in creating organizational development, with the effectiveness of mutual evaluation, proposal, and implementation through the "Syner Team" and "Program Alert Project" activities.
4. Conduct a survey on employee engagement and a group interview on other related corporate affairs to generate organizational development in various fields aiming to maximize the level of engagement among the employees.
5. Develop effective communication channels appropriate for employees of different ages and occupations to ensure the effectiveness and precision of organizational communication as a whole.

6. Provide tests of expertise and capacity standards for employees responsible for specialized tasks such as technicians, computer programmers, engineers, or accountants to maintain quality and professionalism of works at all times.
7. Arrange a management trainee program to prompt new graduates, who kick start their career with PATKOL, for further experiences and qualifications required by the company.
8. Organize the talent management project to seek employees with greatly outstanding performances in the short and long runs to support further expansion and continuing growth of the organization.
9. Promote the leadership development project to empower the management team with greater knowledge and skills required by the company.
10. Prepare a job profile for each working position to serve as guidelines for human resources development to ensure an opportunity to grow in the career path.
11. Develop effective performance management and reward presentation procedures to be connected to the development of employees' potential with regard to their working positions while linking the performance management to the targeted goals at corporate, departmental, and individual levels.
12. Provide sufficient training programs and knowledgeable activities to create greater awareness on quality, environment, and occupational health and safety via several communication channels provided by the company efficiently and appropriately.
13. Support executive and operational employees at all levels to participate in knowledge-sharing sessions to unveil personal experiences and exchange business insights via the knowledge management program.
14. Collaborate with public and private educational institutions to promote the development of knowledge and skills of their students to be prepared for the expected career goals after graduation, making PATKOL an organization that provides a productive internship program and research support for freshly graduated students who will be guided and supported by highly experienced and professional corporate teams.



Health, Safety & Environmental Concerns

Patkol Public Co., Ltd. was founded in 1965 and has become well-known as an expert in cooling systems and food processing machines in the Asia-Pacific region. Patkol expanded its business operations to accept contracts for the installation of ice plants, cooling machines and refrigeration rooms based on customer needs by providing one-stop services covering design, installation, engineering work and services with acceptance and trust from domestic and overseas customers worldwide under the company's motto: "Quality with Service, Sincerity and Honesty". The company considers organization safety and environment. Therefore, the company created the Safety Section on 16 May 2012.

Patkol Public Co., Ltd. is also determined to raise awareness of corporate social responsibility in terms of care for corporate personnel and contractors. The company hopes to provide work areas meeting occupational safety and health principles for employees and contractors. At present, the company has implemented the OHSAS 18001 occupational health and safety management standards and ISO 14001 environmental standards.

Occupational safety, health and the environmental policy are as follows:

1. Aggressively build corporate culture in the areas of occupational safety, health and the environment through executives' intentions and participation by every employee in the company.
2. Emphasize and promote awareness of duties and responsibilities on occupational safety, health and the environment among employees and contractors for themselves, colleagues and communities surrounding work areas.
3. Comply with safety-related standards and regulations under the law.
4. Develop capacity among employees and contractors via a system for assessing occupational safety, health and the environmental capacity in addition to maintaining standards for working safely and effectively.
5. Manage occupational safety, health and environmental risks by controlling risk at the lowest practicable level.
6. The company is determined to prevent and reduce pollution impacts from work in addition to participating in natural resource preservation and conservation.
7. The company emphasizes and promotes employees and contractors in awareness of duties and rights to stop working under unsafe conditions.
8. The company has established clear operating objectives and goals along with inspecting and assessing outcomes for continual improvement.

9. The company has modified the accident management system to be effective in order to prevent and reduce accidents or diseases caused by work along with investigating causes to prevent recurrence.

The main components of occupational safety, health and the environment work are composed of the following:

-The company provides training for employees at every level. The company also provides education and imparts good attitudes to new employees.



- Safety promotion and support activities.



- Risk assessment and prevention.



- Preparation and analysis of accident statistics and accident investigations to make improvements and corrections.

- Work methods, pre-work prevention, regulations and safety inspection preparations.



In addition to enacting protection by various measures, the company divided work safety management steps as follows:

1. Safety plans are composed of educational orientation for new operators, training for safety staff at the supervisor/management level, Safety Committee appointments, equipment/tool inspections, machine testing, hazard indication and risk assessment, safety manual preparations, Toolbox Talks, House Keeping, work area inspections, emergency plan and fire suppression plan preparations and safety promotion activities, etc.



2. In working, the company controls work methods in line with specified procedures such as construction site preparations, warning sign installation, wearing personal protective equipment, working in high places, scaffolding work, machine-related work, work in confined spaces, work related to electricity, lifting work and work license request systems, etc.



Past achievements in occupational safety, health and the environment

- The Outstanding Operating Facility Project in the Area of Safety, Occupational Health and Work Environment.
- The Safe Operating Facility Project in Honor of HRH Princess Sirindhorn Maha Chakri.
- Green Industry Project.
- “No Drunk Driving, No Fast Driving and Wear Helmets” dissemination and public relations promotion activities.



The company works earnestly to promote employee environmental health and safety along with building conscientiousness among employees and the people involved in their duties to perform in compliance with ethical guidelines by consistently providing training and education for employees. Furthermore, the company gives great importance to compliance with standardized guidelines and measures to create good environment preservation at an international level.

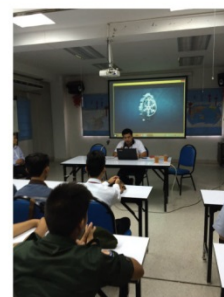


Social Responsibility

To take part in corporate responsibility for society and community development, part of the company's business operations demonstrates our responsibility to stakeholders involved in the company with care under prescribed laws based on our motto to which the company had always adhered: "Quality with Service, Sincerity and Honesty".

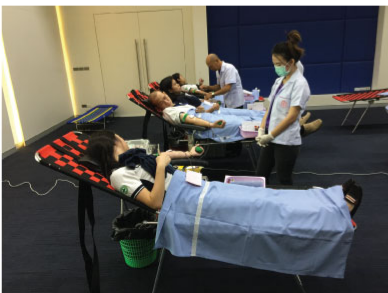
The company participates in care and supports the creation of jobs in communities by the centers launched in various regions such as Patkol Centers in the northeastern region, the southern region and the northern region, respectively. We have policy to hire local employees to create community employment, build occupations and income for community members without requiring travel outside the area, so employees can live with their families and have better lifestyles.

The company participates in education by cooperating with regional colleges and universities. The company allows educational institutes to select students for job training and the company employs students for work after job training. The company creates learning opportunities outside of classroom education where students see only books or a few machines. The company offers learning opportunities outside the classroom to create a new generation of people to develop industrial technologies in tandem with the world at the following educational institutes: Khon Kaen University, Khon Kaen Technical College, Khon Kaen Polytechnic College, Khao Wang Technical College in Kalasin, Surin Technical College, Buriram Technical College, Phrae Technical College, Bangsapan Industrial and Community Education College and Suratthani Technical College, etc.



Furthermore, the company has public benefit activities as follows:

1. The “We Ask for Calendars” Project by giving old calendars to make Braille characters and educational equipment for a school for persons with eye disabilities at Thammik Witthaya School, Phetchburi, Khao Yoi District, Phetchburi Province
2. Robe offering ceremonies at Wat Ban Kluay, Bang Kem Sub-district, Khao Yoi District, Phetchaburi Province, to gather the four necessities and collect funds to build a sermon hall.
3. Robe presentation ceremonies at Wat Khlong Khon, Khlong Khon Sub-district, Mueang Samut Songkram District, Samut Songkram Province to gather the four necessities and collect funds to build a chapel.
4. Three blood donation activities with Rajavithi Hospital at the main office, Patkol Public Co., Ltd.





Risk Factors

1. Economic and Political Risk Factors

Unpredictable and sensitive global economic conditions have caused Thailand's economic conditions to fluctuate as well. Nevertheless, economic impacts or political changes require close monitoring because these impacts will take place on budget drawing efficiency and private sector confidence with direct impacts on domestic and overseas investment conditions and atmospheres, which are important factors in decision-making by investors, especially factory or production capacity expansion investments. Therefore, the company has expanded its business overseas to seek more business opportunities.

2. Overseas Investment and Operation Risks

Overseas expansions diffuse risks from investment clusters. However, overseas investments have external risk factors with potential impact on performance in each country such as laws, trade measures, political policies, natural disasters, labor employment, local language and culture, etc. These impacts may prevent performance from achieving goals. Therefore, the company has to meticulously study and analyze investment possibilities by considering investment potential and consistency with the company's investment policy before making decisions. Initially, the company registered as a representative office before registration to establish the company and looked for trade allies with expertise in each country. Furthermore, the company founded an international office to monitor changes in legal clauses and trade regulations in each country to provide news and information for executives. Furthermore, the company holds meetings to jointly consider performance and seek guidelines to improve performance and achieve designated goals.

3. Risks from Free Trade and Entry into the ASEAN Economic Community with Potential Impact on Sales and Production Costs

Full-scale entry into the ASEAN Economic Community, a regional economic cooperation by ten countries in Southeast Asia or ASEAN in 2015, has resulted in freedom of movement for resources, capital, labor and trade in the ASEAN market. The results have been more ASEAN country products/services competing in Thailand or the company's customers may move production bases to other ASEAN countries with lower raw material or labor costs. However, cases where customers have moved production bases have had positive impacts on the

company. The company has retained the trust of existing customers who moved production bases to other ASEAN countries because the company has highly effective processing and production machine technology when compared to competitors in the AEC.

4. Raw Material Price Fluctuation Risks

Steel and stainless steel are considered essential raw materials for the company's production. Therefore, the company has risks from raw material price fluctuations and scarcity of goods in the market at certain times. The company has created a raw material Planning Team to enable more effective inventory management and seek new production sources and distributors domestically and abroad to diffuse risks and enable distributor price competitions. Furthermore, the company negotiated with some customers and specified in contracts to change work prices if primary raw material prices change by more than the agreed percentage.

5. Risk from Dependence on Major Customers or Distributors

Regarding dependence on customers, the company has many customers in many businesses resulting in no risk from dependence on major customers. Furthermore, in the area of dependence on major customers, the company is able to procure raw materials in the country and overseas while having constant procurement management, thereby preventing risks from dependence on major distributors as well.

6. Labor Shortage Risks

The company is engaged in the business of selling and installing food engineering systems, a business that requires skilled labor that is difficult to find. Nevertheless, the company has guidelines to reduce risks from labor shortages by increasing proportions for sub-contractor employment to be sufficient for current work volume. It has also proposed privileges to motivate personnel to work for the company over the long-term. The company promotes occupational progress and has incentive measures enabling competition in the market. The company provides commensurate income, safety and benefits based on consecutive work for the company in addition to supporting these personnel in ongoing training to develop skills in order to create bonds and feelings of job security.

7. Risks from Dependence on Executives

Because the current group of executives is composed of the company's founders with experience in the business, they are well-known and widely accepted in building the company's know-how as an integral part of how the company gained customer trust. The company has survival risks in cases involving changes in executives. However, the company has policy to delegate management power by having a management committee and various department heads with proper knowledge and ability to supervise various fields, thereby reducing risks from dependence on executives. Furthermore, the company has made long-term plans to develop and create the next generation of executives to ensure secure growth for the company.

8. Current Capital Risks

Apart from machine sales, the company accepts work projects to create food production processes. These require capital to purchase raw materials to work and pay labor wages. This current capital comes from the company's current capital and support from banks and financial institutes in the form of short-term current loans and various guarantor's letters, etc. Changes in customer payments will affect the company's current capital management. Therefore, to reduce the aforementioned current capital risks, the company makes efforts to negotiate and obtain compact payment conditions in contract preparations for each project along with examining the financial status of trading partners accompanying considerations to accept work. Furthermore, the company has set careful liquidity management by using financial ratios as indicators and increased efficiency by setting cash cycle days as KPI between the Project Management Department and the Finance Department. Moreover, the company also sets procurement KPI to seek suppliers providing good prices and payment terms.

9. Exchange Rate Risks

The company imports part of its raw materials from overseas. This results in foreign currency liabilities. In the meantime, the company also gains income from product sales overseas in the form of foreign currency. Therefore, the company can partially manage risks by the Natural Hedge method. Nevertheless, the company continues to incur exchange rate risks caused by differences between purchases and sales. This has caused potentially positive and negative impacts on the company. Hence, in order to reduce risks, the company has policy to make forward contracts and other financial institutes to prevent potential exchange rate risks.



Corporate Governance

The Company places importance on our stakeholders and we are confident that we have done so in the adequate and appropriate manners under the criteria on corporate governance for 15 aspects as follows:

1. The management and all employees perform their duties with integrity, use knowledge and management skills to their full capacity, and make decision to perform various actions with transparency and for the benefit of our shareholders, customers, creditors and the public.
2. The management and all employees will not disclose internal information and company's confidential information to the public, and use it for personal gain or for benefit of other people without permission from the Company.
3. The management and all employees will not perform any action in a manner that could pose conflict of interest against the Company without notifying the Company.
4. The Company has disclosed information in our financial statements sufficiently and completely in accordance with the guidelines of the accounting standards and Securities Exchange of Thailand Act.
5. The Company has disclosed information on our transactions in the complete, correct and fair manners for our shareholders and customers.
6. The Company has trade competition policy under the rules of fair competition for all of our trade competitors.
7. The Company will not seek for confidential information of competitors in the wrong manner.
8. The Company has responsibility and will strictly adhere to the agreements with our trade partners and creditors.
9. The Company offer compensation which is appropriate for knowledge, skills, responsibilities and work performance of all employees.
10. The Company promotes personnel development continuously in order to enhance the ability of our employees for their career advancement and stability.
11. The Company adheres to labor laws and regulations on welfare of employees.
12. The Company supports activities that are beneficial to the community and society as a whole.
13. The Company will not take any action that will have detrimental impact on the country's reputation, natural resources and environment.

14. The Company will not cooperate or support any person who engages in illegal transaction or poses a threat to the society and national security.
15. Rights of stakeholders have been included in the Company's Code of Conduct.

Policy on Corporate Governance

The Company's Board of Directors recognizes the importance of good corporate governance which strengthens the Company and brings confidence to our shareholders, customers, employees and the society, by adhering to the important principles of corporate governance as follows:

1. To treat all stakeholders equally in accordance with the international Code of Conduct
2. To create value of the work that brings forward the most valuable products of the Company in order to maintain our reputation so that our customers will have confidence in quality and service
3. To determine operational direction with a goal, and establish clear strategy for steady business growth
4. The Company establishes Code of Ethics for our employees to comply with when dealing with the Company, customers, supervisors and colleagues.
5. The Company has established appropriate internal control, and risk assessment has been carried out regularly. This will ensure that the Company will encounter proper level of risk for the situation.
6. The Company discloses accurate information to our shareholders and the public concerning transparent management.

The Company's business operation requires the compliance with the Company's regulations, Securities Exchange of Thailand Act, and in accordance with the principles of good corporate governance (Code of Best Practice) under the guidelines of the Stock Exchange of Thailand as follows:

1. Shareholders and the rights of shareholders

The Company respects the rights of all shareholders equally, and also operates business operation in an effective manner with integrity and transparency. We do not disclose internal information for our personal gain or for benefit of other persons. We disclose the Company's information and financial information to all shareholders correctly and adequately during the annual shareholders meetings. The Company has determined venue for the Company's meetings which is located in Bangkok, and a location map is also provided for the convenience of shareholders. The Company has also delivered a notice

of meeting with meeting agendas for all shareholders at least seven days prior to the shareholders' meetings. Each meeting agenda is accompanied with the opinion of the Board of Directors, and meeting minutes are correctly and completely provided. We also offer opportunity for shareholders to express their opinions and suggestions on our website. We have increased option for shareholders by allowing an independent director to act as proxy of shareholders in the event that any shareholder could not attend the meeting.

2. Customers

The Company strives to seek for ways in meeting the needs of customers more efficiently and effectively at all times in which customer policies and practices are established in the Code of Conduct, and will be adhered to in order to maintain and comply with agreement being made with the customers contract by delivering product and service of good quality that meet the customers' expectation in a fair price, providing correct, adequate and timely information, strictly complying customers' terms and conditions, providing system and process for customers to file complaints about the quality, quantity and safety of products and services, as well as providing advice on how to use the Company's products and services in an effective manner and for maximum benefit of customers. In addition, the Company also emphasizes on the confidentiality of our customers and will not use customers' confidential information for wrongful interest.

3. Employees

The Company recruits and retains employees with the ability to perform the work, promotes capability development of our employees continuously, and provides necessary and continuous training courses for each department, compensation suitable for knowledge and ability, appropriate benefits such as provident fund, incentive, bonus, including safe and hygienic workplace conducive to efficient work performance.

4. Allies and Trade Partners

We cooperate in the exchange of useful information when operating business together, adhere to integrity and objectivity, accept comments and suggestions, and will not disclose confidential information of our allies and trade partners.

Anti-Corruption Policy

The Company places importance on anti-corruption, and support and encourage employees of all levels to have awareness on anti-corruption of all forms. The Company's Board of Directors monitors work performance in accordance with the laws, rules and regulations (Corporate Compliance Policy), which are in line with Corporate Governance and Business Code of Conduct. Our employees of all levels must adhere to this policy as a norm when performing the work. The company will not take any action with corrupt intent, offer or accept bribes to and from our stakeholders with regard to any matters under our responsibility either directly or indirectly in order to obtain benefits for our organizations or concerned parties. The Company will not neglect or disregard when seeing any corrupted conducts relating to the Company, in which those acts must be reported to the supervisors or persons in charge, and the Company will cooperate with the investigation on any conducts which may be a risk of corruption.

The Company is in the process of joining the Collective Action Coalition against Corruption, a project supported by the government and the Office of the National Anti-Corruption Commission (NCC) whereby by the Thai Institute of Directors (IOD) is appointed as secretary and supporting agency. The project aims to promote broader anti-corruption scope. The benefits of joining this project include the ability to build confidence among our stakeholders under the principles of good corporate governance, and to ensure that the Company has appropriate policies and procedures in place in order to deal with any potential risk of corruption.

Internal Control

PATKOL Public Company Limited has always recognized the importance of effective internal control and professional risk management in the organization. The Internal Audit Committee of the company has thoroughly reviewed and assessed the internal control systems to ensure that the company can genuinely comply with all rules and regulations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) specified by the Securities and Exchange Commission (SEC), focusing on 5 major aspects including internal control, risk assessment, operational control, information technology and communication, and network monitoring. Meanwhile, the Board of Directors and the Internal Audit Committee have mutually agreed with the sufficiency and appropriateness of the internal control systems, which can be described below.

The company's corporate objectives have always been determined based on the principles of possibility and measurability. The company has consistently developed efficient organizational structure to stimulate greater performances of the management team to accomplish the targeted goals while specifying sets of rules, regulations, and penalties to prevent conflicts of interest and other illegal actions of high-ranking executives and operational employees. Additionally, the company has also relied on well-defined policies and procedures of finance, procurement, and management with regard to the fairness and profitability of the company and its business partners.

PATKOL has strategically appointed its Risk Management Committee to formulate the framework of risk management policies for the company and its affiliates as well as promote effective risk management strategies to achieve the corporate goals and report to the Board of Directors accordingly. In 2015, the Risk Management Committee had organized 5 corporate meetings. To comply with the risk management standards issued by the Stock Exchange of Thailand (SET), the company had emphasized on 4 risk-based approaches varying in strategic risk, marketing risk, financial risk, and operational risk.

In addition, the company has also focused on a departmental meeting held on a monthly basis, requiring executives and employees to report on the progress of their works, problems and obstacles occurred from their routine business practices, and solutions for unsolved problems and obstacles mentioned in the previous meeting. The aforementioned ideas are proposed to ensure that the operational risk can be maintained at an acceptable level, where working processes and procedures will also be improved efficiently and productively.

Duties and responsibilities, concerning mostly with granting of approval, of the management team are varied according to the requirements of the accounting information recording system, asset management, and business transactions with major shareholders, Board of Directors, executives, or other related people. These specific requirements are expected to be abided by everyone to ensure the organization's highest benefits. As required policies and procedures are already specified in a written form, the Key Performance Indicator (KPI) is also crucial to the company's achievement as it helps define and measure the progress towards the organizational goals, particularly for executives and employees at all levels.

PATKOL has provided important and sufficient information to support the Board of Directors' decision making required by each meeting. Generally, the Board of Directors will receive a meeting invitation letter and other related documents within 7 days prior to the actual meeting date. Similarly, other financial and accounting documents will be prepared neatly in categories conforming to the general financial and accounting standards. The company has also developed its information technology and database systems to acquire greater security and safety of information. Also, the company's most excellent and efficient system known as Enterprise Resourcing Planning (ERP) has been implemented to enhance operational performances, reduce complexity in information storage and retrieval, and eliminate redundant costs in the long run.

To acquire further business potential, the company has developed its follow-up strategies to monitor general business operations by referring to the company's targeted goals. As internal control practices have been conducted on a regular basis, it is greatly necessary for an internal auditor to prepare an audit report to be presented to the Internal Audit Committee and those who are selected to join the internal audit session as well. In case that any substantial hindrance or drawback is found, the auditor will compulsorily be required to report on such difficulties and the progress of solutions to the Internal Audit Committee and management team within an appropriate period of time.

At the same time, PATKOL has remained consistent in proceeding with the advancement of its internal control systems and evaluating employees' core competencies to ensure that excellent operational performances can be achieved consistently throughout the year, aiming to promote independent and non-hostile operational management complying with the international standards. As the internal control systems are directly implemented by the Managing Director and Internal Audit Committee, it is required to generate consistent improvement for the internal control systems to remain updated at all times.

The company has always reviewed guidelines for using internal information on a regular basis to ensure that sensitive and confidential information is protected while knowledge and expertise of the employees will also be maintained safely to avoid personal exploitation and illegal use of information by both internal people and outsiders. If any executive or employee discloses the company's sensitive or confidential information to any third party or illegally uses such information for personal purpose leading to conflicts of interest, the executive or employee will be identified and penalized according to the law. Besides, as the company's Internal Audit Committee, consisting of 3 independent auditors who are highly experienced in finance and accounting, is fully complied with the auditing policies and requirements, the disclosure of financial information will be in accordance with the generally accepted accounting standards. As of December 31, 2015, PATKOL had appointed Karin Audit Company Limited to provide quality auditing services for the company's financial statements with unconditional comments and suggestions.



Financial Highlights

Comparative Data

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

	31-Dec-15	31-Dec-14	31-Dec-13
Total Assets	3,386	3,203	3,177
Total Liabilities	1,962	2,101	2,407
Total shareholders' Equity	1,424	1,102	770
Sales and services income	3,551	4,079	4,233
Total Revenue	3,584	4,140	4,292
Gross Profit	850	848	903
Net Profit before interest and tax	185	318	(20)
Net Profit(Loss)	109	230	(83)
Income (Loss) Attributable to : Owners of the parent	112	230	(83)
Net profit margin	3.1%	5.5%	-1.9%
Return on Total Assets	3.4%	7.2%	-2.6%
Net Profit per share (Baht)	0.27	0.56	-0.20
Dividend per share (Baht)	0.00	0.00	0.00
Book Value per share (Baht)	3.44	2.65	1.85



Management Discussion and Analysis

Summary of the Auditing Report

Based on the auditing in compliance with generally accepted auditing standards, the auditor renders the opinion that the consolidated financial statement of Patkol Public Co., Ltd. as of 31 December 2015, consolidated performance and separate performance for the year ending on the same day are accurate in terms of significant contents according to financial report standards.

Overall Past Performance

The company's overall performance in 2015 and 2014 can be summarized as follows:

Consolidated Financial Statement/Year (Million Baht)	2015		2014		Difference	
	Amount	%	Amount	%	Amount	%
Sales and Service Income	3,551	100%	4,079	100%	(528)	-12.9%
Sales and Service Costs	(2,701)	-76.1%	(3,231)	-79.2%	530	-16.4%
Gross Profit (Loss)	850	23.9%	848	20.8%	2	0.3%
Other Income	33	0.9%	61	1.5%	(28)	-45.8%
Sales Expenses	(259)	-7.3%	(197)	-4.8%	(62)	31.4%
Management Expenses	(440)	-12.4%	(394)	-9.7%	(46)	11.6%
Profit Before Financial Costs	185	5.2%	318	7.8%	(133)	-41.9%
Financial Expenses – Interest Expenses	(31)	-0.9%	(30)	-0.7%	(1)	4.5%
Profit (Loss) Before Juristic Person Income Tax						
Tax	154	4.3%	288	7.1%	(134)	-46.6%
Juristic Person Income Tax	(44)	-1.2%	(58)	-1.4%	13	-23.3%
Profit for the Year	109	3.1%	230	5.6%	(121)	-52.5%
Other Comprehensive Profit/Loss	212	6.0%	(3)	-0.1%	215	-6590.8%
Total Profit and Comprehensive Profit/Loss for the Year	321	9.0%	227	5.6%	94	41.5%
Attributable Profit/Loss Portions:						
Portion Attributable to Shareholders of the Mother Company	112	3.2%	230	5.6%	(117)	-51.2%
Portion of Non-Controlling Interests	(3)	-0.1%	1	0.0%	(3)	-488.6%
	109	3.1%	230	5.6%	(121)	-52.5%

According to the aforementioned data, the company had sales and service income at 3,551 million baht in 2015 and 4,079 million baht in 2014, a reduction by 528 million baht from the previous year or 12.9 percent, because the economy did not facilitate market expansions and many domestic customers delayed investment projects to make sure of situations. In 2015, profits attributable to shareholders of the mother company amounted to 112 million baht or 3.2 percent of income and profits were at 230 million baht or 5.6 percent of income in 2014. In the meantime, the company had sales and management expenses in 2015 higher than 2014 by a total of 108 million baht or 18.2 percent of the previous year because the company invested significantly in manpower and properties to prepare for expansions. As a result, the overall performance in 2015 was lower than 2014 by 117 million baht or 51.2 percent of the previous year.

Analysis can be performed for individual business groups as follows:

Past Performance of Each Product Branch or Business Group:

Consolidated Financial Statement Amount: (Million Baht)	Ice Machines and Industrial Cooling Systems	Liquid Product and Food Processing Machines and Systems	Comprehens -ive Projects	Service and Spare Parts	Central and Other	Total
2015						
Sales and Service Income –						
Domestic	1,304.2	875.0	0.0	450.0	0.0	2,629.2
Sales and Service Income –						
Overseas	692.6	220.9	0.0	8.4	0.0	921.8
Total	1,996.8	1,095.9	0.0	458.4	0.0	3,551.0
Sales Costs	(1,480.9)	(911.5)	0.0	(308.4)	(0.0)	(2,700.9)
Gross Profit from Sales and Services	515.9	184.4	0.0	149.9	(0.0)	850.2
% of Profit to Sales	26%	17%	0%	33%	0%	24%
% of Sales to Total Sum	56%	31%	0%	13%	0%	100%
2014						
Sales and Service Income –						
Domestic	1,688.9	873.9	260.3	374.3	0.0	3,197.4
Sales and Service Income –						
Overseas	627.8	219.2	0.0	34.8	0.0	881.8
Total	2,316.8	1,093.1	260.3	409.0	0.0	4,079.2
Sales Costs	(1,873.7)	(846.6)	(229.3)	(281.6)	(0.0)	(3,231.2)
Gross Profit from Sales and Service	443.1	246.6	31.0	127.4	(0.0)	848.0
% of Profit to Sales	19%	23%	12%	31%	0%	21%
% of Sales to Total Sum	57%	27%	6%	10%	0%	100%
% of Growth for Each Product	-14%	0%	-100%	12%	0%	-13%

1. Sales and Service Income

The company's highest income ratio in 2015 came from the ice machine and industrial cooling system business group at 56 percent of total income. The liquid products and food processing machine and system business group generated income for the company at 31 percent and the service work group amounted to 13 percent of total income. The growth analysis for each business group is as follows:

The ice machine and industrial cooling system business group had lower growth by 14 percent. However, when analyzed by region, income from this business growth was found to come from foreign market expansions at ten percent. However, domestic income had reduced growth by 22 percent because several customers were unable to deliver areas for the company to perform installations according to plans from lack of factory construction contractors, causing customer factory construction plans to be extended. Customers can allow the company to perform installations when facilities are ready.

The liquid product and food processing machines and systems business group had a growth rate of zero percent and maintained income equal to the previous year domestically and overseas. Although the economy is in significant stagnation and some customers delayed projects to monitor situations with some customers who moved production bases to CLMV countries, these customers continue to select the company to accept jobs in countries where customers have moved production bases. Therefore, this business group retained equal income.

The service and spare parts business group grew by 12 percent because the company launched service centers in all three regions in 2014 consisting of the northeastern region, the southern region and the northern region, respectively. The aforementioned strategies enabled the company to provide more attentive and faster customer care.

The major project group had no income in 2015 because the company had policy to not accept large petrochemical projects. The policy was drafted because contracts specified responsibilities for the entire process. The company considers this to be a significant risk. Hence, the company has policy to accept components or equipment work in this industry because the company already has production capacity and expertise.

2. Other Income

Other income was usually composed of income from the company's other business operations such as profits from exchange rates, interest received, income tax refund, allowance for doubtful accounts received afterwards and profit from debt restructuring, etc. In 2015, other income dropped by 28 million baht or 46 percent from the previous year because the company had accounting profit from setting allowance for depreciation from jobs in progress in the previous year.

3. Sales Cost and Gross Profit

In 2015, the company had a gross profit ratio at approximately 24 percent of income with a gross profit ratio of approximately 21 percent of income. Thus, it is indicated that the company is able to

control sales and service cost better. Therefore, the company's gross profit is higher, even though the primary production of the company's raw materials are goods with fluctuating prices based on global market prices such as steel and stainless steel, etc. The company has made efforts to manage costs at the policy level by setting standard profit margins for each product with control by setting clear KPI for project managers. Moreover, the company has made efforts to seek new raw material sources and distributors to create price competitions. In addition, the company has created raw material planning teams for combined centers to increase price negotiation power from producers.

4. Sales and Management Expenses

In 2015, total sales and management expenses amounted to 799 million baht or 20 percent of income. When sales and management expenses were compared, sales and management expenses in 2015 were found to be higher than 2014 because the company increased manpower from 1,335 employees in 2014 to 1,603 employees in 2015 to support expected increases in work volume and prepare for domestic and overseas expansions. Furthermore, the company employed consultants to develop operating personnel and executive personnel along with partial modifications and developments of machines. Accounting expenses for research and development, including the company's management expenses, were partly incurred by the company's establishment of representative offices overseas such as in Indonesia, the Philippines, Malaysia, Vietnam and Myanmar including service centers in the northeastern region, the southern region and the northern region with modifications and repairs to new building structures. Therefore, the company had higher fixed expenses from depreciation of office buildings at three service centers in other provinces, office buildings of Heat Away Co., Ltd. and rent for five representative offices. Furthermore, the company had housing costs for employees in other countries because the company has the policy to expand foreign markets further.

5. Net Profit

In 2015, the company had a net profit of 112 million baht or 3.2 percent of income while the company had 320 million baht in net profit in 2014 or 5.6 percent of income. The company's net profit ratio dropped because the company had higher sales and management expenses from preparations for the abovementioned future expansions. Uncertain economic conditions and hesitation to invest has caused the company to have lower income than goals with higher fixed expenses such as personnel-related expenses, depreciation, office rental fees, travel expenses and housing costs overseas causing lower profits.

6. Assets and Liabilities

Assets

As of the end of 2015, the company had assets amounting to 3,386 million baht. At the end of 2014, the company had assets at 3,203 million baht. The company was found to have asset growth at 183 million baht or six percent.

This was a result from increased investment in fixed assets and office building modifications at the main office because the aforementioned building was significantly deteriorated. It was also a result of investment in a new ERP system, increased trade accounts receivable from the aforementioned policy to extend customer credit terms and a number of accounts which requested payment rescheduling when payments were due by citing economic reasons. Furthermore, many customers requested to reschedule product deliveries. This made it necessary for the company to have delayed production resulting in higher inventory.

Nevertheless, the company is well aware of accounts and inventory control with the following controlling policies and measures:

Allowance for Doubtful Accounts Policy

The company sets a 12% allowance for doubtful accounts overdue for 6-20 months.

The company sets a 18% allowance for doubtful accounts overdue for more than 12-50 months.

The company sets a 18% allowance for doubtful accounts overdue for more than 100 months.

Furthermore, the company gives additional consideration to Rating 1 and Rating 2 customers by requiring a 100% allowance for doubtful accounts to be set immediately upon sale with the following rating criteria:

Rating 1 means accounts in which the company has previously taken legal action, or accounts in the midst of business recovery.

Rating 2 means accounts with a history of debt restructuring with the company.

Rating 3 means accounts with a history of overdue payments for more than 90 days during the past three months.

Rating 4 means accounts with a history of overdue payments from 31 days, but no more than 90 days, during the past three months.

Rating 5 means normal accounts that are overdue for no more than 30 days.

Allowance for Depreciation Policy

Non-movement products for 12-10 months will have depreciation set at 18 percent.

Non-movement products for 18-30 months will have depreciation set at 24 percent.

Non-movement products for 24-60 months will have depreciation set at 36 percent.

Non-movement products for > 85 months will have depreciation set at 36 percent.

Account Quality Analysis

	As of 31 DEC 2015		As of 31 DEC 2014	
Undue Accounts:				
- Normal	214	36%	449	61%
Overdue Accounts:				
- No More Than 3 Months	242	40%	138	19%
- More Than 3-6 Months	35	6%	15	2%
- More Than 6-12 Months	14	2%	18	2%
- More Than 12 Months	8	1%	19	3%
Acknowledgment of Debt Accounts	1	1%	6	1%
Accounts in Legal Process	81	14%	90	12%
Total Trade Accounts Receivable	594	100%	735	100%
LESS: Allowance for Doubtful Accounts	(91)	-15%	(111)	-15%
Total Trade Accounts Receivable – Net	503	85%	624	85%

The company had allowances for doubtful accounts at the end of 2015 and 2014 amounting to 15 percent of all accounts receivable. When the analysis of accounts receivable life at the end of 2015 and 2014 was performed, the company was found to have more overdue accounts stemming from the aforementioned policy to extend customer credit terms. Furthermore, a number of accounts receivable rescheduled payments by citing economic conditions. The company has policy to monitor debt collections more closely. In cases where the company has analyzed and found any customer to be confronted with liquidity problems or insufficient clarity in extending product delivery times, the company will negotiate to limit work to only what is produced for delivery.

Inventory Quality Analysis

Inventory – Net	As of 31 DEC 2015		As of 31 DEC 2014	
Inventory	658	100%	539	100%
LESS: Allowance for Depreciation	(18)	-3%	(22)	-4%
Net	640	97%	517	96%

The company set allowances for depreciation at the end of 2015 and 2014 amounting to 3 percent and 4 percent, respectively. At the end of 2015, inventory mostly increased due to requests by several customers to reschedule product delivery and delay projects.

Liabilities

The company had liabilities amounting to 1,962 million baht at the end of 2015 and 2,101 million baht at the end of 2014. The company has reduced liability growth by 139 million baht or 7 percent.

Because the company had reductions in trade accounts payable and collections according to agreements exceeding income due to the company's reduced income, the aforementioned current long-term liabilities from debt payments have dropped according to business recovery plans.

The aforementioned data shows the company to be capable of managing asset growth rates to be higher than liability growth rates. Thus, shareholders' equity increases continually.

7. Shareholders' Equity

The company had shareholders' equity in the mother company amounting to 1,418 million baht as of 31 December 2015 and 1,094 million baht as of 31 December 2014. This was primarily caused by the net profit for 2015 and other comprehensive profits such as increased asset valuation amounting to 224 million baht.

When debt to equity in the mother company ratio is considered, debt to equity ratio as of 31 December 2015 was found to be at 1.4 times and 1.9 times at 31 December 2014 because the company had higher retained earnings while liabilities dropped from consistent repayments, demonstrating the company's performance efficiency and financial stability.

8. Liquidity Analysis

The company had a liquidity ratio at the end of 2015 and 2014 amounting to 1.7 times. Current ratios at the end of 2015 and 2014 amounted to 1.06 times and 1.23 times, respectively, thereby indicating improved liquidity.

When considering collection time at the end of 2015 and 2014 at 90 days and 83 days, respectively, the mean product sales times at the end of 2015 and 2014 were 77 days and 59 days, respectively. Furthermore, the payment times at the end of 2015 and 2014 were 51 days and 49 days, respectively. Therefore, the company's cash cycles at the end of 2015 and 2014 were 116 days and 93 days, respectively. The company had a longer cash cycle. When details were considered, collection time was found to be slightly longer because many customers were international companies and the company had policy to extend credit terms to 90 days and 120 days. As a result, the overall mean collection time

was longer. The company also attempted to negotiate and extend the mean repayment time by negotiating with customers to extend credit terms. However, the company had a longer mean sales time because many domestic customers requested to reschedule deliveries because installation facilities were not ready or requested to extend project times. At the same time, some foreign customers requested to reschedule deliveries due to changes in import laws. And customers had to prepare additional documents or licenses, thereby causing a need to reschedule deliveries. Consequently, the company had inventory in the form of raw materials and finished goods.

When the cash flow statement at the end of 2015 was considered, the company was found to have lower net cash flow by 27 million baht from 2014. The aforementioned net cash flow consisted of net cash flow from operating activities at 185 million baht. Furthermore, the company had cash flow spent in investment activities (38 million baht) to invest in the ERP system in addition to repairing and modifying office buildings (144 million baht). However, the company did not extend temporary investment contracts and others at 106 million baht and the company had cash flow spent in financing activities amounting to 174 million baht to repay debts to creditors according to business recovery plans.

9. Off-Balance Sheet Liabilities

At the end of 2015, the company had bank guarantee letter burdens amounting to 282 million baht and divided as follows:

1. Bank guarantee letter to use public utilities valued at 2.11 million baht to guarantee power requests in compliance with electrical authority regulations.
2. Bank guarantee letters to open credit balances with distributors valued at 8.94 million baht in order to have distributors provide trade credits for the company.
3. Bank guarantee letters for project work valued at 270.954 million baht consisting of the following guarantees.
 - Envelope guarantee: For submitting bidding envelopes, which will be returned after results from submitting envelopes are announced.
 - Advance payment guarantee: To guarantee security deposits paid in advance by customers.
 - Contract guarantee: To guarantee work under contracts made with customers.
 - Performance guarantee: To guarantee performance in place of the guarantee deducted by customers from wastes. This will be completely refunded to the company once the guarantee period has expired. This guarantee will help the company receive cash flow more quickly.



Connected Transactions

The Company has significant transactions with connected persons as follows;

Connected Person/ Business and Relationship type	Transaction	Value/Year (million Baht)		Reason and Needs
		2014	2013	
<p>1. Prepack (Thailand) Co., Ltd.: Manufacturer and distributor of film, plastics, and plastic bags. Same director: Mr. Paradorn Chulajata, director and Managing Director, Prepack (Thailand) Co., Ltd. Mr. Paradorn Chulajata owns 500 shares in Patkol (Public) Co., Ltd. at 0.0001 of paid-up capital.</p>	<p><u>Building rent:</u> Prepack (Thailand) Co., Ltd. rented the office building at no. 838 Charoen Nakorn rd., Bang Lampu, Klong San, Bangkok at the annual rate of 2 million baht and paid monthly payments according to terms and conditions set forth in the contract for a term of 3 years In 2014, set the contract for a term 1 year, because Prepack (Thailand) plan to move and end the contract until December 31, 2015</p>	2	2	<p>Prepack (Thailand) Co., Ltd. paid rental and service fees for building usage to Patkol (Public) Co., Ltd. at reasonable rates when compared with rental rates in the nearby vicinity; payment terms and conditions are considered normal for a third party. The building was the former head office of Patkol and had been abandoned for awhile. The Company deemed it necessary to generate income; the above transaction was thus reasonable and necessary.</p> <p><u>Opinion of the Audit Committee</u> The above transaction was beneficial to Company business whereby the rental fees were market rates and payment terms in accord with general building rental business. Thus, the above transaction was both necessary and reasonable.</p>

Connected Person/ Business and Relationship type	Transaction	Value/Year (million Baht)		Reason and Needs
		2014	2013	
2. Prudentadvisory Co.,Ltd. To providing business consulting. Same Director : Mr. Rangsan Thammanee Wong, committee and president of Prudentadvisory Co.,Ltd Mr. Rangsan Thammanee Wong no share in Patkol Plc.	<u>Payment for service</u> The company selected and hired Prudentadvisory Co.,Ltd. for setting the strategic planning and workshop about the organizational management such as organization and management solution. To set the contract as a term 6 months by a monthly payment, in order that the end of the contract in January 2016	5.1	4.3	Prudentadvisory Co.,Ltd is a service with provides strategic consulting since 2552 until the present. The company invited Mr. Rangsan Thammanee Wong join in with the board of director at Patkol Plc. Because the company recognize as knowledge and skill. So, this transaction is continuation and necessary with the company <u>The opinion from Audit Committee</u> Service free is the development process and the benefits to business of the Company. Service free and term of payment are normal rate. So, this service is important, necessary and reasonable with the company

Other inter-related transactions, including pricing and interest rate policies, determined by PATKOL and its subsidiaries, joint venture firms, and other related organizations, are shown in the Footnotes to Financial Statement No. 31.

For inter-related transactions and items with possible conflicts of interest, the company has clearly designated the authority for granting an approval by considering the balance and flexibility of implementation based on the normal business operations. The company has also developed its effective internal control systems, where rules, regulations, and procedures have been reviewed by the Internal Audit Committee on a regular basis. In addition, for proceeding

with inter-related transactions, PATKOL is always committed to providing the highest benefits to all parties involved.

Required Measures and Procedures in Granting Approval for Inter-Related Transactions in the Future

In case that there shall be any inter-related transaction implemented by the company or its subsidiaries, joint venture firms, and other related organizations that may possibly cause any conflict of interest in the future, the Internal Audit Committee shall necessarily provide productive comments and suggestions on such implemented inter-related transaction with regard to its appropriate price by considering required conditions complying with the nature of business existed in the industry and the comparison of the price proposed by any third party or the current market price if necessary. The Internal Audit Committee shall deploy independent experts or auditors of the company to provide productive comments and suggestions on such implemented inter-related transaction to be used as reference to the Internal Audit Committee's verdict. Admittedly, such comments and suggestions provided by the Internal Audit Committee, independent experts, or auditors shall also be used as reference to the verdict of the Board of Directors or shareholders depending on cases. The Board of Directors and stakeholders are unauthorized to cast a vote on such implemented inter-related transaction as it shall be disclosed in the Footnotes to Financial Statement verified by the company's internal auditors.



Corporate Governance Report of Audit Committee

The Audit Committee of Patkol Public Company Limited consists of three independent directors who are knowledgeable and have expertise and experience in the finance, legal matters and organizational administration. The three independent directors include Mr. Suchart Suksumit, acting as Chairman of the Audit Committee, Mr. Weerachai Srikhajorn and Mr. Preecha Chandrarangkul, acting as audit committee members. All three members of the Audit Committee have strong knowledge and experience in auditing the creditability of financial statements.

In 2015, the Audit Committee has performed its duties as assigned by the Board of Directors, which was consistent with the requirements of the Stock Exchange of Thailand. Total of seven meetings of the Audit Committee had been convened and the discussion had been made with the management, internal comptrollers and auditors on related matters in which material context of the operation can be summarized as follows:

1. Audit of Financial Report

The Audit Committee has reviewed quarterly financial statements and annual financial statements of Patkol Public Company Limited with the auditors on a quarterly basis by asking the auditors' comment and observation on the audit of financial statements in order to ensure that financial statements have been accurately prepared, legal requirements and generally accepted accounting standards have been complied with when preparing financial statements in accordance with international standards, and information has been disclosed in the financial statements adequately and timely for the benefit of investors and users of financial statements.

In addition, the Audit Committee has commented on the preparation of discussion and analysis report by the management in order to provide clear information and analysis on overall operation and factors that may affect the operation in all aspects

2. Review of Internal Control System

The Audit Committee has reviewed to ensure that Patkol Public Company Limited will have internal control system and internal monitoring system that are adequate, appropriate and effective, and has also summarized and presented significant issues to the Board of Directors.

3. Review of Compliance with applicable Laws and Regulations.

The Audit Committee has reviewed to ensure that Patkol Public Company Limited and its subsidiaries comply with the laws on securities and stock exchange, requirements of the Stock Exchange of Thailand and/or laws relating to business operation of the Company. Furthermore, the Audit Committee has acknowledged report on the compliance with the laws relating to

business operation of Patkol Public Company Limited and its subsidiaries, as well as auditing result on the compliance with applicable laws and regulations from auditing agency. The Audit Committee has provided useful comments to ensure that there will be process to monitor the compliance with applicable laws and regulations in an effective manner, and ensure that subsidiaries of Patkol Public Company Limited will completely comply with applicable laws and regulations.

4. Monitoring of Internal Audit

The Audit Committee has approved annual auditing plan of the auditing agency that was consistent with the significant risks and operational direction of the Company, and has also reviewed the report on site auditing results in which important inspection issues have been considered, monitored and improved regularly, and other issues have been monitored on an ongoing basis.

5. Consideration to propose for the appointment of auditor of Patkol Public Company Limited and meeting with the auditor

The Audit Committee has considered proposing the appointment of Karin Audit Company Limited as the auditor of Patkol Public Company Limited, and has also considered proposing remuneration for year 2015. Moreover, the Audit Committee has convened meeting with auditor and auditing agency without management participation in order to acknowledge the auditing plan of the auditor, as well as problems or obstacles for auditing operation so that improvement guidelines can be suggested. In 2015, four meetings had been convened.

The Audit Committee has conducted the operation carefully, and has offered comments and suggestions that helped promoting good corporate governance, and for the benefit of the Company's operation, as well as for the interest of all shareholders and stakeholders.

For the operation being carried out in 2015 as mentioned above, the Audit Committee's opinion can be concluded as follows:

- The Company's accounting and financial reporting systems are accurate, credible, and disclose significant information completely, sufficiently and timely.

- The Company's internal control system is adequate and suitable; improvement on the internal control system has been carried out regularly to suit the Company's business operation at present and in the future, and is consistent with applicable laws and regulations.
- Karin Audit Company Limited which is the Company's auditor, is independent and experienced in the audit of financial reports in which it can be assured that the Company's financial reports will be accurate, credible, and disclose significant information completely, sufficiently and timely.
- From reviewing related transactions or transactions with potential conflict of interest, the Audit Committee views that the Company has disclosed accurate and complete information, and those transactions have suitable condition and fair price which have been approved by the management or the Board of Directors in advance.

25 February 2016

On behalf of the Audit Committee



(Mr. Suchart Suksumit)

Chairman of Audit Committee



Remuneration for Auditor

1.) Remuneration for Auditor (audit fee) 2015

The Auditing Committee and the Board of Directors appointed Karin Audit Co., Ltd as the company auditor as the year 2015. The auditors of the company received approval from the SEC. Accounting auditors are as follow:

- | | |
|------------------------------|---|
| 1. Ms.Kanikar Vibhanurat | Certified Auditor, Registration Number 7305 |
| 2. Mr.Jiroj Siriroraj | Certified Auditor, Registration Number 5113 |
| 3. Ms.Nongluck Pattanabundit | Certified Auditor, Registration Number 4713 |

Karin Audit Co.,Ltd. as the Company's auditor in 2015, the remuneration on the account audit of company and subsidiaries with the auditing fee Baht 2,890,000.

List	Name of Company	Remuneration for Auditor
1	Patkol Plc.	1,300,000
2	Patkol Manufacturing Co.,Ltd.	765,000
3	S Panel Co.,Ltd.	385,000
4	Patkol Trading Co.,Ltd.	240,000
5	Siam Patkol Co.,Ltd.	50,000
6	Patkol R & D Co.,Ltd.	50,000
7	Heataway Co.,Ltd.	100,000

2.) Other Expenses :

- None -



Report and Consolidated Financial Statement

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Shareholders of Patkol Public Company Limited

I have audited the accompanying of financial statements of Patkol Public Company Limited and its subsidiaries which the accompanying consolidated and separate statements of financial position as at December 31, 2015, the related consolidated and separate statements of comprehensive income, changes in shareholders' equity, cash flows for the year then ended, and a summary of significant accounting policies and policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are explanatory information.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2015, and performance and cash flows for the year then ended of Patkol Public Company Limited and its subsidiaries in accordance with Thai Financial Reporting Standards.



(Ms. Kannika Wipanurat)
Certified Public Accountant (Thailand)
Registration No. 7305

Karin Audit Company Limited
Bangkok, Thailand
February 29, 2016

PATKOL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
DECEMBER 31, 2015
AND AUDITOR'S REPORT

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

		(In Baht)			
		Consolidated		Separated	
		December 31,	December 31,	December 31,	December 31,
Notes		2015	2014	2015	2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	387,237,988	414,516,222	349,379,253	358,240,513
Current investments - net	6	-	100,000,000	-	100,000,000
Trade and other accounts receivables - net	7	549,073,842	709,075,855	477,064,536	622,810,862
Trade and other accounts receivables - related parties - net	31.3	406,802	341,765	153,532,343	162,824,345
Unbilled trade accounts receivable - net	9	261,238,425	245,194,682	238,027,433	224,430,829
Short - term loans and accrued interest income					
to related parties - net	31.3	-	-	377,727,288	199,644,024
Inventories - net	10	639,215,797	517,023,603	293,422,126	173,700,736
Other current assets					
Retentions receivable - net	11	46,388,748	27,163,254	39,856,532	23,398,578
Deposit and warranties		9,911,526	7,417,656	8,960,156	7,417,656
Others		19,257,277	13,162,607	16,705,997	6,335,137
Total current assets		1,912,730,405	2,033,895,644	1,954,675,664	1,878,802,680
NON - CURRENT ASSETS					
Installments receivable - net	8	-	-	-	-
Deposit at bank with commitment		13,038,420	19,408,560	6,049,696	6,000,471
Investments in subsidiaries - net	12	-	-	146,748,025	119,748,625
Investment property - net	13	44,055,806	44,055,806	20,843,481	20,843,481
Property, plant and equipment - net	14	1,168,982,137	860,253,185	882,327,654	574,882,339
Intangible assets - net	15	95,098,781	65,411,494	94,465,913	64,884,244
Deferred tax assets	16	91,862,502	137,883,246	76,457,890	122,422,837
Other non - current assets					
Withholding income tax		60,345,991	42,019,953	57,750,137	40,772,619
Others		11,200	11,200	-	-
Total non - current assets		1,473,394,837	1,169,043,444	1,284,642,796	949,554,616
TOTAL ASSETS		3,386,125,242	3,202,939,088	3,239,318,460	2,828,357,296

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

		(In Baht)			
		Consolidated		Separated	
		December 31,	December 31,	December 31,	December 31,
Notes		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank Overdrafts and short - term loans					
from financial institutions	17	52,831,167	72,307,328	498,450	1,792,028
Trade and other accounts payables		349,557,039	411,750,968	208,474,377	250,875,264
Trade and other accounts payable - related parties	31.3	-	9,309	179,556,819	45,805,164
Current portion liabilities under financial lease agreements	18	1,484,891	565,228	-	-
Current portion liabilities under debt restructuring plan	19	96,956,798	105,894,236	97,580,164	106,726,181
Current portion liabilities under debt restructuring agreement	20	17,928,621	21,156,346	-	-
Other current liabilities					
Collections in excess of earned revenues		483,080,883	481,334,883	481,939,494	478,475,126
Provision for liabilities		23,041,367	19,346,217	20,611,933	15,889,352
Retentions		31,442,889	26,912,520	26,780,191	26,912,520
Others		69,358,395	58,497,871	62,701,432	51,784,790
Total current liabilities		1,125,682,050	1,197,774,906	1,078,142,860	978,260,425
NON - CURRENT LIABILITIES					
Liabilities under financial lease agreements - net	18	2,963,604	1,242,452	-	-
Liabilities under debt restructuring plan - net	19	516,527,208	645,072,273	522,289,674	651,458,105
Liabilities under debt restructuring agreement - net	20	77,083,709	89,443,470	-	-
Deferred tax liabilities	16	133,084,161	79,283,056	118,312,376	69,388,029
Provision employee benefit obligations	21	106,428,267	88,142,000	74,211,268	62,736,136
Total non - current liabilities		836,086,949	903,183,251	714,813,318	783,582,270
TOTAL LIABILITIES		1,961,768,999	2,100,958,157	1,792,956,178	1,761,842,695

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

		(In Baht)			
		Consolidated		Separated	
		December 31,	December 31,	December 31,	December 31,
Notes		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
Share capital					
Authorised share capital					
	79,487,456 preferred shares of Baht 1 each	23	79,487,456	79,487,456	79,487,456
	520,756,281 common shares of Baht 1 each	23	520,756,281	520,756,281	520,756,281
Issued and paid - up share capital					
	79,487,456 preferred shares of Baht 1 each	23	79,487,456	79,487,456	79,487,456
	414,607,781 common shares of Baht 1 each	23	414,607,781	414,607,781	414,607,781
	Warrant	23	111,455,925	111,455,925	111,455,925
	Premium on preferred shares		4,555,919	4,769,247	4,769,247
	Premium on common shares		8,398,665	8,542,665	8,542,665
	Discount on common shares		(22,088,943)	(22,088,943)	(22,088,943)
Company's shares held by a subsidiaries					
	Preferred shares	24	(3,555,477)	-	-
	Common shares	24	(2,400,000)	-	-
Retained earnings (Deficit)					
	Appropriated - legal reserve	26	52,755,178	52,755,178	43,893,103
	Unappropriated		279,210,531	328,096,556	165,250,245
Other components of equity					
	Revaluation surplus on fixed assets	25	495,510,741	468,736,417	260,597,122
	Equity attributable to owners of the parent		1,417,937,776	1,446,362,282	1,066,514,601
	Non Controlling interest		6,418,467	-	-
TOTAL SHAREHOLDERS' EQUITY			1,424,356,243	1,446,362,282	1,066,514,601
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			3,386,125,242	3,239,318,460	2,828,357,296

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015

		(In Baht)			
		Consolidated		Separated	
	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Revenue from sale of goods and rendering of services		3,551,023,297	4,079,185,709	3,248,951,279	3,735,296,273
Cost of sale of goods and rendering of services		(2,700,795,198)	(3,231,216,086)	(2,509,462,918)	(2,984,073,456)
Gross profit		850,228,099	847,969,623	739,488,361	751,222,817
Other income		32,779,250	60,520,351	73,492,522	55,742,248
Income before expenses		883,007,349	908,489,974	812,980,883	806,965,065
Selling expenses		(258,667,804)	(196,851,732)	(228,678,443)	(176,488,668)
Administrative expenses		(392,932,378)	(344,106,747)	(300,102,218)	(268,511,666)
Directors' remuneration		(7,489,600)	(7,275,000)	(7,097,600)	(6,949,000)
Management's remuneration	31.4	(39,292,344)	(42,707,150)	(35,520,494)	(34,336,494)
Total expenses		(698,382,126)	(590,940,629)	(571,398,755)	(486,285,828)
Income before financial cost		184,625,223	317,549,345	241,582,128	320,679,237
Finance cost - interest expenses		(30,883,119)	(29,566,190)	(21,486,161)	(22,221,256)
Earnings before corporate income tax		153,742,104	287,983,155	220,095,967	298,457,981
Corporate income tax	29	(44,299,116)	(57,746,124)	(42,854,471)	(60,595,910)
Earnings for the years		109,442,988	230,237,031	177,241,496	237,862,071
Other comprehensive income :					
Depreciation of revaluation	14	(3,132,068)	(3,261,126)	(3,132,068)	(3,261,126)
Revaluation surplus on fixed assets	25	223,963,914	-	211,271,363	-
Defined benefit plan actuarial gains (loss)					
Employee benefits obligations	21	(9,159,210)	-	(5,533,110)	-
Total other Comprehensive income for the years		211,672,636	(3,261,126)	202,606,185	(3,261,126)
Total Comprehensive income for the years		321,115,624	226,975,905	379,847,681	234,600,945
Income (Loss) Attributable to :					
Owners of the parent		112,129,253	229,545,719	177,241,496	237,862,071
Non controlling interest		(2,686,265)	691,312	-	-
		109,442,988	230,237,031	177,241,496	237,862,071
Total Comprehensive Income (Loss) Attributable to :					
Owners of the parent		323,801,885	225,802,214	379,847,681	234,600,945
Non controlling interest		(2,686,261)	1,173,691	-	-
		321,115,624	226,975,905	379,847,681	234,600,945
Basis earnings per share of the parent company	28				
Income (Baht per share)		0.27	0.56	0.43	0.57
Weighted average number of					
ordinary shares (shares)		412,207,781	412,207,781	414,607,781	414,607,781
Diluted earnings per share	28				
Income (Baht per share)		0.22	0.44	0.34	0.46
Weighted average number of					
ordinary shares (shares)		517,354,880	517,354,880	519,754,880	519,754,880

Notes to financial statements form an integral part of these statements.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015

(In Baht)														
Consolidated														
Equity of parent company										Other components				
										of equity	Equity of non			
Issued and paid - up				Premium on preferred shares	Premium on common shares	Discount on common shares	Company's shares held by a subsidiaries	Retained earnings (Deficit)		Revaluation surplus on fixed assets	Total	interest	Total	
Preferred shares	Common shares	Warrant	Appropriated					Unappropriated						
Note								Legal reserve						
Balance as at January 1, 2014		79,487,456	414,607,781	111,455,925	4,555,919	8,398,665	(22,088,943)	(5,955,477)	32,000,000	(37,739,200)	282,782,633	867,504,759	7,153,432	874,658,191
Comprehensive income for the years		-	-	-	-	-	-	-	-	-	(3,261,126)	(3,261,126)	-	(3,261,126)
Revaluation surplus on fixed assets		-	-	-	-	-	-	-	-	5,189,147	(4,842,612)	346,535	-	346,535
Increase in share capital		-	-	-	-	-	-	-	-	-	-	-	300	300
Appropriated legal reserve	26	-	-	-	-	-	-	-	11,893,103	(11,893,103)	-	-	-	-
Earnings and total comprehensive income		-	-	-	-	-	-	-	-	229,545,719	-	229,545,719	691,312	230,237,031
Balance as at December 31, 2014		79,487,456	414,607,781	111,455,925	4,555,919	8,398,665	(22,088,943)	(5,955,477)	43,893,103	185,102,563	274,678,895	1,094,135,887	7,845,044	1,101,980,931
Depreciation of revaluation		-	-	-	-	-	-	-	-	-	(3,132,068)	(3,132,068)	-	(3,132,068)
Revaluation surplus on fixed assets	25	-	-	-	-	-	-	-	-	-	223,963,914	223,963,914	1,259,688	225,223,602
Appropriated legal reserve	26	-	-	-	-	-	-	-	8,862,075	(8,862,075)	-	-	-	-
Comprehensive income for the years	21	-	-	-	-	-	-	-	-	(9,159,210)	-	(9,159,210)	-	(9,159,210)
Earnings and total comprehensive income		-	-	-	-	-	-	-	-	112,129,253	-	112,129,253	(2,686,265)	109,442,988
Balance as at December 31, 2015		79,487,456	414,607,781	111,455,925	4,555,919	8,398,665	(22,088,943)	(5,955,477)	52,755,178	279,210,531	495,510,741	1,417,937,776	6,418,467	1,424,356,243

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015

(In Baht)										
Separated										
Note	Issued and paid - up			Premium on preferred shares	Premium on common shares	Discount on common shares	Retained earnings (Deficit)		Other components	Total
	Preferred shares	Common shares	Warrant				Appropriated	Unappropriated	of equity	
									Revaluation surplus	
				Legal reserve	on fixed assets					
Balance as at January 1, 2014	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	32,000,000	(65,907,870)	268,700,860	831,567,121
Comprehensive income for the years	-	-	-	-	-	-	-	-	(3,261,126)	(3,261,126)
Revaluation surplus on fixed assets	-	-	-	-	-	-	-	5,189,147	(4,842,612)	346,535
Appropriated legal reserve	26	-	-	-	-	-	11,893,103	(11,893,103)	-	-
Earnings and total comprehensive income	-	-	-	-	-	-	-	237,862,071	-	237,862,071
Balance as at December 31, 2014	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	43,893,103	165,250,245	260,597,122	1,066,514,601
Depreciation of revaluation	-	-	-	-	-	-	-	-	(3,132,068)	(3,132,068)
Revaluation surplus on fixed assets	25	-	-	-	-	-	-	-	211,271,363	211,271,363
Appropriated legal reserve	26	-	-	-	-	-	8,862,075	(8,862,075)	-	-
Comprehensive income for the years	21	-	-	-	-	-	-	(5,533,110)	-	(5,533,110)
Earnings and total comprehensive income	-	-	-	-	-	-	-	177,241,496	-	177,241,496
Balance as at December 31, 2015	79,487,456	414,607,781	111,455,925	4,769,247	8,542,665	(22,088,943)	52,755,178	328,096,556	468,736,417	1,446,362,282

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015

		(In Baht)			
		Consolidated		Separated	
	Notes	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax		153,742,104	287,983,155	220,095,967	298,457,981
Adjustments					
Depreciation		70,318,677	56,744,553	39,950,009	30,185,556
Amortized intangible assets		2,240,841	2,182,423	1,824,133	1,850,240
Bad debt and doubtful accounts		8,472,412	(30,478,422)	(10,134,437)	(14,610,588)
Loss (Reversal) from revaluation of inventories		(3,936,605)	(997,575)	(3,319,033)	(3,489,549)
Loss (Gain) on sale of fixed assets		5,155,820	9,259,233	5,062,584	9,393,858
Loss on impairment of fixed assets		9,663,208	-	3,381,448	-
Unrealized loss (gain) on exchange rate		(2,444,758)	(2,919,445)	(2,497,700)	(2,849,626)
Provision for liabilities		3,695,149	8,714,008	4,722,582	5,257,143
Employee benefit		10,874,057	11,784,697	7,355,722	8,350,238
Interest income		(3,750,322)	(8,030,506)	(26,345,168)	(18,809,435)
Interest expenses		30,883,119	29,468,684	21,486,160	22,221,256
Income (loss) from operating before changes in					
Operating assets and liabilities		284,913,702	363,710,805	261,582,267	335,957,074
Operating assets (increase) decrease					
Trade and other accounts receivable		153,073,606	(24,030,435)	139,466,123	8,692,147
Trade and other accounts receivable - related parties		(65,037)	4,815	9,292,002	18,773,922
Installments receivables		30,000	370,000	30,000	370,000
Unbilled trade accounts receivables		(16,088,877)	29,523,913	(14,029,876)	42,650,063
Inventories		(118,255,589)	21,858,120	(116,402,356)	37,443,549
Other current assets		(27,814,035)	(7,976,120)	(28,371,313)	143,392
Other non - current assets		-	336,067	-	-
Operating liabilities increase (decrease)					
Trade and other accounts payable		(61,278,043)	(59,807,954)	(41,435,451)	(89,585,985)
Trade and other accounts payable - related parties		(9,309)	(21,587)	133,751,655	(54,512,373)
Collection in excess of earned revenues		1,746,000	(25,455,314)	3,464,369	(15,267,742)
Other current liabilities		15,391,497	20,623,626	10,784,314	18,030,895

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2015

		(In Baht)			
		Consolidated		Separated	
	Notes	2015	2014	2015	2014
Cash received (paid) from operating		231,643,915	319,135,936	358,131,734	302,694,942
Cash received from interest		3,750,322	8,030,506	3,612,078	8,498,150
Cash paid for interest		(30,053,513)	(30,553,985)	(20,656,555)	(21,387,105)
Cash paid income tax		(18,326,038)	(21,485,006)	(16,977,518)	(19,745,865)
Cash paid from employee benefit		(1,747,000)	-	(1,413,700)	-
Net cash provided by (used in) operating activities		185,267,686	275,127,451	322,696,039	270,060,122
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) Decrease in deposits at bank with commitment		6,370,140	(9,930,619)	(49,225)	(61,008)
Decrease Investment		100,000,000	-	100,000,000	-
Increase Short - term loans to related parties		-	-	(435,000,000)	(218,000,000)
Received from short - term loans to related parties		-	-	298,000,000	185,000,000
Cash received from sales of fixed assets		1,074,449	5,780,618	433,542	5,581,571
Cash paid for purchase of fixed assets		(114,015,683)	(177,724,790)	(96,098,783)	(110,105,318)
Cash paid for purchase of intangible assets		(31,715,082)	(24,480,811)	(31,405,802)	(24,468,654)
Cash paid investments in subsidiaries		-	-	(26,999,400)	(9,999,700)
Net cash provided by (used in) investing activities		(38,286,176)	(206,355,602)	(191,119,668)	(172,053,109)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (Decrease) in overdrafts and short - term					
loans from financial institutions		(19,476,161)	52,431,326	(1,293,578)	(1,822,438)
Paid for liabilities under debt restructuring plan		(138,312,109)	(173,019,822)	(139,144,053)	(173,124,588)
Paid for liabilities under debt restructuring agreement		(15,587,485)	(18,405,211)	-	-
Paid for liabilities under compromise agreement		-	(15,718,601)	-	-
Paid for liabilities under financial lease		(883,989)	(525,636)	-	-
Net cash provided by (used in) financing activities		(174,259,744)	(155,237,944)	(140,437,631)	(174,947,026)
Net increase (decrease) in cash and cash equivalents		(27,278,234)	(86,466,095)	(8,861,260)	(76,940,013)
Cash and cash equivalents, beginning of years	5	414,516,222	500,982,317	358,240,513	435,180,526
Cash and cash equivalents, ending of years	5	387,237,988	414,516,222	349,379,253	358,240,513

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

1. GENERAL INFORMATION

- 1.1 Patkol Public Company Limited was incorporated as a company limited on November 28, 1965 with registration no. 372/2508 and changed to a public company limited on June 28, 1993 with registration No. 0107536000587.
- 1.2 The Company's office is located at 348 Chalermprakiat Rama 9 Road, Nongbon, Pravate, Bangkok 10250, and factory is located at 79/1 Moo 14, Soi King Kaew 33 Rachathewa, Bang Phli, SamutPrakan 10540, Thailand
- 1.3 The Company is engaged in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice-cream processing, as well as food related processing plant and supplies made to order.
- 1.4 The company has representative offices in 4 countries, namely Philippines, Indonesia, Malaysia, and Vietnam.
- 1.5 The Company has branches in 5 namely Khon Kaen, Surat Thani, King Kaew, Charoen Nakhon and Lumphun.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements as at December 31, 2015 and 2014, have been consolidated the financial statements of Patkol Public Company Limited and subsidiaries which Patkol Public Company Limited has controlled over financial policy and operations as follows:

	Percentage of holding by		Nature of business
	As at December 31, 2015	As at December 31, 2014	
Patkol Manufacturing Co., Ltd.	99.99	99.99	Manufacture and sale of food related processing equipment and cooling equipment
Patkol Trading Co., Ltd.	99.98	99.98	Sale the electric system equipment, spare part for industrial refrigeration and ice making industry
S Panel Co., Ltd.	80.00	80.00	Manufacture and import foam plate and equipment for cold room business
Heataway Co., Ltd.	99.99	99.99	Sale the Evaporative Condenser
Patkol R & D Co., Ltd.**	99.98	99.98	Research and development in applied technology and related fields
Siam Patkol Co., Ltd.**	99.98	99.98	Manufacture and sale the cooling system equipment

(39.99% of share capital held by Patkol Plc. And 60% of share capital held by Patkol Trading Co., Ltd.)

The consolidated financial statements have been prepared in conformity with the same accounting policy for the accounts and accounting events of the Company and subsidiaries. The balance of accounts and transaction between the Company and subsidiaries, inter - company unrealized gain between the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

** Stop operation

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

3. PREPARATION OF FINANCIAL STATEMENTS BASIS AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

3.1 New financial reporting standards

(a) Financial reporting standard that became effective in during year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively. (Note 14)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

(b) Financial reporting standard issued during the period and not yet effective

During the years, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

3.2 Significant accounting policies

Revenues and expenses recognition

- Revenues and expenditures are recognized on an accrual basis.
- Revenue from sales is recognized on the value of delivered goods and the significant risks and rewards of ownership have been transferred to the buyer.
- Revenue from installment sales are recognized on effective interest rate method according to the agreement the Company and subsidiaries will stop the recognition when it is defaulted on payment more than three.
- Revenue from services is recognized by the percentage of completion which is based on the proportion of actual costs to the total estimated costs by considering the effects to the most recent estimates of total costs, coupled with the consideration of the physical completion estimated by the engineer.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at financial institutions which held to maturity not over three months and without restriction.

Allowance for doubtful accounts

The Company and subsidiaries provided allowance for doubtful accounts equal to the estimated uncollectible receivable. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost calculation are detailed as follows :

- Finished goods and work in process are recorded on a specific method.
- Raw material, spare and supplies are recorded on a moving average method.

Investment

Investments in subsidiaries and associated companies under the Company only financial statements are stated in Balance sheet at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Investments in subsidiaries and associated companies under the consolidated financial statements are stated in financial statements by equity method.

Securities available for sales are carried at fair value less allowance for impairment of investments. The differences between book value and fair value are presented as unrealized gain or loss in the equity.

Other investments are stated in Statement of financial position at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Cost of short-term and long - term investments sold during the period were computed by the weighted average method. Gain or loss of those investment sales are stated in the Statement of comprehensive income.

Investment properties

Investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment.

The Company and subsidiaries has selected the cost model for accounting for its investment properties.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

Property, plant and equipment

The Company and subsidiaries initially recorded property, plant and equipment at cost. In 2004, the Company hired an independent appraiser to revalue land by market approach and plant by cost approach and revised the asset value. In the fourth quarter of 2008, the Company and subsidiaries recorded land and buildings at revalued amount which were valued by an independent appraiser by cost approach according to 4 appraise reports dated December 19, 2008 and January 5, 2009. The Company and subsidiaries recorded increased amount occurred from the revaluation as "increment of assets" together with "revaluation surplus on fixed assets" under the shareholders' equity in balance sheets. The depreciation on assets which were stated at cost method is recorded in the statements of income and depreciation on increment of fixed assets will be recorded in revaluation surplus on fixed assets account. Therefore, revaluation surplus on fixed assets will be decreased by depreciation on increment of fixed assets and has no effect to retained earnings. The Company has complied with the Federation of Accounting Professions' notification No. 25/2549 dated October 11, 2006 and the Government Gazette's announcement dated October 30, 2006 regarding "Accounting for Revaluation" by applying cost basis.

After the revaluation, the Company and subsidiaries stated land at the new value less provision for impairment of assets (if any). Buildings are stated at the new value less accumulated depreciation and provision for impairment of assets (if any). Equipment is stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any). Building and equipment are depreciated by the straight - line method over the estimated useful lives of the assets as follows:

Building and improvement	30 years and 50 years
Machinery and equipment	5 years
Machinery for lease	8 years
Office equipment	3 years and 5 years
Vehicles	5 years
Land and assets in progress are not depreciated	

Interest from long-term borrowings for acquisition of fixed assets is capitalized as part of fixed assets and stopped to recognize as cost of fixed assets when the assets are ready for use.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

Intangible assets

Intangible assets are stated at cost less accumulated amortization. Such amortization are calculated at cost of assets on a straight-line basis over the estimated useful lives of the assets for 5 years. Intangible assets consist of computer software and intellectual property.

Impairment of assets

The Company and subsidiaries have considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company and subsidiaries will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

Transaction in foreign currencies

The Company and subsidiaries records its transactions in foreign currencies converted into Thai Baht by using the exchange rates ruling on the transaction dates. The balance of assets and liabilities in foreign currencies as at the financial statements date are converted into Thai Baht on the average commercial bank buying and selling rate except forward contracts which are based on contractual rate.

Gain or loss on exchange rate is included in the results of its operation.

Long - term lease agreement

The Company and subsidiaries recorded vehicles and office equipments under financial lease agreement / hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

Operating lease - where the Company and subsidiaries are the lessee

The Company and subsidiaries records leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as an expense on straight-line basis, over the lease term.

Operating lease - where the Company and subsidiaries are the lessor

The Company and subsidiaries present assets for lease under operating lease contract in the financial statements according to the nature of assets. Income from operating lease is recognized as income over the lease term.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

Employee's benefit

- Provident fund

The Company and some subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3% of employees' salaries. The fund contribution payments to the provident fund were recorded as expenses in the statements of income in the incurred period.

- Employee benefit

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

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 qualified actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

Income tax

The Company and subsidiaries recorded corporate income tax by calculating from taxable net profit based on the condition described in the Revenue Code.

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Provision for liabilities

The Company and subsidiaries recognize a provision for liabilities when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and subsidiaries settles the obligation. The amount recognized should not exceed the amount of the provision.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

Earnings per share

Basic earnings per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares issued and paid up.

Dilution earning per share

Profit (loss) per share is adjusted by calculating by dividing the net profit (loss) that belongs to the shareholder. Average common share which is sold and requested to pay during improving year by the affect from the right to buy share.

Financial instruments

Financial instruments are presented in statement of financial position, consist of cash and cash equivalents, accounts receivable, short-term loans, deposit at bank with commitment, other receivables, bank overdrafts and short-term loans from financial institutions, accounts payable, short-term loans, long-term loans, long - term liabilities under financial lease agreement and other payables. The basis of recognition and measurement of each item are separately disclosed in the related transactions.

Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the Group's operations.

Troubled debt restructuring

The Group records troubled debt restructuring transactions in accordance with Thai Accounting Standard No. 104 "Accounting for Troubled Debt Restructuring" (Revise 2002).

Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2015

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4. USE OF ACCOUNTING ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following Note 24 Discount rate, salary increase rate, employee turnover rate and mortality rate.

5. CASH AND CASH EQUIVALENTS

Consist of:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Cash	863	692	669	500
Cash at bank - current accounts	73,394	49,470	65,294	32,265
Cash at bank - saving accounts	312,930	364,304	283,416	325,475
Cash at bank - fixed deposit (Within three months)	51	50	-	-
Total	387,238	414,516	349,379	358,240

Cash and cash equivalents are denominated and without obligation.

6. CURRENT INVESTMENTS - NET

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Current investment - deposit notes (due by Over than 3 months but not over than 1 year)	-	100,000	-	100,000
Total	-	100,000	-	100,000

As at December 31 2014, Two deposit notes (due by Over than 3 month but not over than 1 year) interest rate of 2.00% - 2.65% per annum.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

7. TRADE AND OTHER ACCOUNTS RECEIVABLES - NET

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Trade accounts receivable	594,324	735,141	532,865	679,460
<u>Less</u> Allowance for doubtful accounts	(91,035)	(110,993)	(85,258)	(106,949)
Trade accounts receivable - net	503,289	624,148	447,607	572,511
Other accounts receivables				
Prepaid expenses	49,962	84,681	31,956	50,738
Advance	2,816	4,709	1,519	3,038
<u>Less</u> Allowance for doubtful accounts	(6,994)	(4,463)	(4,018)	(3,476)
Total other accounts receivables	45,784	84,927	29,457	50,300
Total trade and other accounts receivables - net	549,073	709,075	477,064	622,811

Accounts receivable are separated on aging as follow:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Undue :				
- Normal	213,973	448,980	187,051	417,821
Overdue :				
- Not over 3 months	241,585	137,687	222,308	118,432
- Over 3 months to 6 months	35,353	15,322	27,139	14,296
- Over 6 months to 12 months	14,003	18,229	11,551	17,650
- Over 12 months	7,832	18,732	4,117	15,799
Debt acceptance	651	6,088	651	6,088
Under legal action	80,927	90,103	80,048	89,374
Total	594,324	735,141	532,865	679,460
<u>Less</u> Allowance for doubtful accounts	(91,035)	(110,993)	(85,258)	(106,949)
Total trade account receivables - net	503,289	624,148	447,607	572,511

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

Allowance for doubtful accounts have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Beginning balance	110,993	115,713	106,949	112,971
Written - off bad debt	(28,961)	(59)	(28,961)	(59)
Increase (Decrease) - net	9,003	(4,661)	7,270	(5,963)
Ending balance	91,035	110,993	85,258	106,949

In year 2015, two trade receivable amount by Baht of 28.96 million has been terminate the contract, and written - off in full amount.

As at December 31, 2014, allowance for doubtful in the consolidated decrease amount of Baht 4.66 million and the separated decrease amount of Baht 5.96 million. Due to the company receive payment from the debtor.

8. INSTALLMENTS RECEIVABLE - NET

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Under legal action	30,528	30,558	30,528	30,558
<u>Less</u> Allowance for doubtful accounts	(30,528)	(30,558)	(30,528)	(30,558)
Net	-	-	-	-

Allowance for doubtful accounts have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Beginning balance	30,558	30,928	30,558	30,928
Increase (Decrease) - net	(30)	(370)	(30)	(370)
Ending balance	30,528	30,558	30,528	30,558

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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During the years 2015 and 2014, allowance for doubtful decrease amount of Baht 0.03 million and 0.37 million respectively. Due to the Company received payment from the debtor.

9. UNBILLED TRADE RECEIVABLE - NET

Consist of:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Unbilled receivable	280,224	264,136	255,929	241,900
<u>Less</u> Allowance for doubtful accounts	(18,986)	(18,941)	(17,902)	(17,469)
Net	261,238	245,195	238,027	224,431

Allowance for doubtful accounts have changed during the years are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Beginning balance	18,941	43,014	17,469	42,723
Written - off bad debt	-	(15,067)	-	(15,067)
Increase (Decrease) - net	45	(9,006)	433	(10,187)
Ending balance	18,986	18,941	17,902	17,469

In during year 2014, unbilled trade receivable amount by Baht of 19.89 million has been negotiated by Baht of 4.83 million to installment by the period and finish within year 2018, and written - off bad debt by Baht of 15.06 million.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

10. INVENTORIES - NET

Consist of:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Finished goods	104,211	59,168	14,171	9,613
Raw materials, spare parts and supplies	446,624	360,207	259,123	120,175
Work in process	96,194	106,819	26,842	44,609
Work in transit	10,482	13,060	2,476	11,813
Total	657,511	539,254	302,612	186,210
<u>Less</u> Allowance for diminution in value of inventories	(18,295)	(22,231)	(9,190)	(12,509)
Net	639,216	517,023	293,422	173,701

Allowance for obsolete stock have changed during the years as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Beginning balance	22,231	23,229	12,509	15,999
Increase (Decrease) - net	(3,936)	(998)	(3,319)	(3,490)
Ending balance	18,295	22,231	9,190	12,509

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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AS AT DECEMBER 31, 2015

11. RETENTIONS - NET

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Retentions	47,487	28,262	40,955	24,497
<u>Less</u> Allowance for doubtful accounts	(1,099)	(1,099)	(1,099)	(1,099)
Net	46,388	27,163	39,856	23,398

12. INVESTMENTS IN SUBSIDIARIES - NET

Consist of :

Company	Paid-up capital		Proportion of		Cost Method (Thousand Baht)		Dividend income (In Thousand Baht)	
	(Million Baht)		Investment (%)				For the periods ended	
	As at	As at	As at	As at	As at	As at	As at	As at
	December	December	December	December	December	December	December	December
	31, 2015	31, 2014	31, 2015	31, 2014	31, 2015	31, 2014	31, 2015	31, 2014
Subsidiaries :-								
- Patkol Manufacturing Co., Ltd.	100.00	100.00	99.99	99.99	99,999	99,999	-	-
- Siam Patkol Co., Ltd.	2.50	2.50	39.99	39.99	1,000	1,000	-	-
- Patkol Trading Co., Ltd.	30.00	3.00	99.98	99.98	29,999	2,999	-	-
- Patkol R & D Co., Ltd.	1.25	1.25	99.98	99.98	1,250	1,250	-	-
- S Panel Co., Ltd.	10.00	10.00	80.00	80.00	8,000	8,000	-	-
- Heat Away Co., Ltd.	10.00	10.00	99.99	99.99	9,999	9,999	-	-
<u>Less</u> Allowance for devaluation of investments					(3,499)	(3,499)	-	-
Total investments in subsidiaries					146,748	119,748	-	-

The financial statements as at December 31, 2015 and 2014 of the aforementioned subsidiaries which were brought into the preparation of consolidated financial statements were reviewed and audited by the auditor already.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

The Board of Directors' Meeting held on August 11, 2015 resolved to increase the registered capital of subsidiary company - Patkol Trading Company Limited, from the current registered capital of Baht 3,000,000 to Baht 30,000,000, by using 270,000 new ordinary shares at a par value of Baht 100 per share. The subsidiary company has registered share capital increasing on 11 September, 2015.

Plan for investment in subsidiaries

The Board of Directors' Meeting held on August 11, 2015, resolved to establish two subsidiaries company in Philippines and Indonesia for the purpose of supporting for the business expansion. At present, are during the document register preparation and the companies' structure.

13. INVESTMENT PROPERTIES

As at December 31, 2015 and 2014, investment property consist of non - performed land of the Company at (Suanluang, Rayong, Tark, and Kalasin provinces) and of the subsidiary (Cha-cheoy-saow) present by cost in the consolidated and separated amount of Baht 44.05 million and 20.84 million respectively, (appraised value Market method in the consolidated and separated amount of Baht 73.29 million and 34.86 million respectively), and used for guarantee of overdraft and short - term loans (note 17) liabilities under rehabilitation plan (note 19) and commitment and contingent liabilities (note 35)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

14. PROPERTY, PLANT AND EQUIPMENT – NET

Consist of :

	Consolidated (In Thousand Baht)									Total
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2014	93,453	293,299	457,932	67,436	283,169	270	86,771	109,904	63,681	1,455,915
Purchase	-	220,058	-	61,470	12,389	-	11,942	13,064	92,949	411,872
Disposal	-	-	-	-	(25,483)	-	(8,894)	(542)	(20,153)	(55,072)
Transfer out	18,562	-	53,680	-	24,526	-	12,154	2	(109,227)	(308)
As at December 31, 2015	112,015	513,357	511,612	128,906	294,601	270	101,973	122,428	27,250	1,812,412
Accumulated depreciation										
As at December 31, 2014	-	-	(199,650)	(12,683)	(221,378)	-	(50,226)	(57,812)	-	(541,749)
Depreciation for the year	-	-	(11,388)	(3,915)	(24,981)	-	(16,322)	(18,452)	-	(74,968)
Depreciation for transfer out	-	-	(2,798)	-	23,555	-	8,859	542	-	30,158
Depreciation for disposal	-	-	(820)	-	-	-	895	-	-	75
As at December 31, 2015	-	-	(214,656)	(16,558)	(222,714)	-	(56,794)	(75,722)	-	(586,484)
Allowance for impairment of assets										
As at December 31, 2014	-	-	(9,667)	(35,783)	(1,833)	-	-	-	(6,630)	(53,913)
Increase	-	(3,325)	(6,282)	(1,304)	-	-	-	-	-	(10,911)
Decrease	-	-	-	-	1,248	-	-	-	6,630	7,878
As at December 31, 2015	-	-	(15,949)	(37,087)	(585)	-	-	-	-	(56,946)
Net book value of assets										
As at December 31, 2015	112,015	510,032	281,007	75,221	71,302	270	45,179	46,706	27,250	1,168,982

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

	Consolidated (In Thousand Baht)									
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2013	81,239	293,299	418,580	73,922	267,866	270	72,398	90,503	29,223	1,327,300
Purchase	4,472	-	13,694	-	10,136	-	12,445	25,383	115,548	181,678
Disposal	-	-	(23,742)	(6,486)	(1,520)	-	(11,375)	(5,985)	(3,070)	(52,178)
Transfer out	7,742	-	49,400	-	6,687	-	13,303	3	(78,020)	(885)
As at December 31, 2014	93,453	293,299	457,932	67,436	283,169	270	86,771	109,904	63,681	1,455,915
Accumulated depreciation										
As at December 31, 2013	-	-	(209,288)	(9,040)	(195,618)	-	(51,527)	(47,697)	-	(513,170)
Depreciation for the year	-	-	(8,060)	(4,076)	(22,721)	-	(9,984)	(15,978)	-	(60,819)
Depreciation for transfer out	-	-	17,698	433	(3,039)	-	11,285	5,863	-	32,240
Depreciation for disposal	-	-	-	-	-	-	-	-	-	-
As at December 31, 2014	-	-	(199,650)	(12,683)	(221,378)	-	(50,226)	(57,812)	-	(541,749)
Allowance for impairment of assets										
As at December 31, 2013	-	-	(9,667)	(35,783)	(4,094)	-	-	-	(6,630)	(56,174)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	2,261	-	-	-	-	2,261
As at December 31, 2014	-	-	(9,667)	(35,783)	(1,833)	-	-	-	(6,630)	(53,913)
Net book value of assets										
As at December 31, 2014	93,453	293,299	248,615	18,970	59,958	270	36,545	52,092	57,051	860,253

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

	Separated (In Thousand Baht)									
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2014	51,608	274,424	242,951	67,436	74,778	14,180	68,969	100,027	13,372	907,745
Purchase	-	202,619	-	61,470	5,414	-	8,611	13,064	81,814	372,992
Disposal	-	-	-	-	(18,897)	-	(6,859)	-	(19,418)	(45,174)
Transfer out	14,956	-	26,227	-	298	-	12,921	2	(54,419)	(15)
As at December 31, 2015	66,564	477,043	269,178	128,906	61,593	14,180	83,642	113,093	21,349	1,235,548
Accumulated depreciation										
As at December 31, 2014	-	-	(144,768)	(16,113)	(58,587)	(14,180)	(41,150)	(49,603)	-	(324,401)
Depreciation for the year	-	-	(4,745)	(3,915)	(5,094)	-	(12,147)	(17,964)	-	(43,865)
Depreciation for transfer out	-	-	(3,937)	-	17,344	-	6,853	-	-	20,260
Depreciation for disposal	-	-	-	-	-	-	-	-	-	-
As at December 31, 2015	-	-	(153,450)	(20,028)	(46,337)	(14,180)	(46,444)	(67,567)	-	(348,006)
Allowance for impairment of assets										
As at December 31, 2014	-	-	-	-	(1,833)	-	-	-	(6,629)	(8,462)
Increase	-	(3,325)	-	(1,304)	-	-	-	-	-	(4,629)
Decrease	-	-	-	-	1,248	-	-	-	6,629	7,877
As at December 31, 2015	-	(3,325)	-	(1,304)	(585)	-	-	-	-	(5,124)
Net book value of assets										
As at December 31, 2015	66,564	473,718	115,728	107,574	14,671	-	37,198	45,526	21,349	882,328

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

Separated (In Thousand Baht)										
	Land		Building and improvement		Machinery and equipment	Machinery for lease	Office equipment	Vehicles	Assets in progress	Total
	Cost	Revaluation	Cost	Revaluation						
Assets - cost										
As at December 31, 2013	41,829	274,424	214,275	73,922	68,457	14,180	58,694	79,767	18,603	844,151
Purchase	2,037	-	7,463	-	6,975	-	6,842	25,335	65,406	114,058
Disposal	-	-	(23,743)	(6,486)	(1,371)	-	(9,832)	(5,078)	(3,069)	(49,579)
Transfer out	7,742	-	44,956	-	717	-	13,265	3	(67,568)	(885)
As at December 31, 2014	51,608	274,424	242,951	67,436	74,778	14,180	68,969	100,027	13,372	907,745
Accumulated depreciation										
As at December 31, 2013	-	-	(159,258)	(12,470)	(51,423)	(14,180)	(43,377)	(39,139)	-	(319,847)
Depreciation for the year	-	-	(3,208)	(4,076)	(4,010)	-	(7,517)	(15,450)	-	(34,261)
Depreciation for transfer out	-	-	17,698	433	(3,154)	-	9,744	4,986	-	29,707
Depreciation for disposal	-	-	-	-	-	-	-	-	-	-
As at December 31, 2014	-	-	(144,768)	(16,113)	(58,587)	(14,180)	(41,150)	(49,603)	-	(324,401)
Allowance for impairment of assets										
As at December 31, 2013	-	-	-	-	(4,094)	-	-	-	(6,629)	(10,723)
Increase	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	2,261	-	-	-	-	2,261
As at December 31, 2014	-	-	-	-	(1,833)	-	-	-	(6,629)	(8,462)
Net book value of assets										
As at December 31, 2014	51,608	274,424	98,183	51,323	14,358	-	27,819	50,424	6,743	574,882

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

Depreciation for the years ended December 31, 2015 and 2014 were Baht 67.11 million and Baht 56.74 million in the consolidated financial statements, Baht 39.95 million and Baht 30.19 million in the separate financial statements, respectively.

As at December 31, 2015 and 2014, building and equipment at cost of Baht 372.28 million and Baht 314.17 million in the consolidated financial statements, Baht 272.86 million and Baht 277.56 million in the separate financial statements, respectively were fully depreciated.

As at December 31, 2015 and December 31, 2014, land with its construction and machinery at cost of Baht 796.51 million and Baht 796.51 million in the consolidated financial statements, Baht 563.85 million and 563.85 million in the separate financial statements, respectively were used as guarantee for overdrafts and short-term loans from financial institutions (note 17) liabilities under rehabilitation plan (note 19) liabilities under rehabilitation agreements (note 20) and commitment and contingent liabilities (note 35)

In October 2006, the Federation of Accounting Professions issued the notification No. 25/2006: in case the Company revalues assets, the Company can calculate depreciation recorded in the statements of income by cost instead of by new value. The Company complied with the notification by applying cost basis. However if the Company calculates depreciation recorded in the statements of income by new value, net profit and earnings per share will be changed as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2015	2014	2015	2014
Net profit increased	3,132	3,261	3,132	3,261

As at December 31, 2015 and 2014, the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser During the year 2015 and 2012, (which based on Market Approach and Cost Approach) are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

A subsidiaries recorded land with appraised value and recorded revaluation surplus on revaluation amounting to Baht 36.31 million, as the independent appraiser report dated on December 25, 2015.

As at December 31, 2015 and 2014 the fair value of the land and building were assessed in 2015 and 2012, by the report of the appraisal assessed using the market approach by selling price of comparable land nearby to improve and building by using the replacement cost approach. The fair value is in the second level of the hierarchy of fair value (note 3.5)

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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15. INTANGIBLE ASSETS - NET

Consist of :

	(In Thousand Baht)			
	Consolidated			
	Balance December 31, 2014	Increases / Transfer in	Decrease / Transfer out	Balance December 31, 2015
<u>Cost</u>				
Computer software	63,584	40,109	(38,668)	65,025
Intellectual property	23,880	-	-	23,880
Intangible Asset in Process	61,710	29,343	-	91,053
Total	149,174	69,452	(38,669)	179,958
<u>Less</u> Accumulated amortization	(80,437)	(2,316)	1,220	(81,553)
Net	68,737	67,136	(37,448)	98,425
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	(3,326)
Net	65,411	67,136	37,448	95,099

	(In Thousand Baht)			
	Consolidated			
	Balance December 31, 2013	Increases / Transfer in	Decrease / Transfer out	Balance December 31, 2014
<u>Cost</u>				
Computer software	61,135	2,449	-	63,584
Intellectual property	23,777	103	-	23,880
Intangible Asset in Process	39,781	21,929	-	61,710
Total	124,693	24,481	-	149,174
<u>Less</u> Accumulated amortization	(78,254)	(2,183)	-	(80,437)
Net	46,439	22,298	-	68,737
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	(3,326)
Net	43,113	22,298	-	65,411

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AS AT DECEMBER 31, 2015

	(In Thousand Baht)			
	Separated			
	Balance December 31, 2014	Increases / Transfer in	Decrease / Transfer out	Balance December 31, 2015
<u>Cost</u>				
Computer software	60,485	39,743	(38,668)	61,560
Intellectual property	21,947	-	-	21,947
Intangible Asset in Process	61,711	29,343	-	91,054
Total	144,143	69,086	(38,668)	174,561
<u>Less</u> Accumulated amortization	(75,933)	(1,824)	988	(76,769)
Net	68,210	67,262	(37,680)	97,792
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	(3,326)
Net	64,884	67,262	(37,680)	94,466

	(In Thousand Baht)			
	Separated			
	Balance December 31, 2013	Increases / Transfer in	Decrease / Transfer out	Balance December 31, 2014
<u>Cost</u>				
Computer software	58,049	2,436	-	60,485
Intellectual property	21,844	103	-	21,947
Intangible Asset in Process	39,782	21,929	-	61,711
Total	119,675	24,468	-	144,143
<u>Less</u> Accumulated amortization	(74,083)	(1,850)	-	(75,933)
Net	45,592	22,618	-	68,210
<u>Less</u> Allowance for asset impairment	(3,326)	-	-	(3,326)
Net	42,266	22,618	-	64,884

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	(In Thousand Baht)			
	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Amortization for the years	1,096	2,183	1,096	1,850

16. DEFERRED TAX ASSETS AND LIABILITIES

As at December 31, 2015 and 2014, the components of deferred tax asset and liabilities are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Net deferred tax assets (Asset)	91,862	137,883	76,458	122,423
Net deferred tax assets (Liabilities)	(133,084)	(79,283)	(118,312)	(69,388)

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

	(In Thousand Baht)				
	Consolidated				
	(Charged) / credited to:				
	January 1, 2015	Profit or loss	Other comprehensive income	Equity	December 31, 2015
Deferred tax assets					
Allowance for doubtful accounts	32,030	(3,482)	-	-	28,548
Allowance for diminution in value of inventories	3,010	(645)	-	-	2,365
Allowance for income tax	4,211	(107)	-	-	4,104
Allowance for impairment asset	2,059	583	-	-	2,642
Provision of project cost	3,108	(385)	-	-	2,723
Employee benefit obligations	14,430	2,241	-	-	16,671
Tax losses that have not been used	79,035	(44,226)	-	-	34,809
Total deferred tax assets	137,883	(46,021)	-	-	91,862

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

(In Thousand Baht)					
Consolidated					
(Charged) / credited to:					
Other					
January	comprehensive			December	
1, 2015	Profit or loss	income	Equity	31, 2015	
Deferred tax liabilities					
Accumulated depreciation Building extension	(9,061)	424	-	-	(8,637)
Revaluation surplus on fixed assets	(70,222)	-	(54,225)	-	(124,447)
Total deferred tax liabilities	(79,283)	424	(54,225)	-	(133,084)
Total income (expense)		(45,597)			

(In Thousand Baht)					
Separated					
(Charged) / credited to:					
Other					
January	comprehensive			December	
1, 2015	Profit or loss	income	Equity	31, 2015	
Deferred tax assets					
Allowance for doubtful accounts	31,215	(4,149)	-	-	27,066
Allowance for diminution in value of inventories	2,502	(664)	-	-	1,838
Allowance for income tax	4,211	(107)	-	-	4,104
Allowance for impairment asset	1,794	(402)	-	-	1,392
Provision of project cost	2,417	248	-	-	2,665
Employee benefit obligations	12,547	2,295	-	-	14,842
Tax losses that have not been used	67,737	(43,186)	-	-	24,551
Total deferred tax assets	122,423	(45,965)	-	-	76,458

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

	(In Thousand Baht)				
	Separated				
	(Charged) / credited to:				
	Other				December
	January	Profit or loss	comprehensive income	Equity	
	1, 2015				31, 2015
Deferred tax liabilities					
Accumulated depreciation Building extension	(2,941)	1,813	-	-	(1,128)
Revaluation surplus on fixed assets	(66,447)	-	(50,737)	-	(117,184)
Total deferred tax liabilities	(69,388)	1,813	(50,737)	-	118,312
Total income (expense)		(44,152)			

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognized in the financial statements were as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Allowance for doubtful accounts	197	-	-	-
Allowance for diminution in value of inventories	1,294	1,483	-	-
Allowance for impairment asset	9,096	8,826	-	-
Employee benefit obligations	4,517	3,198	-	-
Loss carry forward less than 5 years	10,222	9,343	-	-
Net deferred tax assets (Asset)	25,326	22,850	-	-

As at December 31, 2015 and 2014, The consolidated financial statement have deductible temporary differences totaling Baht 25.33 million and 22.85 million respectively. On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

17. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS - NET

Consists of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Bank overdrafts	21,412	3,597	498	229
Promissory notes	31,419	67,147	-	-
Trust receipts	-	1,563	-	1,563
Total	52,831	72,307	498	1,792

Consolidated

As at December 31, 2015, the Company and subsidiaries have credit facilities from several banks in total amount of Baht 779.88 million. By is the Company amount of Baht 630.00 million. Guaranteed by pledged deposits at banks, investment property, land with its construction (note 14), non - performed land , leasehold land and subsidiaries in the separate financial statements. Without such a guarantee fee.

	Million Baht	
	Credit line	
	As at December 31, 2015	Guarantee
<u>Bank overdraft</u>		
The Company	30.00	<ul style="list-style-type: none"> - By the mortgage of land with its construction and machinery (note 14) - By the mortgage of investment properties (note 13) - By the mortgage of leasehold land
The subsidiaries	44.00	<ul style="list-style-type: none"> - By the mortgage of investment properties (note 13) - By the mortgage of land with its construction and machinery (note 14) - By the Parent Company

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

	Million Baht	
	Credit line	
	As at December 31, 2015	Guarantee
<u>Short-term loans</u>		
The Company	50.00	<ul style="list-style-type: none"> - By the mortgage of land with its construction and machinery (note 14) - By the mortgage of investment properties (note 13) - By the mortgage of leasehold land - By the mortgage of Subsidiary - By the Fixed Account
The subsidiaries	100.00	<ul style="list-style-type: none"> - By the mortgage of investment properties (note 13) - By the mortgage of land with its construction and machinery (note 14) - By the Parent Company
<u>Trust receipts / Letter of credit / Packing</u>		
The Company	150.00	<ul style="list-style-type: none"> - By the mortgage of land with its construction and machinery (note 14) - By the mortgage of investment properties (note 13) - By the mortgage of leasehold land - By the mortgage of Subsidiary - By the Fixed Account
<u>Guarantee</u>		
The Company	400.00	<ul style="list-style-type: none"> - By the mortgage of land with its construction and machinery (note 14) - By the mortgage of investment properties (note 13) - By the mortgage of leasehold land - By the Fixed Account
The subsidiaries	3.21	<ul style="list-style-type: none"> - By the mortgage of investment properties (note 13) - By the mortgage of land with its construction and machinery (note 14) - By the Parent Company - By the Fixed Account

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18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Consists of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Liabilities under financial lease				
agreements	4,724	1,898	-	-
<u>Less</u> : Deferred interest	(275)	(91)	-	-
	4,449	1,807	-	-
<u>Less</u> : Current portion	(1,485)	(565)	-	-
Total	2,964	1,242	-	-

19. LIABILITIES UNDER DEBT RESTRUCTURING PLAN – NET

Debt allocation

CREDITOR	PRINCIPLE	NEW INTEREST
Creditor Group 1 Financial institution creditors - secured	Amount of Baht 417,922,322.28 to be repaid on an installment within 8 years by monthly	Interest rate at MLR per annum with monthly repayment
Creditor Group 2 Financial institution creditors - non secured	Amount of Baht 92,353,650.01 to be repaid on an installment within 10 years by quarterly.	Interest rate at 0.01% per annum with quarterly repayment
Creditor Group 3 Financial institution creditors - transferred the right	Amount of Baht 209,628,804.52 to be repaid on an installment within 10 years by quarterly.	Interest rate at 0.01% per annum with quarterly repayment
Creditor Group 4 Accounts Payable	Amount of Baht 227,520,954.88 to be repaid on an installment within 10 years by quarterly.	-

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CREDITOR	PRINCIPLE	NEW INTEREST
Creditor Group 5 Payable - taxation	Amount of Baht 22,433,940.58 to be repaid on an installment within 10 years by quarterly. Creditor will be paid for if the Appeal Committee has the final judgmental /command that. (see note 36)	Interest rate at 0.01% per annum with quarterly repayment.
Creditor Group 10 Creditor - guarantee to other company	Debt as request for payment amount of Baht 303,242,835.38 which creditor will be paid by the following; 1. Because of PKM and SPN which are the receivable of 10 th group creditor still operate and able to pay to creditor by themselves. At the present, PKM and SPN still pay to creditor under the contact negotiate between the creditor and PKM and SPN. 2. Later, if PKM and SPN default, and PKM and SPN unable to pay to 10 th group creditor within 120 days. Creditor has to inform by written to the Company and will has right to receive the payment from the Company follow the remaining debt, And will be paid after 1 st , 2 nd , 3 rd , 4 th , 5 th , and 12 th creditors finishing the payment follow the rehabilitation plan within 30 days.	

(In Thousand Baht)

	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Liabilities under debt				
restructuring plan	613,484	750,966	619,870	758,184
<u>Less</u> due within one year	(96,957)	(105,894)	(97,580)	(106,726)
Liabilities under debt				
restructuring plan - net	<u>516,527</u>	<u>645,072</u>	<u>522,290</u>	<u>651,458</u>

Debt under restructuring plan of the Company are secured by the assets of the Company which are indicated in the original loan agreement before the restructuring ie. The mortgage of land and buildings, the pledge of the Company's machineries.

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20. LIABILITIES UNDER DEBT RESTRUCTURING AGREEMENTS - NET

On March 30, 2011 and June 27, 2011, two subsidiaries have entered into debt restructuring agreements with financial institutions. Under the conditions of such agreements, creditors have extended the repayment schedule for the subsidiaries as following;

(In Thousand Baht)		
Consolidated		
	December 31, 2015	December 31, 2014
Liabilities under debt restructuring agreements	95,012	110,599
<u>Less</u> due within one year	(17,929)	(21,156)
Liabilities under debt restructuring agreements - net	77,083	89,443

Liabilities under debt restructuring are guaranteed by mortgage a part of Land and Machinery of subsidiaries, Land and construction of the Company, and the Company (note 14), with no charging for any fee.

Liabilities under debt restructuring including accrued interest are as follow;

	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Loan agreement (1)	Amount of Baht 62,625,877.40 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 1,568,000 each quarter.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 3,087,541.54 , to be paid at the signing agreement date by Baht of 1,077,079.30 , and the remaining by Baht 2,010,462.24 will be forgiven when follow the restructuring agreement.
Loan agreement (2)	Amount of Baht 41,566,225.07 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 1,024,000 each quarter.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 2,142,084.08 , to be paid at the signing agreement date by Baht of 705,202.32, and the remaining by Baht 1,436,881.76 will be forgiven when follow the restructuring agreement.

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	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Loan - Promissory note	Amount of Baht 100,000,000 to be repaid on an installment, finishing within February 2012. If subsidiaries able follow the debt restructuring agreement, there will be “Gain from debt restructuring” amount of Baht 13.13 million.	MLR per annum.	Accrued interest amount of Baht 28,150,684.93, to be paid at the signing agreement date by Baht of 243,000, and the remaining by Baht of 16,966,438.35 will be forgiven when follow the restructuring agreement.
Loan - Trust Receipt	Amount of Baht 23,940,354.50 to be repaid on an installment, finishing within February 2021, by quarterly and not less than Baht of 608,000 each quarter.	MLR per annum.	Accrued interest amount of Baht 6,519,437.61, to be paid on an installment by Baht of 57,000 per quarterly, total 2,589,843.47 and the remaining by Baht of - 3,929,594.14 will be forgiven when follow the restructuring agreement.
Loan - bank overdraft	Amount of Baht 11,404,901.99 to be paid at the signing agreement date 1,404,901.99 , and the remaining to be repaid on an installment, finishing within March 2015, by monthly and not less than Baht of 250,000 each month.	MLR per annum, payment by monthly.	Accrued interest amount of Baht 63,274.01; to be paid at the signing agreement date by Baht of 36,777.33, and the remaining by Baht of 26,496.68 will be forgiven when follow the restructuring agreement.

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21. EMPLOYEE BENEFIT OBLIGATIONS

An independent actuary carried out an evaluation of the Company's obligations for employees' long - term benefits using the projected unit credit method. The Company has provided the estimated for employees' long - term benefits as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Provision for employee benefits - beginning	88,142	76,357	62,736	54,386
<u>Add</u> recognized amount	10,874	11,785	7,355	8,350
<u>Less</u> paid	(1,747)	-	(1,413)	-
<u>Add</u> actuary assumption charges	9,159	-	5,533	-
Provision for employee benefits - ending	<u>106,428</u>	<u>88,142</u>	<u>74,211</u>	<u>62,736</u>
Present value of unfunded obligation	<u>106,428</u>	<u>88,142</u>	<u>74,211</u>	<u>62,736</u>

	(In Thousand Baht)	
	For the years ended December 31, 2015	
	Consolidated	Separated
Total amount recognized in the statement of Comprehensive		
Comprehensive income :		
Provision for employee benefits - beginning	88,142	62,736
Profit (loss) for the periods		
<u>Add</u> recognized amount		
Current service cost	7,348	4,846
Interest cost	3,526	2,509
<u>Less</u> paid	(1,747)	(1,413)
Provision for employee benefits - ending	<u>97,269</u>	<u>68,678</u>
Other Comprehensive income for the periods		
actuary assumption charges	<u>9,159</u>	<u>5,533</u>

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(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2015
Expense recognized in profit or loss				
Current service cost				
Current service cost	7,348	4,597	4,846	3,192
Interest cost	3,526	7,188	2,509	5,158
Total - recognized in the statement				
of income	10,874	11,785	7,355	8,350

Principal actuarial assumptions (Actuarial basis)

	Consolidated	Separated
	As at December 31, 2015 and 2014	As at December 31, 2015 and 2014
Discount rate (%)	4.0	4.0
Future salary increase (%)	6.6	6.6
Retirement age (year old)	60	60

22. COMPENSATION LIABILITIES - CONVERTIBLE PREFERRED SHARES

The Company recorded liabilities for obligations to pay the unpaid dividend in the amount of Baht 17,101,510 and the difference amount between the market price of the Company's shares and the offering price as at the exercise date of Baht 3.1647 per share (33,744,100 shares) amounting to Baht 106,833,875 as "compensation liabilities - convertible preferred shares" in current liabilities.

On March 30, 2011, the Company reclassified compensation liabilities - convertible preferred shares to present in liabilities under rehabilitation plan (Note 19).

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AS AT DECEMBER 31, 2015

23. SHARE CAPITAL

	Amount	As at December 31, 2015		As at December 31, 2014	
	of share	Shares	Amount	Shares	Amount
	(baht)	(Shares/baht)			
Authorized share capital consist of					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Warrant	1	106,148,500	106,148,500	106,148,500	106,148,500
		600,243,737	600,243,737	600,243,737	600,243,737
Issued and paid-up share capital					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
Issue of new shares					
Ordinary shares	1	-	-	-	-
Preferred shares	1	-	-	-	-
		494,095,237	494,095,237	494,095,237	494,095,237
Issued and paid-up share capital					
Consist of					
Ordinary shares	1	414,607,781	414,607,781	414,607,781	414,607,781
Preferred shares	1	79,487,456	79,487,456	79,487,456	79,487,456
		494,095,237	494,095,237	494,095,237	494,095,237
Premium on shares					
Ordinary shares	0.06	414,607,781	8,542,665	414,607,781	8,542,665
Preferred shares	0.06	79,487,456	4,769,247	79,487,456	4,769,247
Discount on common shares					
As at December 31					
Ordinary shares	1	414,607,781	(22,088,943)	414,607,781	(22,088,943)

Fair value of shares and preferred share at date of issue which pay off creditor under rehabilitation plan (note 19) have its value of 1.06 Baht share as the independent appraiser financial report at August 5, 2011

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On September 21, 2011 increase shares capital are becoming registration securities (Preferred shares are not registration securities).

Under rehabilitation plan

1. The Company approve deduction share capital amount of baht 52.99 million (52,999,999 shares of Baht 1 each) to 272.23 million (272,230,101 shares of Baht 1 each) by cancel non paid-up share capital 52,999,999 shares of Baht 1 each. And approve increase authorized share capital from amount of baht 272.23 million (272,230,101 shares of Baht 1 each) to 600.24 million (600,243,737 shares of Baht 1 each). The Company has registered increase and deduction share capital with ministry of Commerce on August 10, 2011 and September 9, 2011 respectively.
2. The Company has the resolution to approve the operation by debt to equity conversion under rehabilitation plan (note 19) by splitting common share million 142.38 Baht (142,377,680 shares with the share of 1 Baht) and the preferential right of million 79.49 Baht (79,487,456 shares which is worth 1 Baht per share) in order to pay the debt in the total amount of million 221.87 Baht.

Warrants

Under rehabilitation plan passed the resolution on determining the conditions and details of the warrants issued to a financial institution (convert liabilities to be capital) who propose the new credit facility to the Company, under the rehabilitation plan processing. On March 30, 2011, the Central Bankruptcy Court ordered the Company to rehabilitate its business as described in (note 19).

In August, 2011 the Company has issued 106,148,500 units of warrants to purchase ordinary shares, allocated to a financial institution who proposes the new credit facility to the Company. Each unit of warrant has a right to purchase 1 ordinary share of Baht 0.01 each. The warrants will be with 10 years term, the first exercise month on March, June, September and the last exercise month on December.

	Consolidated/ Separated	
	As at December 31, 2015	
	(Unit)	(Baht)
Number of warrants	106,148,500	111,455,925
<u>Less</u> : The number of expired warrants - cumulative	-	-
<u>Less</u> : The number of exercised warrants - cumulative	-	-
Balance number of warrants	106,148,500	111,455,925

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Premium on share

According to the provision of the Limited Public Company Act, B.E. 2535 (1992) section 51 in the case that the company has proposed to sell share higher than the value of the share that has been registered, the Company must set this excessive share amount as backup capital ("share value excessive part"). This share value excessive part cannot be paid as dividend.

24. COMPANY'S SHARES HELD BY SUBSIDIARIES

As at December 31, 2015 and, 2014, The share of the Company that is held by subsidiary includes preferential right in the amount of 3,555,477 shares with the value of 1 Baht per share and ordinary shares amount of 2,400,000 shares with the value of 1 Baht per shares which the subsidiary (Patkol Trading Co., Ltd) has been received from transforming the debt into capital under the operation according to the reorganizational plan of the Company. The said share has been shown as they deduct in the part of shareholders under the topic "share of the Company held by subsidiary" in the consolidated

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25. REVALUATION SURPLUS ON FIXED ASSETS

Consist of :

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Revaluation surplus on land				
Beginning balance	292,026	292,026	274,424	274,424
Increase	218,486	-	202,619	-
Decrease	-	-	-	-
Ending balance	510,512	292,026	477,043	274,424
Revaluation surplus on building				
Beginning balance	51,322	61,452	51,322	61,452
Increase	64,570	-	64,570	-
Decrease	(3,100)	-	(3,100)	-
Decrease - Sale	-	(6,053)	-	(6,053)
Decrease - Depreciation	(3,915)	(4,077)	(3,915)	(4,077)
Ending balance	108,877	51,322	108,877	51,322
Revaluation surplus on fixed assets	619,389	343,348	585,920	325,746
Deferred tax liabilities	(123,878)	(68,670)	(117,184)	(65,149)
Revaluation surplus on fixed assets - net	495,511	274,678	468,736	260,597

As at December 31, 2015, the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser Agency for T.A. Management Corporation (1999) Co., LTD at date of December 25, 2015 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

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As at December 31, 2014, the Company and a subsidiary's land and plant are stated at appraised value, reports of the independent appraiser Agency for Real Estate Affairs valued by market value method at the date of August 7-10, 2012 and T.A. Management Corporation (1999) Co., LTD at date of August 14, 2012 respectively. The excess of appraised value of land and plant, which based on Market Approach and Cost Approach, are shown as "Revaluation surplus of fixed assets" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of fixed assets is not available for dividend distribution.

26. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

27. DIRECTOR AND MANAGEMENT REMUNERATION

DIRECTORS' REMUNERATION

Directors' remuneration is contributed to directors of the Company and subsidiaries under Section 90 of the Public Companies Act excluding salaries and related fringe benefit paid to executive directors.

MANAGEMENT'S REMUNERATION

Management's remuneration is salaries, remunerations and other benefits to the executive directors, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

28. EARNING (LOSS) PER SHARE

Basic earnings (loss) per share :

Basic earnings (loss) per share for the years ended December 31, 2015 and 2014 are calculated by net profit (loss) of ordinary shareholder and preferred shareholder of ordinary shares and preferred shares issued and paid up during in the period by calculated follow as;

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	For the years ended			
	Consolidated		Separate	
	2015	2014	2015	2014
	<i>(Baht/Share)</i>			
Owner of the parent				
Earning (Loss) for the years				
(Thousand Baht)	112,129	229,546	177,241	237,862
Weighted average number of share				
(Thousand Share)	412,208	412,208	414,608	414,608
Basic earnings per share <i>(Baht/Share)</i>	0.27	0.56	0.43	0.57

Earnings (loss) per diluted share :

The reduced profit (loss) per share for the years ending on December 31, 2015 and 2014 which is calculated from the profit (loss) of the last period as the part for shareholders of the Company and the amount of common share that has been sold between the period in each year by averaging after the adjustment of the effect of the reduced share as follows.

	For the years ended			
	Consolidated		Separate	
	2015	2013	2015	2013
	<i>(Baht/Share)</i>			
Owners of the parent				
Earnings (Loss) for the periods				
(Thousand Baht)	112,129	229,546	177,241	237,862
Number of ordinary share as at January	412,208	412,208	414,608	414,608
Warrant	105,147	105,147	105,147	105,147
Weighted average number of share				
(Thousand Share)	517,355	517,355	519,755	519,755
Diluted earnings per share <i>(Baht/share)</i>	0.22	0.44	0.34	0.46

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29. CORPORATE INCOME TAX

Income tax expense for the years ended December 31, 2015 and 2014 Consist of

	(In Thousand Baht)			
	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
Income tax				
Income tax for the year	-	(1,700)	-	-
Defer income tax :				
Deferred income tax effect of temporary difference and the reversal of temporary differences	(44,299)	(56,046)	(42,854)	(60,596)
Operating (expense) income tax present in the statement of comprehensive income (note 16)	<u>(44,299)</u>	<u>(57,746)</u>	<u>(42,854)</u>	<u>(60,596)</u>

	(In Thousand Baht)			
	Separated financial statement			
	Rate %	2015	Rate %	2014
Profit before income tax expense		220,096		298,458
Income tax using the Thai corporation tax rate	20	44,019	20	59,692
Income not subject to tax		(4,013)		(3,229)
Expenses not deductible for tax		3,181		229
Loss carry forward less than 5 years		(24,551)		(124,429)
Total		<u>18,636</u>		<u>(67,737)</u>

Income tax reduction

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after January 1, 2015 and onwards in order to give full effect to the Cabinet resolution dated October 11, 2011 to increase Thailand's tax competitiveness.

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30. EXPENSES ANALYZED BY NATURE

	(In Thousand Baht)			
	Consolidated		Separated	
	For the years ended December 31,		For the years ended December 31,	
	2015	2014	2015	2014
Changes in inventories and work in process	63,761	32,309	13,208	28,680
Raw materials and supplies used	2,992,501	3,452,424	1,765,534	2,102,939
Staff expense	939,443	626,763	896,854	460,947
Depreciation and amortization	82,480	63,078	51,852	36,009
Bad debt (reversal)	(25,531)	(37,709)	(21,288)	(33,999)
Loss (reversal) decrease of inventory	(10,590)	(8,097)	(9,319)	(3,489)

31. TRANSACTIONS WITH RELATED PARTIES

Assets, liabilities, revenues and expenses arose from transaction with related person and companies. These related transactions are determined on the conditions in the normal course of business and based on the Company concerned as follows :

31.1. Relationship

Name	Inter - transaction	Relationship
Patkol Manufacturing Co., Ltd.	Sale of goods and services	Subsidiary
Patkol Trading Co., Ltd.	Sale of goods and services	Subsidiary
Patkol R&D Co., Ltd.	Services	Subsidiary
S Panel Co., Ltd.	Sale of goods and services	Subsidiary
Siam Patkol Co., Ltd.	Services	Subsidiary of Patkol Trading Co., Ltd. And common director
Heat away Co., Ltd.	Sale of goods and services	Subsidiary
Prepack (Thailand) Co., Ltd.	Services	Common director

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31.2. Pricing policy

	Pricing policy
Sale of goods and services	Cost plus profit 1% for raw materials Cost plus profit 3% and 6% for finished goods
Purchase of goods and services	Cost plus profit 1% for raw materials Cost plus profit 3% and 6% for finished goods
Interest income to subsidiaries	At the interest rate MOR per annum
Building rental and services	At Baht 1,000 - 360,800 per month
Interest expense to subsidiaries	At the interest rate of MOR per annum
Management Fee	Price as agreed

31.3. Assets and liabilities with related parties are as follows:

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Trade accounts and other receivable - related parties				
<u>Trade account receivable</u>				
Patkol Trading Co., Ltd.	-	-	28,800	25,625
S Panel Co., Ltd.	-	-	64,286	61,533
Prepack (Thailand) Co., Ltd.	407	342	407	342
Patkol Manufacturing Co., Ltd.	-	-	58,786	70,674
Heataway Co., Ltd.	-	-	43	-
Total Trade account receivable	407	342	152,322	158,174
<u>Other receivables</u>				
S Panel Co., Ltd.	-	-	1,209	4,650
Total Trade account and other receivable	407	342	153,531	162,824

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	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Trade accounts receivable - related parties				
On aging :				
Undue	236	171	3,391	1,780
Overdue :				
- Not over 3 months	171	171	5,451	5,390
- Over 3 months to 6 months	-	-	6,573	21,177
- Over 6 months to 12 months	-	-	10,123	43,074
- Over 12 months		-	126,784	86,753
Total	407	342	152,322	158,174

Separated Financial Statements

There is one of the Company's trade account receivable with overdue period more than 6 months. Which is an account receivable of Company's subsidiaries with amount of Baht 136.91 million as at December 31, 2015. Company's man

	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Short - term loans and accrued interest income				
to related parties - net				
<u>Short - term loans</u>				
S Panel Co., Ltd.	-	-	110,000	113,000
Patkol Trading Co., Ltd.	-	-	23,000	53,000
Patkol Manufacturing Co., Ltd.	-	-	210,000	37,000
Heat Away Co., Ltd.	-	-	-	3,000
Total	-	-	343,000	206,000

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	(In Thousand Baht)			
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
<u>Accrued interest income</u>				
S Panel Co., Ltd.	-	-	12,506	5,019
Patkol Trading Co., Ltd.	-	-	7,380	4,259
Patkol Manufacturing Co., Ltd.	-	-	14,841	2,664
Heat Away Co., Ltd.	-	-	-	52
Total	-	-	34,727	11,994
Total Short - term loans and accrued interest				
income	-	-	377,727	217,994
<u>Less Allowance</u>	-	-	-	(18,350)
Total Short - term loans and accrued interest				
Income - net	-	-	377,727	199,644

Increase and decrease of short - term loans to related parties are as follows:

	(In Thousand Baht)			
	Balance			Balance
	As at	Movement		As at
	January 1, 2015	Addition	Deduction	December 31, 2015
S Panel Co., Ltd.	113,000	110,000	(113,000)	110,000
Patkol Trading Co., Ltd.	53,000	55,000	(85,000)	23,000
Patkol Manufacturing Co., Ltd.	37,000	270,000	(97,000)	210,000
Heat Away Co., Ltd.	3,000	-	(3,000)	-
Total	206,000	435,000	(298,000)	343,000

As at December 31, 2015 Company has loans from related are loan agreement at interest rate MOR per annum (Bangkok Bank) Due on demand.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

(In Thousand Baht)				
	Consolidated		Separated	
	As at December	As at December	As at December	As at December
	31, 2015	31, 2014	31, 2015	31, 2014
Trade account payable - related parties				
Patkol Manufacturing Co., Ltd.	-	-	128,098	24,314
S Panel Co., Ltd.	-	-	14,173	6,858
Prepack (Thailand) Co., Ltd.	-	9	-	9
Patkol Trading Co., Ltd.	-	-	3,161	6,405
Heat Away Co., Ltd.	-	-	34,125	8,219
Total	-	9	179,557	45,805
Estimated liability - employee				
Benefit - part of the management	39,553	33,542	31,355	25,400

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

31.4. Revenues and expenses transaction with related parties

Revenues and expenses transaction with related parties for the three - month periods ended December 31, 2015 and 2014 are as follows:

(In Thousand Baht)				
	Consolidated		Separated	
	For the years		For the years	
	ended December 31,		ended December 31,	
	2015	2014	2015	2014
Revenues from sales of goods and services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	4,988	34,325
S Panel Co., Ltd.	-	-	101	4,569
Patkol Trading Co., Ltd.	-	-	5,045	5,717
Heat Away Co., Ltd.	-	-	11	-
Total	-	-	10,145	44,611
Cost of sales and services				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	889,318	946,663
S Panel Co., Ltd.	-	-	95,032	95,876
Patkol Trading Co., Ltd.	-	-	3,822	7,372
Heat Away Co., Ltd.	-	-	120,281	7,681
Related company				
Prepack (Thailand) Co., Ltd.	-	105	-	105
Total	-	105	1,108,453	1,057,697

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

(In Thousand Baht)				
Consolidated		Separated		
For the three - month periods		For the three - month periods		
ended December 31,		ended December 31,		
2015	2014	2015	2014	
Revenues from rental and service				
Subsidiaries				
Patkol Manufacturing Co., Ltd.	-	-	4,747	3,413
Patkol Trading Co., Ltd.	-	-	4,870	5,106
S Panel Co., Ltd.	-	-	2,472	1,228
Patkol R&D Co., Ltd.	-	-	12	12
Siam Patkol Co., Ltd.	-	-	12	12
Heat Away Co., Ltd.	-	-	320	120
Related company				
Prepack (Thailand) Co., Ltd.	1,955	1,955	1,955	1,955
Total	1,955	1,955	14,388	11,846
Interest income				
Subsidiaries				
Patkol Trading Co., Ltd.	-	-	3,121	3,927
S Panel Co., Ltd.	-	-	7,487	5,019
Patkol Manufacturing Co., Ltd.	-	-	12,178	1,983
Heat Away Co., Ltd.	-	-	13	52
Total	-	-	22,799	10,981
Remuneration of management's				
Short - term benefits	39,292	42,707	35,520	34,336
Post - employment benefits	2,817	3,527	2,152	2,753
Total	42,109	46,234	37,672	37,089

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

31.5. Inter transactions with subsidiaries and related parties

	(In Thousand Baht)	
	Consolidated	
	For the years ended December 31,	
	2015	2014
Patkol Manufacturing Co., Ltd.		
Patkol Trading Co., Ltd.		
Trade accounts receivable - related parties	12	461
Trade accounts payable - related parties	675	529
Revenues from sales of goods and services	150	119
Cost of sales and services	2,279	2,096
S Panel Co., Ltd.		
Cost of sales and services	264	405
Heat Away Co., Ltd.		
Trade accounts receivable - related parties	42,935	21,818
Revenues from sales of goods and services	107,827	20,391
S Panel Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts receivable - related parties		-
Revenue from sale and service	264	405
Patkol Trading Co., Ltd.		
Trade accounts payable - related parties	178	-
Revenue from sale and service	-	3
Cost of sales and services	1,025	514
Heat Away Co., Ltd.		
Patkol Manufacturing Co., Ltd.		
Trade accounts payable - related parties	42,935	21,818
Cost of sales and services	107,827	20,391

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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		(In Thousand Baht)	
		Consolidated	
		For the years ended December 31,	
		2015	2014
Patkol Trading Co., Ltd.			
Patkol Manufacturing Co., Ltd.			
Trade accounts receivable - related parties		675	529
Trade accounts payable - related parties		12	461
Revenues from sales of goods and services		2,279	2,096
Cost of sales and services		150	119
S Panel Co., Ltd.			
Trade accounts receivable - related parties		178	-
Revenues from sales of goods and services		1,025	514
Cost of sales and services		-	3
Prepack (Thailand) Co., Ltd.			
Cost of sales and services		-	6

32. PROMOTIONAL PRIVILEGES

A subsidiary (Patkol Manufacturing Co.,Ltd.) is granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 for the manufacturing business of industrial machineries and spare parts or machineries equipment. The Significant privileges are as follows :

- 1) To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings, provided that such a project with capital investment not exceed 100 per cent of total investment excluding cost of land and working capital. (within 2013)
- 2) To exempt the customs duty for imported raw materials and essential materials used in manufacturing for re-export for the period of 5 years from the imported date. (within 2010)
- 3) To exempt the import duty on machinery which have to import within June 18, 2006. Such company was granted the extension period of importing of machinery until June 18, 2009 in compliance with the approval letter No. Or Kor. 0906/004620 dated June 30, 2008.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2015**

Subsidiary must to comply with the certain conditions and terms as stipulated in promotion certificate from being a promoted industry company.

Subsidiary's revenues are separated as follows :

(In Thousand Baht)						
For the years ended December 31,						
	Promoted business		Non-promoted business		Total	
	2015	2014	2015	2014	2015	2014
Revenue from sales and						
services	-	-	1,005,514	1,001,554	1,005,514	1,001,554
Other income	-	-	9,399	5,528	9,399	5,528
Total	-	-	1,014,913	1,007,082	1,014,913	1,007,082

33. FINANCIAL INFORMATION BY SEGMENT

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 Company and the subsidiaries' operations involved in the trading and services of engineering products which include turnkey sales of services in design, manufacturing and installation of various types of industrial refrigeration for the ice making industry and supermarket, dairy and ice-cream processing, as well as food related processing plant and applies made to order and operated the business in geographical segment both in domestic and overseas.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

Business unit segment information of the Company and subsidiaries for the year ended December 31, 2015 and 2014.

Follows:

	Million Baht				
	Consolidated				
	For the years ended				
	Ice machine and Industrial refrigeration machine	Machineries for Liquid and food processing	Service And Spare part	Central management and others	Total
December 31, 2015					
Statement of comprehensive income					
Revenue from sales of goods and rendering of services - domestic	1,304.21	875.01	449.97	-	2,629.19
Revenue from sales of goods and rendering of services - overseas	692.57	220.88	8.38	-	921.83
Cost of sales of goods and rendering of services	(1,480.90)	(911.48)	(308.44)	-	(2,700.82)
Gross profit (loss)	515.88	184.41	149.91	-	850.20
Other income	13.35	(7.57)	(0.32)	27.32	32.78
Selling expenses	(66.10)	(51.91)	(41.56)	(99.09)	(258.66)
Administrative expenses	-	-	-	(392.91)	(392.91)
Directors' remuneration	-	-	-	(7.49)	(7.49)
Management's remuneration	-	-	-	(39.29)	(39.29)
Profit (Loss) before financial cost	463.13	124.93	108.03	(511.46)	184.63
Financial cost - interest expense	-	-	-	(30.88)	(30.88)
Earnings before corporate income tax	463.13	124.93	108.03	(542.34)	153.75
Corporate income tax	-	-	-	(44.30)	(44.30)
Earnings for the years	463.13	124.93	108.03	(586.64)	109.45
Statement of financial position					
Property, plant and equipment - net	0.19	0.76	2.14	1,165.89	1,168.98

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

	Million Baht					
	Consolidated					
	For the years ended					
	Ice machine and Industrial refrigeration machine	Machineries for Liquid and food processing	Turnkey project	Service And Spare part	Central management and others	Total
December 31, 2014						
Statement of comprehensive income						
Revenue from sales of goods and rendering of services - domestic	1,688.93	873.92	260.28	374.27	-	3,197.40
Revenue from sales of goods and rendering of services - overseas	627.82	219.21	-	34.75	-	881.78
Cost of sales of goods and rendering of services	(1,873.69)	(846.58)	(229.30)	(281.62)	(0.03)	(3,231.22)
Gross profit (loss)	443.06	246.55	30.98	127.40	(0.03)	847.96
Other income	6.30	0.11	0.05	0.74	53.32	60.52
Selling expenses	(83.88)	(43.22)	(9.47)	(21.74)	(38.54)	(196.85)
Administrative expenses	-	-	-	-	(344.11)	(344.11)
Directors' remuneration	-	-	-	-	(7.27)	(7.27)
Management's remuneration	-	-	-	-	(42.70)	(42.70)
Profit (Loss) before financial cost	365.48	203.44	21.56	106.40	(379.33)	317.55
Financial cost - interest expense	-	-	-	-	(29.56)	(29.56)
Earnings before corporate income tax	365.48	203.44	21.56	106.40	(408.89)	287.99
Corporate income tax	-	-	-	-	(57.75)	(57.75)
Earnings for the years	365.48	203.44	21.56	106.40	(466.64)	230.24
Statement of financial position						
Property, plant and equipment - net	2.48	3.29	0.05	2.43	852.00	860.25

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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AS AT DECEMBER 31, 2015

	(In Million Baht)				
	Separated				
	For the years ended				
	Ice machine and industrial refrigeration machine	Machineries for liquid and food processing	Service and spare part	Central managemen and others	Total
December 31, 2015					
Statement of comprehensive income					
Revenue from sales of goods and rendering of services - domestic	1,117.12	875.01	345.61	-	2,337.74
Revenue from sales of goods and rendering of services - overseas	690.33	220.88	-	-	911.21
Cost of sales of goods and rendering of services	(1,352.87)	(926.37)	(230.22)	-	(2,509.46)
Gross profit (loss)	454.58	169.52	115.39	-	739.49
Other income	13.35	(7.57)	(0.32)	68.03	73.49
Selling expenses	(101.46)	(62.56)	(41.56)	(23.10)	(228.68)
Administrative expenses	-	-	-	(300.10)	(300.10)
Directors' remuneration	-	-	-	(7.10)	(7.10)
Management's remuneration	-	-	-	(35.52)	(35.52)
Profit (Loss) before financial cost	366.47	99.39	73.51	(297.79)	241.58
Financial cost - interest expense	-	-	-	(21.49)	(21.49)
Earnings before corporate income tax	366.47	99.39	73.51	(319.28)	220.09
Corporate income tax	-	-	-	(42.85)	(42.85)
Earnings for the years	366.47	99.39	73.51	(362.13)	177.24
Statement of financial position					
Property, plant and equipment - net	0.19	0.76	2.14	879.24	882.33

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

	(In Million Baht)					
	Separated					
	For the years ended					
	Ice machine and industrial refrigeration machine	Machinerie for liquid and food processing	Turnkey project	Service and spare part	Central management and others	Total
December 31, 2014						
Statement of comprehensive income						
Revenue from sales of goods and rendering of services - domestic	1,436.59	873.92	260.28	315.63	-	2,886.42
Revenue from sales of goods and rendering of services - overseas	627.82	219.21	-	1.84	-	848.87
Cost of sales of goods and rendering of services	(1,669.91)	(852.44)	(232.10)	(229.62)	-	(2,984.07)
Gross profit (loss)	394.50	240.69	28.18	87.85	-	751.22
Other income	6.30	0.11	0.05	0.74	48.54	55.74
Selling expenses	(83.88)	(43.22)	(9.47)	(21.73)	(18.17)	(176.47)
Administrative expenses	-	-	-	-	(268.54)	(268.54)
Directors' remuneration	-	-	-	-	(6.95)	(6.95)
Management's remuneration	-	-	-	-	(34.33)	(34.33)
Profit (Loss) before financial cost	274.68	163.84	10.33	52.94	(181.12)	320.67
Financial cost - interest expense	-	-	-	-	(22.22)	(22.22)
Earnings before corporate income tax	274.68	163.84	10.33	52.94	(203.34)	298.45
Corporate income tax	-	-	-	-	(60.59)	(60.59)
Earnings for the years	274.68	163.84	10.33	52.94	(263.93)	237.86
Statement of financial position						
Property, plant and equipment - net	2.48	3.29	0.05	2.43	566.63	574.88

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

34. DISCLOSURE OF FINANCIAL INSTRUMENTS

34.1. Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in note 2.

34.2. Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

34.3. Exchange rate Risk

The Company and subsidiaries have the exchange rate risk for trade accounts receivable and payable denominated to foreign currency. The Company has reduced the uncertainty of future cash flow by using natural hedge. Besides, the Company has managed the risk by entering into forward contract.

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

As at December 31, 2015 and 2014, the Company and subsidiaries have assets and liabilities denominated as follows :

Transaction	Currency	Consolidated		Separated	
		As at	As at	As at	As at
		December	December	December	December
		31, 2015	31, 2014	31, 2015	31, 2014
Deposit at banks	THOUSAND USD	552	1,435	552	1,410
	THOUSAND IDR	159,215	293,503	159,215	293,503
	THOUSAND PHP	1,414	936	1,414	936
	THOUSAND VND	169,266	151,605	169,226	151,605
Trade accounts	THOUSAND USD	1,665	4,036	1,640	3,105
Receivable	THOUSAND EUR	151	293	147	292
/Deposit	THOUSAND SGD	3	3	3	3
	THOUSAND JPY	1,308	1,450	1,308	1,450
	THOUSAND MYR	510	-	510	-
	THOUSAND IDR	628,528	-	628,528	-
Trade accounts payable	THOUSAND USD	506	302	336	39
	THOUSAND EUR	486	270	300	256
	THOUSAND VND	8,167	18,507	8,167	18,507
	THOUSAND PHP	-	41	-	41
	THOUSAND MYR	780		780	
Trust receipts	THOUSAND USD	-	47	-	47

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

34.4. Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries' operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its deposits at financial institutions, deposits at bank with commitment, short - term loans from financial institutions, long - term loans and long - term liabilities under financial lease agreement. The Company and subsidiaries do not use derivative financial instruments to hedge such risk.

34.5. Fair value of financial instruments

Financial assets shown in balance sheets consist of cash and cash equivalents, trade accounts receivable, short - term loans and other receivables. Financial liabilities shown in balance sheet consist of bank overdrafts and short - term loans from financial institutions, trade accounts payable, short - term loans, long - term loans and other payables.

The carrying value of financial assets and liabilities are close to their fair value.

35. COMMITMENT AND CONTINGENT LIABILITIES

35.1. Commitments

	(In Million Baht)	
	As at December	As at December
	31, 2015	31, 2014
Capital commitments		
- Purchase of goods agreement	71.11	80.85
- Contractor agreement	87.54	73.60
Total	158.65	154.45
Operating lease commitments		
Within 1 year	9.63	2.33
More than 1 to 5 years	11.58	17.94
Total	21.21	20.27

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2015**

- As at December 31, 2015, the Company has commitment of lease office building is denominated as follows :

Representative offices abroad and domestic	Currency	As at December 31, 2015	
		Within 1 year	More than 1 to 2 years
- Songkhla	Baht	80,000	-
- Philippines	PHP	651,974	1,140,955
- Indonesia	IDR	110,000,000	-
- Malaysia	MYR	20,400	17,000
- Vietnam	VND	30,732,900	-

35.2. Contingency liabilities

As at December 31, 2015, the Company and subsidiaries has commitments to bank as follows.

	Consolidated	Separated
	As at December 31, 2015	As at December 31, 2015
Letters of Guarantee		
- Domestic currency (Million Baht)	267.29	265.08
- Domestic currency (Thousand USD)	149.27	149.27

36. PENDING LAWSUITS

As at December 31, 2015

The Company has contingent liability arising from corporate income tax assessment of year 2003 together with penalty and surcharge performed by the Revenue Department officer totaling Baht 21.05 million because the Company has gain on disposal of investment in a subsidiary resulting from a selling price higher than acquisition cost. At present, the case is in the central tax court. The Company has recognized the impairment of asset - withholding tax.

37. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiaries is to maintain the continuity of operation capability and appropriate capital structure.

As at December 31, 2015 and 2014, debt to equity ratio in the consolidated financial statements is 1.38 and 1.91 :1, respectively (the separate financial statements: debt to equity ratio is 1.24 and 1.65 : 1, respectively).

PATKOL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

38. RECLASSIFICATION

Certain transactions of financial statements for the year ended December 31, 2014 were reclassified to be comply with the presentation of the financial statements for the years ended December 31, 2015.

39. INTERIM FINANCIAL STATEMENTS APPROVAL

These financial statements (restated) have been approved to be issued by the Company's Board of Directors on February 29, 2016.

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