



ANNUAL REPORT 2015

รายงานประจำปี 2558

WIIK & HOEGLUND PUBLIC COMPANY LIMITED
บริษัท วิค แอนด์ ฮോഗแลนด์ จำกัด (มหาชน)



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Message from the Board of Directors

We are pleased with an outstanding performance of our company during the year 2015. Both our growth and profit have shown a spectacular surge since the past 10 years. Total revenue showed a remarkable increase of 14.91% as compared to the year 2014 and profoundly turned around our loss of Baht6.27 million to a record profit of Baht83.32 million. As a result, it enabled us to pay dividend to shareholders at Baht0.11 per share (the last dividend paid to our shareholders had been since 2008 at Baht0.035 per share).

Furthermore, our Board of Directors and the Management Team are quite confidence that the year 2016 will definitely be another great year and will be able to generate revenue growth of at least 20% from last year. At the end of year 2015, the Company held the backlog orders of 7,327.95 Tons which is expected to carry forward to 2016 revenue of at least Baht640 Million or 55% of 2015 total sales. In 2016, the Company also continuously receives orders from customers for both HDPE pipes production and water management. This is in accordance with the country's strategic plans in the mitigation of drought and an expansion of infrastructure in neighboring countries.

The Company has targeted to increase its averaged production capacity in 2016 from 22,800 Tons per year to 27,500 Tons per year by upgrading existing machines for Structured Wall HDPE pipe (Weholite) for submarine pipeline, sewage pipeline for power plant and large petrochemical industry. This proposed investment will enable the Company to produce Weholite HDPE pipe with Inside Diameter 3,500mm., the largest size of HDPE pipe in the region, in order to improve the potential of the Intake and Outfall pipelines for power plant and petrochemical complex in Asian. Additionally, Weholite pipe capacity will be increased by 800 Tons annually starting from July 2016. Moreover, the Company has purchased new machinery for the production of the medium and small size of HDPE pipes (W-HQ Pipe) for water pipes, drinking water pipes and sewer for small projects which command a sizable demand in the market nowadays. This venture is expected to increase the production capacity of approximately 2,500 Tons per year, installation will be completed by June 2016.

The Company has completed with international trading representatives and engineering technical experts to jointly expand the market into ASEAN ECONOMIC COMMUNITY (AEC). The Company also planned to invest in water management which is related and supported our core business to grow steadily in the future. Currently, we are in the process of planning for future improvement and expected to begin the operation in 2016.

Furthermore, the Company's business practice is focusing on a quality leadership both in manufacturing and installing services with honesty, accuracy, and fairness to customers, despite the fact that it has faced with competition from the pipes with low grade recycled resin being offered at a much lower price.



Interestingly, in the year 2015, a group of Thai Investors showed interest in taking part in Wiik & Hoeglund Public Company Limited, and eventually purchased all of the Shares held by Uponor Infra Oy (major shareholders of 65.99%). However, Wiik & Hoeglund Public Company Limited and Uponor Infra Oy still join hands in working together in Asia. Under The Licensing Agreement with Uponor Infra Oy, the Company has continued its manufacturing and selling HDPE structured wall light weight pipes solely under Weholite brand name in Thailand. At Present, Wiik & Hoeglund Public Company Limited has 30 years of experience in producing, installing, and selling high standard quality of HDPE solid wall & structured wall pipes and HDPE water tanks worldwide. In addition, the Company has been providing all technical support to clients by its engineering experts.

On behalf of the Board of Directors of Wiik & Hoeglund Public Company Limited together with executives team would like to express our thanks to all of our clients and shareholders who consistently support us and to all our employees for taking significant part and dedication towards the Company wholeheartedly. In the year 2016, we expect to have your full cooperation and trust in further generate growth of the Company together.

Dr.Vichit Yamboonruang

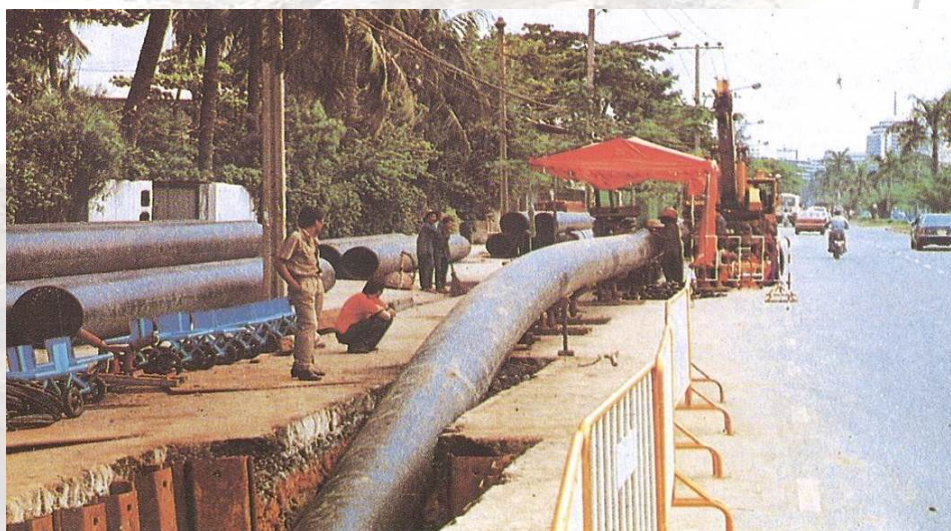
Chairman of the Board of Directors

Wiik & Hoeglund Public Company Limited

1. Policy and Overview of the Business

1.1 Background

In 1980, WH Pipe International, who is in the group of KWH Pipe limited, the world leader in the field of Design, Manufacturer, Supply, and Installation of High Density Polyethylene (HDPE) pipe for more than 50 years from Finland, was invited by Metropolitan Waterworks Authority of Thailand (MWA) to submit a proposal to renew Bangkok's corroded cast-iron water pipe system in Rama IV, Rajdamri, and Charoenkrung roads. At that time the existing cast-iron pipelines had approximately 40% water loss. This was a turn-key project which included design, construction, and material supply.



WH Pipe International had been awarded the project by offering relining installation method which feed the new HDPE pipes into the old and corroded cast-iron pipes. This technique reduces the scope of trench digging and eliminates leakage.

Unquestionably, the main reasons that made Metropolitan Waterworks Authority of Thailand trusted in WH Pipe International and its HDPE pipe, which last more than 50 years life span according to TIS Standards, would certainly be small water transport interruption during HDPE relining, low cost, fast installation of HDPE Pipeline and noticeably less interruption of traffic (due to few road surface excavation). These reasons would be contributed to the high rate of the success of this project as KWH Pipe Limited set up the first supply and installation of HDPE Pipe Company in Thailand named *Wiik & Hoeglund Company Limited* on April 4, 1983.

Wiik & Hoeglund Company Limited was established with initial capital of Baht22 million and KWH Pipe Limited was a major shareholder, holding 90 percent of total shares. The Company has set up its first factory in Nava Nakorn Industrial Estate and later in 1989 moved to Bang Pu Industrial Estate with bigger production

capacity in order to response to the rapid economy growth at that time. The followings are vital moves of the company;

- On March 22, 1995 the company was registered as a public company and moved the factory to The Amata Nakorn Industrial Estate with higher production capacity. The Company is a first manufacturer of HDPE pipe who obtained quality assurance system certified to ISO 9003 in Thailand.
- In 1996, the Company was registered in the Stock Exchange of Thailand with registered capital of Baht60 million which was equivalent to 600,000 shares of common stock. The first day of the Company's shares trading in the Stock Exchange Market was held on February 8, 1996.
- In 1999 the Company was certified according to ISO 9001.
- In 2005, the Company expanded production capacity by an average of 22,800 Metric Tons per year under the relocation of factory to the Amata City Industrial Estate, Rayong Province.
- In 2006, the Company increased its capital from Baht60 million to Baht300 million and KWH Pipe Limited, was a major shareholder, holding 65.99 percent of shares.
- In 2009, the Company was certified according to ISO14001.
- In 2013, KWH Pipe Limited and Uponor Infrastructure Solutions Segment merged into a new company under the name Uponor Infra Oy. Reflecting to this merge, Uponor Infra Oy was a major shareholder, holding 65.99 percent of KWH Pipe Limited in Finland.

At the beginning of year 2015, a group of Thai's investor in Thailand showed interest in Wiik & Hoeglund Public Company Limited and purchased all of the company's shares held by Uponor Infra Oy. However, Wiik & Hoeglund Public Company Limited and Uponor Infra Oy continue being partners and work together in Asia. Under the Licensing Agreement with the Uponor Infra Oy, the Company has continued its manufacturing and selling HDPE structured wall light weight pipe under WEHOLITE brand name solely.

At present, Wiik & Hoeglund Public Company Limited has 30 years of experience in producing, installing, and selling high standard quality of HDPE solid wall & structured wall pipes and HDPE water tank worldwide. Additionally, the company has been providing all technical support to the clients and by its engineering experts.

1.2 Overview of the Business

Wiik & Hoeglund Public Company Limited has played an important role in developing the quality of water supply infrastructure. The development affects and improves the quality of life of all Thai Citizen; especially the change from steel pipe to High Density Poly Ethylene pipe which is widely used in developed countries in

Europe for more than 50 years. Superior to steel pipe, HDPE pipe is rust free, easy to be installed and can be used to transport the clean and safe tap water to the consumer. HDPE pipe has long life span and worth for its investment.

The Company realized that the management of water resources is essential for livelihood. The current global climate change has high impact on the rainfall and its variance. Therefore, with the high demand of clean water in both agricultural and industrial sectors, especially in dry season, the proper management in keeping and delivering water is highly required for Thailand.

The Company has foreseen this problem and aims to improve the business management of water resources to meet the demand for water usage in agricultural & industrial sectors and for the consumer in a systematic way. The Company has set up Wiik Water Company Limited (holding 100% of its' own shares) for such improvement. Wiik & Hoeglund Public Company Limited and Wiik Water Company Limited have skilled engineers and high quality of HDPE pipe and fittings to serve the clients worldwide.

As the market leader for the HDPE pipe and fittings, the Company has 30-year experience in supplying its products in Thailand. The Company has also been recognized internationally in terms of products and product quality control. The Company is proud in obtaining the standard of environmental international ISO 14001 and believes that the Company will be able to leverage the management of water resources and the quality of life for people more effectively in the future.

1.3 Goals and Strategies for Implementation

Vision

"Determined to be the leader in the manufacture and installation of HDPE pipes Industry in Asia".

Mission

- (1) The Company strives to increase the sales of high quality HDPE pipe and fittings and maintain the image of high quality HDPE pipe and fittings leader.
- (2) The Company is a leader in the HDPE pipe industry in terms of engineering, design and installation of HDPE piping systems.
- (3) The Company will create revenue and margin from the growth of water management business.

Strategy Leading to Sustainability

- ❖ Develop knowledge and skill of engineering design, installation of pipes, and water supply.

- ❖ Promote Product Research and the Development that meet market needs with the cost competitive advantage.
- ❖ Increase the potential in both domestic and foreign markets.
- ❖ Create opportunities by investing in water resources management which relates and supports the existing company's core business to grow steadily in the future.

1.4 Changes and key developments.

1) Change in share capital / warrants.

Year 2015

According to Wiik & Hoeglund Public Company Limited held the Extraordinary General Meeting of Shareholders No. 1/2015 on June 3, 2015, the Extraordinary General Meeting of Shareholders has resolution as follows;

- 1) Approved the decrease of the Company's registered capital of Baht 62,000 from the previous registered capital of Baht 300,000,000 to be the new registered capital of Baht 299,938,000 by canceling ordinary shares that not issued of 62,000 shares with par value of Baht 1.00 per share. The Company registered this decreasing capital with the Ministry of Commerce of Thailand on June 4, 2015.
- 2) Approved the increase of the Company's registered capital of Baht 364,954,534 from the previous registered capital of Baht 299,938,000 to be the new registered capital of Baht 664,892,534 by issuing of Baht 364,954,534 new ordinary shares at the par value of Baht 1 each for the following purpose; (1) To support the exercise of the warrant to purchase the ordinary shares of the Company No. 1 ("WIik-W1") in the amount of 99,979,334 shares (2) To support the allocation of the newly issued ordinary shares offered via General Mandate in the amount of 119,975,200 shares and (3) To support the offering of newly issued ordinary shares offered via Private Placement in the amount of 145,000,000 shares. The Company registered this increasing capital with the Ministry of Commerce of Thailand on June 8, 2015.
- 3) Approved the issuance and allocation of warrant to purchase ordinary shares of the Company No. 1 ("WIik-W1") ("Warrant") in the amount of not exceeding 99,979,334 units for free to the existing shareholders at the ratio of 3 existing ordinary shares for 1 unit of warrant whereby any fraction of the warrants from such calculation shall be discarded with the exercise price of Baht 5 per share. The warrant is valid for three years from the Date of Issue of Warrants and allocation of warrants to buy ordinary shares. (The first exercise date is on December 30, 2015 and the last exercise date is on June

15, 2018) and the warrants is allowed for the purchase / sale in the Stock Exchange of Thailand on June 30, 2015. On December 31, 2015, the warrants (WIIK-W1) for 99,963,136 units were left unexercised.

- 4) Approved the allocation of not exceeding 119,975,200 newly issued ordinary shares at the par value of Baht 1 per share by the General Mandate. The allocation details are as follows;

- (1) Not exceeding 89,981,400 newly issued ordinary shares will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO).

- (2) Not exceeding 29,993,800 newly issued ordinary shares will be allocated to specific investors under a Private Placement scheme (Private Placement: PP).

After the allotment of newly issued shares according to (1) and (2), the paid-up share of the Company shall totally increase not exceeding of 89,981,400 shares or not more than 30% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase. In the event that there is an allotment of newly issued shares to specific investors under a Private Placement scheme in (2), the Company's paid-up shares shall increase not exceeding of 29,993,800 shares or not more than 10% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase.

- 5) Approved of the allocation of not exceeding 145,000,000 newly issued ordinary shares at the par value of Baht 1 per share will be allocated to investors in private placement.

2) The Key Development

Year 2013

- ❖ On July 1, 2013 the KWH Pipe Limited merged with Uponor Varaosa Oy, a subsidiary company of Uponor Corporation which is listed in NASDAQ OMX, Helsinki, Finland. As a result, the new company named Uponor Infra Oy was established and Uponor Infra Oy is a major shareholder of KHW Pipe Limited.

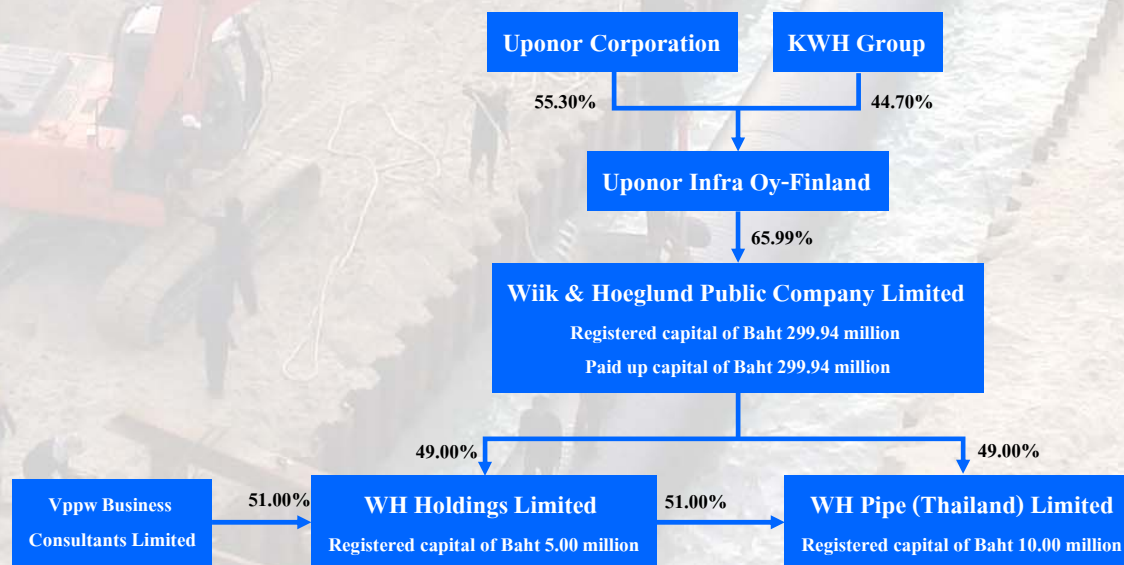
Year 2015

- ❖ On February 24, 2015, Uponor Infra Oy sold all of ordinary shares of the company to a four groups of investors in Thailand, which comprise of Mrs. Sumalee Ongcharit, Yaowawong Holding Company Limited, Mr. Chai Jivamongkol, and Mr. Chong Ransibrahmanakul with total number of shares 197,928,800 shares which is equivalent to 65.99 % of the issued and paid shares.
- ❖ The Company changed the shareholding structure of the Company's subsidiary company as follows;

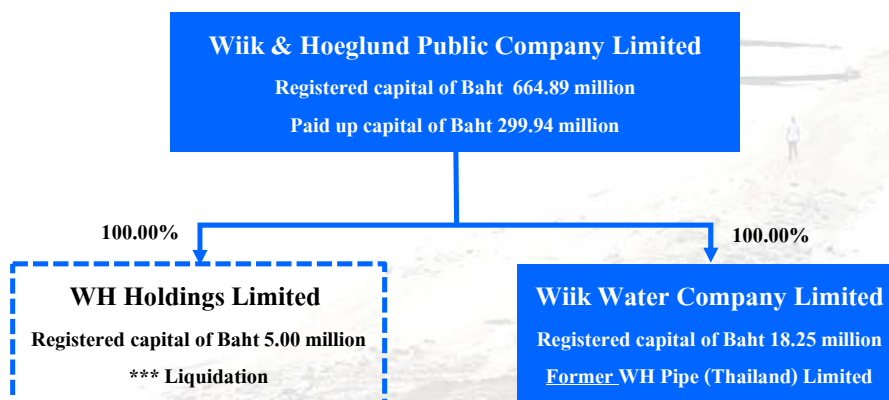
- On February 24, 2015 transferred 25,498 of preferred shares of WH Holdings Limited for free. As a result, the Company holds 100 % shares of WH Holdings Limited.
- On March 25, 2015, the Company purchased 50,998 units of preferred shares of WH Pipe (Thailand) Limited (currently named Wiik Water Company Limited) at a price of Baht 12.75 per share totaling Baht 650,225 from WH Holdings Limited. As a result, the Company holds 100 percent shares of WH Pipe (Thailand) Limited.
- ❖ On April 24, 2015, the Extraordinary General Meeting of Shareholders of WH Holdings Limited resolved to liquidate with the Ministry of Commerce on May 1, 2015 the liquidation completed on July 10, 2015.
- ❖ On May 29, 2015, the Extraordinary General Meeting of Shareholders of WH Pipe (Thailand) Limited has resolved to increase the capital from the existing registered capital of Baht 10 million to Baht 30 million and approved the “WH Pipe (Thailand) Limited.” to renamed to “Wiik Water Company Limited.” The changed was made to the Ministry of Commerce on June 5, 2015.
- ❖ On June 19, 2015, the Extraordinary General Meeting of Wiik Water Company Limited (subsidiary) approved a capital reduction of Baht 30,000,000 to Baht 18,252,800 to clear the deficit. And the registration of the capital reduction was made with the Ministry of Commerce on July 24, 2015.

After the restructuring of capital and shareholding structure of the Group in 2015, the Company will have a shareholding structure as follows;

Before restructuring



After Restructuring



1.5 Shareholding Structure of the Group

As of December 31, 2015, Wiik & Hoeglund Public Company Limited, a manufacturer and supplier of polyethylene HDPE pipes and fittings and its subsidiaries operate three main businesses as follows;

Operating under the name "Wiik & Hoeglund Public Company Limited".

- 1) Manufacture and supply polyethylene HDPE pipes and fittings

Operating under the name "Wiik Water Company Limited".

- 2) Polyethylene HDPE pipe welding and installation; including design services of polyethylene HDPE pipelines.
- 3) Management of water resources

The shareholding structure as of December 31, 2015 is as follows;



Note: A Conflict of interests of Share Holders of the Company and its subsidiaries is less than 10%.

2. Type of Business

2.1 Products and Services

Wiik & Hoeglund Public Company Limited (the Company) is the manufacturer and supply high quality of plastic pipes and fittings for various types of application. The Company's products are produced from High Density Polyethylene (HDPE) resin. The Company's HDPE solid wall pipe (W-HQ Pipe) are OD16mm. – OD1600mm. in size and HDPE structured wall pipe (Weholite) ranking in size from ID300mm. – 3,000mm. for drainage & sewage, and water tank (Weho Tank). The Company's HDPE pipe and fittings are easy to be installed in both on ground and underground without considering the type of soils.

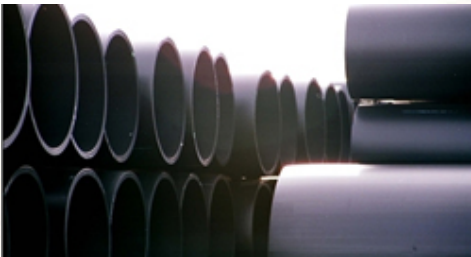
Products and Services of The Company's Subsidiaries

Wiik & Hoeglund Public Company Limited holds 100% share of its subsidiary company, Wiik Water Company Limited, who is in the field of the consultancy, advisory, servicing of HDPE pipe installation, and the management of water resources. Business scope in details is described as follows;


- The installation and welding of HDPE pipe and fittings manufactured by Wiik & Hoeglund Public Co., Ltd. (Thailand).
- The full service of HDPE pipeline installation (turn-key contractor) for the private sector which is starting from the services of HDPE pipeline system design, trenching and backfilling, HDPE pipeline and equipment installation, HDPE pipe and fittings welding.
- The installation of HDPE pipeline related equipment such as Air Release Valve or Gate Valve.
- The secureness of HDPE pipe and fittings from Parent company.
- The Consultancy of HDPE pipe and fittings installation.



Wiik Water Company Limited is planning on investing in Water Resources Management Industry which relates and supports the existing Parent Company's core business to grow steadily in the future. Currently it is in the process of preparation of the investment and is expected to begin the operations in 2016.

Products and Services of the Company and its subsidiaries in 2015

Products & Services	Qualification	The usage
<p>Solid Wall Pipe. High Quality HDPE pipe (W-HQ pipe)</p> 	<p>The Company's HDPE solid wall pipe (W-HQ Pipe) is produced from High Density Polyethylene, also known as HDPE pipe, which is now widely used in both Government and Private Sectors in the field of water pipeline system, sewage, and cable conduit, etc.</p> <p>The Company's HDPE pipe and fittings are suitable in corrosive of acid and alkaline environment. They are Corrosion & Abrasion resistance, light weight, flexibility, easy to bend and transport, long service life, and high impact strength.</p>	<ul style="list-style-type: none"> ● Raw and Portable Water Pipe ● Drainage and Sewage Pipe ● Electrical and Phone Cables Conduit ● Submarine Pipe ● Repair Pipe ● Mining <p>Generally HDPE pipe can be divided into categories based on usage and the size of the pipe below;</p> <ul style="list-style-type: none"> ● 16-110 mm outside diameter pipes used for drinking water pipes and sewage for small size of projects. ● 110-315 mm outside diameter pipes used in village and industrial estate as main pipeline for water transport and drainage. ● 110-125 mm diameter pipes of size are commonly used as electrical and phone conduit. ● 315-1600 mm outside diameter pipes used as main pipeline for water transport and drainage.




Products & Services	Qualification	The usage
<p>Structured Wall HDPE pipe (Weholite).</p> 	<p>Structured Wall or double layer HDPE Weholite pipe is made from High Density Polythylene (HDPE) resin. The HDPE resin selected by the Company passes the high quality control according to the International Standards. It makes the Company's HDPE pipe superior to other types of pipes. The Weholite HDPE pipe's weight is also 2-10 times lighter than other types with service life more than 50 years; likewise the cost of installation and demolition for repair is also lower than other types of pipe.</p> <p>Weholite HDPE pipe is well designed and provides all technical advantages of equivalent polyethylene solid wall pipes but with substantial saving in weight combining greater ease of installation and transportation with increased cost effectiveness. Additionally, Weholite HDPE pipe has low friction loss and can transport more quantity of water compared to other pipes with the same diameter. Weholite HDPE pipe can be produced in many colors according to the customers' requirement. Length per pipe 6-15M. is available.</p>	<ul style="list-style-type: none"> ● Drainage pipe ● Sewage pipe ● Intake & Outfall pipe ● Culvert pipe ● Manhole ● Ventilation pipe ● Relining pipe ● Combined Sewage Overflow

Products & Services	Qualification	The usage
<p>HDPE water tank (WehoTank)</p> 	<p>WehoTank is the development of Structured Wall or double layer HDPE Weholite pipe which is also made from High Density Polyethylene (HDPE) and high standard resin. WehoTank is high quality, clean, and leakproof double layer water tank. WehoTank is also easy to be installed in both on ground and underground, non-toxicity, corrosion resistance, and has long service life for more than 50 years. It is one of a best and cost effective of investments. WehoTank's tank wall is special designed and suitable for water management in the community and industry and best fit for water collection as Rainwater Tank, Sewage Tank, Waste Water treatment Tank, and Bio-Gas Tank.</p>	<ul style="list-style-type: none"> • Water Storage Tank • Rainwater Collection Tanks (Rain Storm) • Wastewater Treatment Tank (CSO) • Septic Tank • Retaintion Tank • Chemical Storage Tank • Bio-Gas Tank or Scrubber Tank). • Pontoon & Boat lift
<p>Phone Cable and Cable Conduit (W-HQ CONDUIT).</p> 	<p>W-HQ CONDUIT is produced from High Density Polyethylene (HDPE) resin. The HDPE resin selected by the Company passes the high quality control according to the International Standards. It can be assured that it is a high quality HDPE pipe with the high Mechanical properties and great physics. It is suitable for underground pipes usage and can be used as an</p>	<p>High Density Polyethylene pipe for Phone Cable and Cable Conduit.</p>



บริษัท วิค แอนด์ ฮุคแลนด์ จำกัด (มหาชน)
WIIK & HOEGLUND PUBLIC CO.,LTD

Products & Services	Qualification	The usage
<p>HDPE Pipe Welding Service; inclusive of pipeline installation service.</p> 	<p>insulating and protective sheath for covering cables, telephone lines and cables Fiber Optic.</p> <p>There are many ways to install HDPE pipe, such as welding or connecting by using fittings; however, Butt Fusion Welding is widely used nowadays.</p>	<p>Connecting HDPE Pipe by using Butt Fusion systems is widely used and well known. The welding process is to create heat at both ends of HDPE pipe and melt them with the suitable level of pressure. Quality at welding part totally depends on welding machine, welding factors and experienced welders.</p>

2.2 Revenue Structure

Revenue from business operations of the Company and subsidiaries during the year 2013 – 2015 could be classified by business segment as follows.

Product line / Business Group	Operated by	% Shareholding	Revenue (Million Baht)					
			2015	%	2014	%	2013	%
Manufacture and Supply HDPE pipe and fittings.	Wiik & Hoeglund PLC	-						
<u>Domestic Sales</u>								
Pipe			784.62	67.43%	534.65	52.84%	436.34	57.85%
Fittings			79.68	6.85%	59.59	5.89%	66.34	8.80%
Scrap			1.93	0.16%	1.57	0.16%	1.39	0.18%
Total			866.23	74.44%	595.81	58.89%	504.07	66.83%
<u>Export Sales</u>								
Pipe			224.19	19.27%	253.52	25.06%	104.53	13.86%
Fittings			2.98	0.26%	26.68	2.64%	14.49	1.92%
Scrap			6.07	0.52%	5.62	0.56%	0.13	0.02%
Total			233.24	20.05%	285.82	28.26%	119.15	15.80%
Welding (export countries)			2.87	0.25%	5.21	0.52%	0.93	0.12%
Dividend yield			0.80	0.07%	24.00	2.37%	3.20	0.42%
Others			17.45	1.50%	41.96	4.13%	27.34	3.63%
Total			1,120.59	96.31%	952.80	94.17%	654.69	86.80%
HDPE Pipe welding service and pipeline installation service.	Wiik Water Co., Ltd.	100.00						
Welding (domestic)			42.71	3.67%	57.79	5.71%	98.90	13.11%
Others			0.29	0.02%	1.18	0.12%	0.66	0.09%
Total			43.00	3.69%	58.97	5.83%	99.56	13.20%
Grand total			1,163.59	100.00%	1,011.77	100.00%	754.25	100.00%

2.3 Market and Competition

1) Target Group

(1) The Following Government Agencies for the projects of raw and portable water pipe, phone cable and electrical cable conduit, sewage pipe installation, wastewater and Septic Tanks;

- Provincial Waterworks Authority
- Provincial Electricity Authority
- Royal Irrigation Department
- Metropolitan Electricity Authority
- Land development Department

- Telephone Organization of Thailand
- Department of Water Resources
- Communications Authority of Thailand
- Metropolitan Waterworks Authority
- Department of Local Administration
- Ministry of Public Health

(2) Private Sectors for the projects of raw water & Portable water pipes, sewage, fire water pipe, Water Tank, and Water treatment tank;

- Factory and Industrial Estate
- Residential
- Airport & Stadium
- Retailers

(3) Specific Group of Business that requires;

- The Horizontal Directional Drilling of HDPE pipe.
- Pipe Relining.
- Perforated pipe for underground drainage.
- Reserve water systems for private groups.
- The Submarine.

(4) International Markets such as Vietnam, Cambodia, Laos, India, Indonesia, and Myanmar. The target groups are big construction company who receive foreign fund, Both Government and Private Sectors that have the projects of water allocation and water treatment; including the mining.

(5) Wholesale markets and Dealers for the following projects

- Water pipe inside the plant
- Sewage pipeline projects in villages, Industrial Estates and factories.
- Water Tank and Water Treatment Tank.

Type of product competition

Usage	Outside diameter	Competitive products
1. Water pipe in household.	Approximately 16-63 mm.	<ul style="list-style-type: none"> ● PPR pipe ● PVC pipe ● PB pipe
2. Small sizes of pipe for water transport or sewage in household or small projects.	Approximately 16-110 mm.	<ul style="list-style-type: none"> ● AC pipe ● PVC pipe ● PB pipe ● W-HQ Pipe
3. Medium size of main distribution pipeline or sewage in village or industrial estate.	Approximately 110-315 mm.	<ul style="list-style-type: none"> ● PVC pipe ● Weholite ● Double wall pipe ● W-HQ Pipe ● AC pipe ● Reinforced concrete pipe
4. Main Pipeline for water transport.	Approximately 315-1,600 mm.	<ul style="list-style-type: none"> ● Mild Steel pipe ● GRP pipe ● W-HQ Pipe ● AC pipe
5. Big size of pipe for portable and raw water, sewage in industrial estate or community.	Approximately 315-3,000 mm.	<ul style="list-style-type: none"> ● Steel Pipe ● Reinforced concrete pipe ● Glass Reinforce Fiber Pipe (GRP) ● W-HQ Pipe ● Weholite
6. Phone or Electrical Cables conduit.	Approximately 32-160 mm.	<ul style="list-style-type: none"> ● PVC pipe ● FRP pipe ● Double wall pipe ● W-HQ Conduit

Usage	Outside diameter	Competitive products
7. Big size of water tank for factory, industrial estate or household.	Approximately 10-100 cubic meters.	<ul style="list-style-type: none"> ● Fiberglass tank ● Steel tank ● HDPE WehoTank ● Reinforced concrete tank ● Stainless steel tank

2) Competition within the Industry

Enhancing the quality and standard of Public Utilities; especially the metropolitan waterworks, is important and directly affects the quality of life of people in the country. All concerned parties shall sincerely cooperate for this enhancement.

Thailand has developed the waterworks systems steadily; especially the enhancement of water pipe quality by changing the iron-cast steel pipe to HDPE pipe which is widely used in developed countries. Countries in Europe, for instance, has been using HDPE pipe in their waterworks for more than 50 years. Corrosion problem in iron-steel pipe is solved and cleaned & safe water are transported throughout the plumbing system. HDPE pipe is worth the investment since it is easy to install, saves pipeline installation time and has long service life.

Thailand has faced the several obstacles in using HDPE pipe; especially the quality of HDPE Pipe. Some of contractors tend to use low quality of HDPE pipe in order to minimize the cost. The low price is the main reason for them to use HDPE pipe made from recycle material. As a result, many of the problems occur such as;

- Pipe leaks or cracks which creates the inconvenience and unsafe water for all users.
- The agency who is responsible for the production and expansion of the water supply would spend an extra time and cost to repair the damaged pipe. It is not worth it to invest on the short service life pipe.
- HDPE pipe manufacturer who is producing high quality of HDPE pipe according to quality standards is facing unfair price competition.

Wiik & Hoeglund Public Co., Ltd. is emphasizing on its quality of HDPE pipe and provides the clients the confidence in using its products. This idea also increases the quality of life of people in Thailand.

There is growth from the growth of public utility in ASEAN countries; such as Vietnam, Myanmar, Laos, Indonesia, Philippines, and India.

In 2016, there are new installation of pipeline projects, expansion of public utility, and change or improvement of existing pipeline to HDPE pipe which is stronger and more flexible. In order to serve the higher

demand in the future, The Company plans to increase production capacity in 2016 from 22,800 Metric Tons per year to 27,500 Metric Tons per year by improving the efficiency of production machine of double wall pipe (Weholite) for submarine pipeline for big Power plant and oil refiner plant projects. This important investment is to be made in June 2016 and will allow the Company to produce 800 Metric Tons per year of Weholite HDPE Pipe and also to produce ID3,500mm Weholite HDPE pipe which is the biggest size ever produced in Asia. With this size of pipe, the Company is able to obtain more projects of Intake & Out fall for power plant and Petrochemical Complex in Asia.

Also in June 2016, the Company plans to increase the production capacity of 2,500 Metric Tons per year of solid wall pipe. The Company is buying new machine for the production of small and medium size of HDPE solid wall pipes, HDPE (W-HQ Pipe) for water transport, drinking water, sewage, or small projects that requires small and medium size of HDPE pipe.

In addition, the company has been developing the pipeline system and water storage systems (Wehotank), a tank for storing water, sewage, chemicals and gas. The Company is increasing sales with existing clients and continuously seeking for new clients.

2.4 Products or Services Seeking

1) Manufacturing

The Company factory is located at 7/214 Moo 6 Amata City (Rayong) District Mabyangporn Daeng district, Rayong 21140. The Company has setup both the short and long term plan by analyzing market conditions and its competition. Also evaluating the volume of outstanding orders. The Company is planning on studying the annual investment plans for next following years as well.



Production capacity and utilization

Production		Year 2015				Year 2014				Year 2013			
		Average production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)	Average production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)	Average production capacity	Actual production volume	Utilization rate (%)	Production volume increase (%)
SOLID WALL PIPE	(ton)	20,780.00	14,546.79	70.00	37.50	20,780.00	10,579.17	50.91	32.49	20,780.00	7,984.97	38.43	3.73
WEHOLITE PIPE	(ton)	2,020.00	1,077.20	53.33	(15.19)	2,020.00	1,270.07	62.87	12.93	2,020.00	1,124.64	55.68	109.70
HDPE BEND	(piece)	5,400.00	2,834.00	52.48	(16.15)	5,400.00	3,380.00	62.59	(29.88)	5,400.00	4,820.00	89.26	24.90
HDPE TEE	(piece)	3,600.00	1,889.00	52.47	27.46	3,600.00	1,482.00	41.17	(30.59)	3,600.00	2,135.00	59.31	(0.23)
STUBEND	(piece)	12,000.00	10,745.00	89.54	28.36	10,000.00	8,371.00	83.71	(0.39)	10,000.00	8,404.00	84.04	44.92
REDUCER	(piece)	2,000.00	430.00	21.50	21.81	2,000.00	353.00	17.65	(71.62)	2,000.00	1,244.00	62.20	83.21
WEHOTANK	(tank)	96.00	8.00	8.33	(66.67)	96.00	24.00	25.00	(20.00)	96.00	30.00	31.25	15.38
SPECIAL FITTINGS	(piece)	15,000.00	12,615.00	84.10	39.95	15,000.00	9,014.00	60.09	85.63	15,000.00	4,856.00	32.37	11.20

2) Raw Material Securing

The main raw material used to produce HDPE pipes is HDPE resin from both domestic and import markets. HDPE resin is by-product from Oil industry which Thailand mostly imports from other countries. There are 3 resin manufacturers around Rayong Province area, IRPC Public Company Limited, SCG Performance Chemical Co., Ltd. (SCG), and PTT Polymer Marketing Co., Ltd. (PTT). 95% of total HDPE resin used by the Company to produce HDPE Pipe is coming from domestic source. 5% of HDPE resin is imported from Middle East and Belgium.

In terms of price effectiveness, the shortage of raw material, price changing of world oil price, and the change of foreign exchange rates are major factors that impact the price of HDPE resin.

3) Environmental impact

Wiik & Hoeglund Public Company Limited cares about environment and has set up the high standard of waste management from the production as follows;

- To manage the waste that can be re-used. The waste from the production of pipes and fittings is called Rework which will go through the recycling process and will be produced as recycled resin to be re-used. The Company will use recycled resin at the suitable ratio and that is recycled by the Company only.
- To manage the waste that cannot be re-used. The waste that cannot be re-used in the production process; such as sawdust; will be sold as low grade resin, waste from packaging and other equipment will be sold to the Industrial Waste Treatment and Disposal company who is approved and controlled by Department of Industrial Works.
- To conduct the suitable and effective wastes handling training to all staff so that they can understand the management of both hazardous and non-hazardous industrial waste.
- To continuously encourage all staff to reduce waste.

2.5 Jobs has not delivered

Jobs has not delivered of the Company and its subsidiaries as at December 31, 2015.

(Million Baht)	December 31, 2015	December 31, 2014	December 31, 2013
The Company	539.03	234.81	340.79
Subsidiary	62.35	8.27	38.79
Total	639.79	243.08	379.58

3. Risk Factors

3.1 Risks to business operations

1) Business risk

HDPE pipe has proved to be a decent and sustainable pipe for worldwide projects. Its excellent quality of high density polyethylene material is difficult to find among its substitute products. However, there's a business risk with the price war strategy of the low quality HDPE manufacturer in the domestic market who want to recklessly dump the price down and lower the quality of the HDPE products with low quality HDPE raw material and sometime use even non pipe grade raw material to make the pipe and fittings products for private and government segment which using of low quality HDPE pipe product affected the confidence of using high quality HDPE pipe of the Company as follows.

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.
- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

For counter that issue, we trying to do research and communicate with close customer both private and government to find out how to avoid the low quality product and be able to obtained the quality product which help develop their projects and improve their organization and country.

In addition, the business risk also involves the development of new pipe products. Each year HDPE pipe manufactures and resin manufactures have developed special kinds of HDPE pipe for certain applications, e.g. structure wall HDPE pipe, multilayer HDPE pipe, smooth inside surface HDPE pipe, and high temperature resistance HDPE pipe. Therefore each HDPE pipe manufacturer needs add new products in its product line in order to earn profits. The competition of normal solid wall HDPE pipe is too fierce and intense to get a good margin. However, the Company has the R & D department to develop and research new products, including develop the equipments to work properly at all times.

2) Foreign exchange risk

The Company faces this risk in the course of its doing business unavoidably. The risk arises from the fluctuation of the foreign exchange rate which has been influenced by various economic factors. This is due to its activities that deal with foreign countries such as export and import including financial transactions. Our policy is to reduce the foreign exchange risk by way of forward contract once the amount and due dates become known.

Another method that has been adopted is currency matching between revenue and expense through the use of foreign currency account while allowing some maturity mismatch to occur sometimes.

3) Interest rate risk

Since the Company has been using some of the bank borrowing to finance its business, thus, the interest rate risk is a factor that will affect the performance of the Company. Long term borrowing carries higher interest rate than that of short term but in certain circumstances using the mix of both short term and long term ones is deemed to be more suitable. Besides, most of the short term facilities are offered on non-committed basis which caused instability. However, the Company has control the loan amount to the appropriate level as well as finding new sources of funding to reduce the cost of this part.

4) Raw material risk

HDPE resin is the main ingredient in HDPE pipe production. Thus the movement of resin prices has a substantial effect on the cost. HDPE resin prices have been fluctuated in accordance with crude oil prices for long time. It is hard to predict and make decision for any manufacturer when to buy HDPE resin for stock. Therefore the Company manages the order of HDPE resin to comply with the pipe purchase order and delivery timing to customers.

Nevertheless, the new standard of HDPE resin for HDPE finish goods shall be effective in year 2014. This results to the constraints of supply resin sources as oversea manufacturers need time to develop the product and ensure for the production process that it will meet the certified standard quality of Thailand. However, the advantage of new standard is noticeable on the improvement of our product's quality and higher process yield.

5) Credit risk

The company's customers normally are contractors of government projects or owners or project developers such as real estate industry. Most Customers require the credit term for payment. Hence the company formed an internal audit committee to analyze customer's financial statements in order to grant the appropriate credit term for each customer. The credit risk is not only caused default of payment or bad debts but also delays payment which will increase the interest cost of the Company. The Company has made the trade credit insurance to reduce the credit risk.

3.2 Risk to shareholders

1) Risk from the exercise of warrant WIik-W1

On June 3, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 approved the issuance of Warrant to Purchase Ordinary Share of the Company No. 1 (WIik-W1) which the Company can allocated WIik-W1 to the existing shareholders of the Company total of 99,963,136 units. The exercise price is Baht 5 per share,

maturity of warrant is not exceeding 3 years from the date of issuance (The first exercise date is December 30, 2015 and the last exercise date is June 15, 2018) and allowed to make a trading in the Stock Exchange of Thailand on June 30, 2015. As at December 31, 2015 the remaining Warrant to Purchase Ordinary Share of the Company No. 1 (WIIK-W1) which is not exercise is 99,963,136 units.

If the warrant holders exercised all warrant that issued at this time, it will have control dilution effect representing 25.00%

2) Risks from the offering of new ordinary shares

On June 3, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 approved the allocation of new ordinary shares of 264,975,200 shares at par value of Baht 1 per share as follows.

2.1 Issuance and allocation of new ordinary shares (General Mandate) of 119,975,200 shares. Details of the allocation as follows.

- a. Not exceeding 89,981,400 newly issued ordinary shares will be allocated to existing shareholders of the Company in proportion to their shareholding (Right Offering: RO)
- b. Not exceeding 29,993,800 newly issued ordinary shares will be allocated to specific investors under a Private Placement scheme (Private Placement: PP)

After the allocation of newly issued shares according to (1) and (2), the paid-up share of the Company shall totally increase not exceeding of 89,981,400 shares or not more than 30% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase. In the event that there is an allotment of newly issued shares to specific investors under a Private Placement scheme as detail in (2), the Company's paid-up shares shall increase not exceeding of 29,993,800 shares or not more than 10% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase.

2.2 Issuance and allocation of new ordinary shares (Private Placement) of 145,000,000 shares.

As at December 31, 2015 the Board of Directors has not yet approve the offering. If the Company offering new ordinary shares in full amount, it will have control dilution effect representing 43.91% However, the last date that the Company can allocate new shares as follows.

- 1) New General Mandate ordinary shares of 119,975,200 shares and the last date that the Company can allocate new shares is April 20, 2016 (before the date of next AGM).
- 2) New Private Placement ordinary shares of 145,000,000 shares and the last date that the Company can allocate new shares is June 2, 2016 (Maturity of 1 year from the date of the resolution to issue and sell such shares).

4. General information and other important information

4.1 General information

1) General Information of the Company

Name	: Wiik & Hoeglund Public Company Limited
Security Symbol	: WIik
Head office	: 90 Cyberworld Tower A, 35th Floor, Ratchadapisek Road, Huaykwang, Bangkok 10310
Factory Location	: 7/214 Moo 6 Amata City Industrial Estate (Rayong), Mab Yang Porn, Pluak Daeng, Rayong 21140
Nature of Business	: The Company manufactures and distributes HDPE pipe, LDPE pipe, polypropylene pipe, Weholite Spiro pipe and WehoTank. Its production capacity and quality of products are well known worldwide.
Business Registration	: 0107538000151
Contact numbers	: Telephone 0-2612-8600 Fax 0-2645-2828-9
Website	: www.wiik-hoeglund.com
Registered Capital	: 664,892,534 Baht
Paid up Capital	: 299,938,000 Baht
Number of paid up shares	: 299,938,000 shares
Par value	: 1.00 Baht
Accounting period	: 1 January - 31 December

2) General information of Subsidiary

Name	: Wiik Water Company Limited
Head office	: 90 Cyberworld Tower A, 35th Floor, Ratchadapisek Road, Huaykwang, Bangkok 10310
Nature of Business	: Consulting and advisory services about installation planning of pipe systems and installation services of high density polyethylene HDPE and Water management.
Contact numbers	: Telephone 0-2612-8600 Fax 0-2645-2828-9
Registered Capital	: 18,252,800 Baht

Paid up Capital : 18,252,800 Baht
Shareholding : 100%
Related status : Subsidiary
Note : Formerly named WH Pipe (Thailand) Company Limited

3) Other References

Share Registrar : Thailand Securities Depository Company Limited
62, the Stock Exchange of Thailand Building,
Ratchadaphisek Road Khlongtoei, Khlongtoei, Bangkok 10110
Telephone : 02-229-2800 Fax : 02-359-1259

Auditor : Mr.Khitsada Lerdwana C.P.A. Registration No. 4958
Mr.Termphong Opanaphan C.P.A. Registration No. 4501
Ms. Sumalee Reewarabandith C.P.A. Registration No. 3970

EY office Company Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey Bangkok 10110
Telephone : +66 2264 0777,+66 2661 9190
Fax : +66 2264 0789-90
Email : ernstyoung.thailand@th.ey.com

4.2 Other important information

-None-

5. Securities and Shareholders information

5.1 Registered capital and paid-up capital

Registered capital and paid-up capital as at March 29, 2016 as follows.

- Registered capital 664,892,534 Baht divided into
Ordinary shares of 664,892,534 shares
Par value of Baht 1.00 per share
- Paid-up capital 374,938,000 Baht divided into
Ordinary shares of 374,938,000 shares
Par value of Baht 1.00 per share

5.2 Shareholders

1) List of major shareholders

As at March 29, 2016 the Company has the list of top 10 major shareholders as follows.

No.	Name of Shareholders	Nationality	Number of shares	
			Shares	%
1.	Mrs. Sumalee Ongcharit	Thai	55,189,500	14.72
2.	Mr. Jirayu Assanuwong	Thai	45,000,000	12.00
3.	Mrs.Mondhira Padungrat	Thai	30,000,000	8.00
4.	Mr. Noppadon Pitakpao	Thai	9,504,000	2.53
5.	Mr. Siriwat Wongjarukorn	Thai	9,000,000	2.40
6.	Mr. Chong Ransibrahmanakul	Thai	6,597,000	1.76
7.	Mr. Pakawan Wongopasee	Thai	6,198,500	1.65
8.	Mrs. Orapin Pipatwilaikul	Thai	6,000,000	1.60
9.	Mr. Surin Banyongpongler	Thai	5,982,700	1.60
10.	Miss Saowanee Jirawutthikul	Thai	5,400,000	1.44
Total			178,871,700	47.71

5.3 Warrant to Purchase Ordinary Share of Wiik & Hoeglund Public Company Limited No. 1 (WIik-W1)

On June 3, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 approved the issuance of Warrant to Purchase Ordinary Share of the Company No. 1 (WIik-W1) in the amount of not exceeding 99,979,334 units without charge to the existing shareholders of the Company whose names appear in the registration book of shareholders as at June 12, 2015 at the ratio of 3 existing ordinary shares for 1 unit of warrant.

The Company can allocated Warrant to Purchase Ordinary Share of the Company No. 1 (WIik-W1) to the existing shareholders of the Company total of 99,963,136 units and allowed to make a trading in the Stock Exchange of Thailand on June 30, 2015. The remaining 16,198 units, the Company canceled the whole amount. Such warrants are specify warrant holders and transferable. Maturity of not exceeding 3 years from the date of issuance. Warrant Holders can exercise the right to purchase ordinary shares of the Company on the last Business Day of December of each year throughout the term of warrants (The first exercise date is December 30, 2015 and the last exercise date is June 15, 2018). The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 5.00 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

As at December 31, 2015 the remaining Warrant to Purchase Ordinary Share of the Company No. 1 (WIik-W1) which is not exercise is 99,963,136 units.

6. Dividend Policy

The Company has a policy for the dividend payment of 60% of the annual net profit. The dividends will be paid in the following year. However, the Company may consider paying more; less or no dividend in any year but this consideration must be in consensus from Board of Directors meeting and Annual General Meeting. The Articles of Association specified as follows.

Article 19 Dividends and Reserve

Dividends shall not be paid other than out of profits. If the Company still has an accumulated loss, no dividends shall be distributed. Dividends shall be distributed according to the number of shares, with each share receiving an equal amount. Payment of dividends shall be approved by the shareholder meeting.

The Board of Directors may pay interim dividends to the shareholders from time to time if the Board believes that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next shareholder meeting.

Payment of dividends shall be made within one month of the date of the resolution of the shareholder meeting or of the meeting of the Board of Directors, as the case may be. The shareholders shall be notified in writing of such payment of dividends, and the notice shall also be published in a newspaper.

The Company shall allocate not less than five percent (5%) of its annual net profit less the accumulated losses brought forward (if any) to a reserve fund until this fund attains an amount not less than ten percent (10 %) of the registered capital.

Dividend Policy of subsidiaries

As articles of association of Wiik Water Company Limited (subsidiary) section 6 Dividends and Reserve, article 18 specified that in dividend payments every time, the Company must allocate money as reserve at least one-twentieth of the net profit which made from business of the Company. Until the reserve amounts to one tenth of the total capital of the Company or more.

7. Management Structure

7.1 Board of Directors

As at February 29, 2016 Board of Directors of Wiik & Hoeglund Public Company Limited consist of

1) Board of Directors

- | | | |
|----|------------------------------|------------------------------------|
| 1. | Dr.Vichit Yamboonruang | Chairman of the Board of Directors |
| 2. | Mr.Wiboon Sangwithayanon | Director |
| 3. | Mr.Burin Kunatippapong | Director |
| 4. | Mr.Vichien Tangudtaisuk | Director |
| 5. | Miss Rewadee Whanchid | Director |
| 6. | Asst.Prof.Dr. Pakdee Manaves | Independent Director |
| 7. | Mr.Theera Phetmalaigul | Independent Director |
| 8. | Mr.Tatchapong Thamputthipong | Independent Director |

2) Executive Committee

- | | | |
|----|-------------------------------|-------------------------|
| 1. | Mr.Wiboon Sangwithayanon | Chief Executive Officer |
| 2. | Miss Rewadee Whanchid | Executive Committee |
| 3. | Miss Chinanut Jariyarudeechai | Executive Committee |
| 4. | Mr. Peerapon Thantranon | Executive Committee |

3) Audit Committee

- | | | |
|----|------------------------------|---------------------------------|
| 1. | Asst.Prof.Dr. Pakdee Manaves | Chairman of the Audit Committee |
| 2. | Mr.Theera Phetmalaigul | Audit Committee |
| 3. | Mr.Tatchapong Thamputthipong | Audit Committee |

4) Nomination and Remuneration Committee

- | | | |
|----|------------------------------|---|
| 1. | Asst.Prof.Dr. Pakdee Manaves | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr.Theera Phetmalaigul | Nomination and Remuneration Committee |
| 3. | Mr.Tatchapong Thamputthipong | Nomination and Remuneration Committee |

Note Nomination and Remuneration Committee was appointed by the Board of Directors meeting No. 1/2016 on February 29, 2016.

According to the articles of association section 2 Board of Directors, article 6 stated that the Board of Directors shall consist of not less than five (5) persons. At least one-half (1/2) of the directors must be residents of Thailand. The Board of Directors shall elect one (1) director as the Chairman of the Board of Directors. If

deemed appropriate by the Board of Directors, one (1) or more directors may be elected as Vice-Chairmen, to have duties pursuant to these Articles of Association in the matters designated to them by the Chairman.

Board of Directors as a representative of shareholders who is responsible for supervise the management of Company to comply with law, objectives and articles of association by determining vision, mission, strategies to create value for business including a return on investment under the expertise and ethics in business for maximize benefits of all stakeholders.

As at December 31, 2015, the Company had total of 8 directors which consists of 2 Executives Directors, 3 outside director who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Authorized signatory

Name and number of directors who are authorized to sign on behalf of the Company are Mr. Vichien Tangudtaisuk, Miss Rewadee Whanchid, Mr. Wiboon Sangwithayanon, 2 of these 3 directors sign together.

Attending of meetings

In 2015, the Company provided the Board of Directors meeting of 9 times, and the Audit Committee meeting of 5 times with the directors attendance details as follows.

Name of Directors	Position	Board of Directors meeting		Remarks
		Number of meeting	Number of attending	
Dr. Vichit Yamboonruang	Chairman of the Board of Directors	9	9	
Mr. Wiboon Sangwithayanon	Director	3	3	Appointed on 3 Jun 2015
Mr. Burin Kunatippapong	Director	9	9	
Mr. Vichien Tangudtaisuk	Director	6	6	Appointed on 26 Feb 2015
Miss Rewadee Whanchid	Director	7	7	Appointed on 24 Feb 2015
Asst.Prof.Dr. Pakdee Manaves	Independent Director	7	7	Appointed on 24 Feb 2015
	Chairman of the Audit Committee	4	4	
Mr. Theera Phetmalaigul	Independent Director	7	7	Appointed on 24 Feb 2015
	Audit Committee	4	4	
Mr. Tatchapong Thamputhipong	Independent Director	6	6	Appointed on 26 Feb 2015
	Audit Committee	4	4	
Mr. Jan-Erik Stefan Nordmyr	Chairman of the Board of Directors	3	3	Resigned on 26 Feb 2015
Mr. Johan Anders Heikfolk	Director	2	2	Resigned on 24 Feb 2015
Mr. Worachai Bhicharnchitr	Independent Director	2	1	Resigned on 24 Feb 2015

Name of Directors	Position	Board of Directors meeting		Remarks
		Number of meeting	Number of attending	
	Chairman of the Audit Committee	1	1	
Mr. Niwat Lamunpandh	Independent Director	2	1	Resigned on 24 Feb 2015
	Audit Committee	1	1	
Mr. Puck Bhengsri	Independent Director	3	2	Resigned on 26 Feb 2015
	Audit Committee	1	1	

7.2 Executives

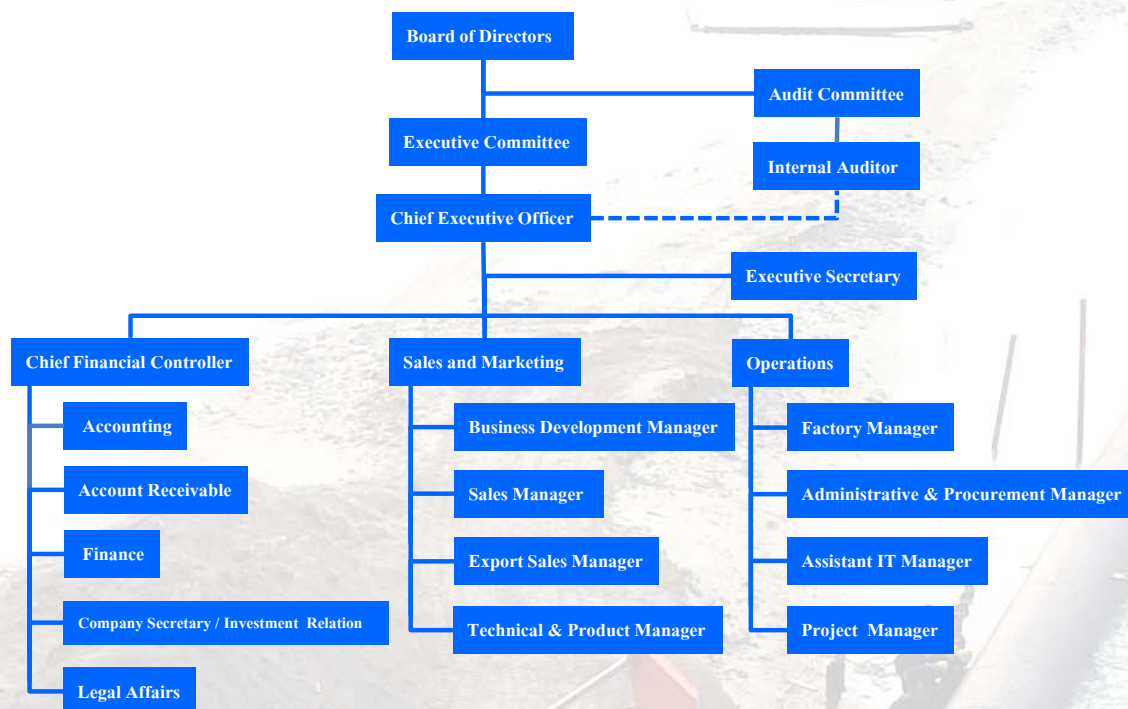
As at December 31, 2015 management team of Wiik & Hoeglund Public Company Limited has 9 executives as follows.

List of Executives	Position	Remarks
1. Mr. Wiboon Sangwithayanon	Chief Executive Officer	-
2. Miss Rewadee Whanchid	Executive Director	-
3. Miss Chinanut Jariyarudeechai	Executive Committee /Chief Financial Controller	-
4. Mr. Peerapon Thantranon	Executive Committee /Sales Manager	-
5. Mrs. Sasiwimon Wirojchewan	Administrative & Procurement Manager	-
6. Miss Jarunee Anansuksakun	Technical & Product Manager	-
7. Mr. Arom Petchmanee	Factory Manager	-
8. Mr. Krisnat Busapavanij	Export Sales Manager	-
9. Miss Parichart Wongwiwat	Business Development Manager	-
10. Mr. Burin Kunatippapong	Chief Executive Officer	Resigned on 1 June 2015
11. Mrs. Anchalee Kongsomboonwech	Chief Financial Officer	Resigned on 1 June 2015
12. Mr. Attapon Pliensinchai	Operations Manager	Resigned on 1 June 2015

Information about the management team is in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

Management structure

Wiik & Hoeglund Public Company Limited and its subsidiaries as at December 31, 2015



7.3 Company Secretary

The Board of Directors Meeting No. 6/2015 on May 12, 2015 appointed Mr. Wittaya Janta-ummao to the position of Company Secretary with responsible according to the Securities and Exchange Act (No. 4) BE 2551 which is responsible for the preparation and storage of Director registration, notice of the Board meeting, minutes of the Board meeting and annual report of the Company, Notice of the Shareholders meeting and minutes of the Shareholders meeting, storage the stakeholders report that report by Directors or Executives as well as other actions as notification of the Capital Market Commission defined, on behalf of the Company or the Board of Directors. The qualifications of incumbent as Company Secretary are shown in attachment 1.

7.4 Remuneration of Directors and Executives

Articles of Association, article 10 Remuneration of Directors stated that the Company is prohibited from paying money or other assets to the directors except as remuneration pursuant to the Articles of Association, such remuneration pursuant to the Articles of Association being salary, allowance, meeting allowance, travel allowance, award and bonus. Other remuneration shall be paid by the Company in accordance with resolutions

adopted at General Meetings by the affirmative votes of at least two-thirds (2 / 3) of all the votes of the shareholders attending or represented at such General Meetings.

The Annual General Meeting of Shareholders 2015 on April 29, 2015 approved the Directors' remuneration for the year 2015 of not exceeding Baht 3 million by defined Directors' remuneration as follows.

Position	Monthly	Per time of attending
Chairman of the Board of Directors	30,000	20,000
Chairman of the Audit Committee as an Independent Director	30,000	15,000
Directors / Independent Directors	25,000	15,000

The remuneration will be paid to non-executive directors and will be paid to the Board of Directors only. This is because the directors who served in the other committee already are the directors in the Board of Directors.



1) Monetary remuneration

(a) Directors remuneration

Monetary remuneration for the Board of Directors consists of monthly remuneration and attendance fee paid by number of attending as follows.

List of Directors	Position	Directors remuneration (Baht)	Remarks
Dr.Vichit Yamboonruang	Chairman of the Board of Directors	495,000.00	
Mr.Wiboon Sangwithayanon	Director	-	Appointed on 3 Jun 2015
Mr.Burin Kunatippapong	Director	205,000.00	
Mr.Vichien Tangudtaisuk	Director	325,000.00	Appointed on 26 Feb 2015
Miss Rewadee Whanchid	Director	185,000.00	Appointed on 24 Feb 2015
Asst.Prof.Dr. Pakdee Manaves	Independent Director and Chairman of the Audit Committee	390,000.00	Appointed on 24 Feb 2015
Mr.Theera Phetmalaigul	Independent Director and Audit Committee	340,000.00	Appointed on 24 Feb 2015
Mr.Tatchapong Thamputhipong	Independent Director and Audit Committee	325,000.00	Appointed on 26 Feb 2015
Mr. Jan-Erik Stefan Nordmyr	Chairman of the Board of Directors	166,666.67	Resigned on 26 Feb 2015
Mr. Johan Anders Heikfolk	Director	58,333.33	Resigned on 24 Feb 2015
Mr. Worachai Bhicharnchitr	Independent Director and Chairman of the Audit Committee	150,000.00	Resigned on 24 Feb 2015
Mr. Niwat Lamunpandh	Independent Director and Audit Committee	105,000.00	Resigned on 24 Feb 2015
Mr. Puck Bhengsri	Independent Director and Audit Committee	105,000.00	Resigned on 26 Feb 2015
Total		2,850,000.00	

(b) Executive remuneration

In 2015, the Company paid remuneration consisted of salary, position fee, bonus, commission and other monetary remuneration to 12 executives totaling Baht 22,104,813.70.

Characteristics of executive remuneration	2015	
	Number of Executives	Amount (THB)
Salary and other remuneration in monetary	12	22,104,813.70

Note: During the year 2015, 3 executives resigned.

2) Other remuneration

(a) Other remuneration of Directors

In 2015, the Company did not pay other remuneration to Directors.

(b) Other remuneration of Executives

● **Provident Fund and Social Insurance Fund**

The Company has provided a provident fund for the Executives by paid contributions at 5% of salary. In 2015, the Company paid contributions for provident fund and social insurance fund for the Executives of Baht 754,689 and Baht 76,500 respectively.

● **Post-employment benefits**

In 2015, the Company recorded cost of post-employment benefits for the Executives based on actuarial techniques which is calculated by an independent expert of Baht 768,926. In 2015 the Company did not pay post-employment benefits to the Executives.

7.5 **personnel**

1) Number of employees

As at December 31, 2015 the Company and its subsidiaries had total staff of 208 people. The Company paid remuneration to employees that consists of salary, bonus, contribution to provident fund and group life insurance total amount of Baht 83.30 million.

Primary line	Number of employees (person)	
	The Company	Wiik Water Company Limited (Subsidiary)
Administrative & Procurement	19	5
Accounting	15	-

Primary line	Number of employees (person)	
	The Company	Wiik Water Company Limited (Subsidiary)
Domestic Sales	10	-
Export Sales	4	-
Engineering and Maintenance	9	1
Production Pipe	39	-
Production Fitting	28	-
Store	17	-
Quality Control	9	-
Research and development	3	-
Technical and Product	3	-
Information technology	1	-
Welding & Installation	-	45
Total	157	51
Employees remuneration (million baht)	73.50	9.80

The Company has no significant labor disputes in the last 3 years.

2) Personnel development policy

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel are an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

8. Corporate Governance

8.1 Corporate Governance Policies

As a listed company in the Stock Exchange of Thailand, the Company board of directors and management team realize in the importance of practices that comply with the principles to improve our systems to be transparent and auditable. The confidence is built up for all stakeholders that the Company is strictly complied with the 5 good corporate governance principles set up by the Stock Exchange of Thailand listed hereunder;

1) Rights of Shareholders

The board of directors recognize basic shareholder rights for instance the right to obtain relevant and adequate information on the company in a timely manner on a regular basis as well as the right to attend and vote in the shareholder meetings on any transactions that affect the company or other than the company's by laws depending on time and circumstances.

The Board of Directors ensures that the company provides shareholders, in advance of meetings, with the information on the date, time, venue and all agenda items with adequate data for their decision making by posting them on the company's website before the document distribution.

The Board of Directors facilitates shareholders' participation by selecting the most convenient venue and organize the simple and at low cost voting. Moreover, in case the shareholders prefer to assign the authorized person to attend and vote in the meeting, the list of independent directors is listed on the website of the company.

In the Shareholders' Meeting, the Chairman allocate time to suit with agenda and allows shareholders to express their opinions or questions at the meeting in regards to the Company as well as the opportunity for shareholders to submit questions in advance by announced on the Company's website.

In addition, all directors are well aware of the importance of shareholders and considered as a great opportunity to participate in the Shareholders Meeting to permit shareholders to ask Chairman and various committees in the relevant.

2) Equitable Treatment of Shareholders

In compliance to the principle of Stock Exchange of Thailand, all of our shareholders, including those with management positions, non-executive shareholders and foreign shareholders are treated in an equal way. Our Board of Directors ensures that all processes and procedures for shareholders meetings allow equitable treatment of all shareholders and also sets up the procedures to prevent the use of inside information for abusive self-dealing such as insider trading or related party transaction.

It is written in the company policy that every employee must sign the confidentiality agreement to prevent the inside information leakage as well as the requirement for report from all members of board of directors and management team on status of their shareholding.

3) Role of Stakeholders

The Company sets a clear policy on fair treatment for each and every stakeholder in accordance with the laws as follows;

Roles of Stakeholders

As mentioned previously, the company is working in compliance with the good corporate governance to ensure that all shareholders receive the equitable rights in all concerns, for instance the right to attend the shareholders' meeting, the right to vote, the right to use the proxy forms, the right to obtain sufficient information previous to the meeting, the right to obtain the information on the meeting venue and date, the suitable meeting time allocation, etc.

In addition, the company Board of Directors puts the emphasis on the transparency in disclosure of correct and precise information via any possible channels so that the shareholders and investors can obtain the adequate information equally. We are also widely open to questions from analysts from all kinds of institutions.

Customers

Our board of directors treats all debtors as our valuable asset. It is important that we build up their confidence by providing best service and quality products to them. We guarantee that all products produced by us are in accordance with the ISO and other worldwide standards.

Moreover, to follow the strategy of the company, we continuously improve our business operation by focusing more in the requirements and needs of the customers. We take complaints from the customers as the note to improve to the better.

Employees

We regard our employees as an important asset of the company. Besides the provision of the basic welfares in accordance to the labor laws, we provide them the opportunity to attend the training and seminars to enhance their working skills. The company also provides them a reasonable income and fringe benefit in relation to their abilities and contribution to the company by the assessment from our systematic evaluation procedure.

In case of accidents, the company provides a reasonable support and compensation to employees. We also conduct the safety training and evacuation rehearsal on regular basis. The penalties are given to the employees

who misconduct in offending to the company safety policy. The environmental concern is also in attention of our management team.

Trading Partners

One of the most important concerns of the company management and board members is the company reputation and responsibility to all related parties, no exception to the trading partners. We have fair and transparent criteria for the selection of not only reliable trading partners but also ones with concern on social responsibility and environment. We carry on our business relationship with trade partners in proper business manners and commitment.

Creditors

The company management and board members are responsible for making sure that the financial risk management is efficiently manageable. Loans for project investment are audited to ensure that there is no misuse of the funds.

Business-Community relationships

Since the company's business is in the manufacturing sector which our factory was located in Rayong Province. The company is well aware of community effect, so we have decided to build our plant in the best industrial estate that high management standard, reliable and friendly community located. The company has defined the definition of production process, security system, hygienic condition and friendly environmental. Moreover we are providing to support public communities and social responsibility such as donation our product to public construction and participate various social activities. In additional the company's recruitment policy will give priority the candidates who are domiciled in the vicinity in order to increase local employment, economy growth and improve the well-being of local communities.

Environment and Society Concern

The company continues to focus on environmental management and attempts to least cause of environmental impact whether our employees, location and nearby communities. The environmental management concerns manufacturing process, chemical using in production and machine maintenance including with disposal hazard and non-hazard waste under legal standard. The environmental management activities as follows;

- External Audit ISO14001 from Third parties and surveillance auditor and Internal Audit in the company
- Environment campaign and continuous training environment acknowledge along with visiting outside

- Making contact with supplier to disposal the waste who under control of Department of Industrial Works (DIW) and all concerned
- Appointing an environmental management committee in order to visual inspection to evaluate potential environmental concern and monthly situation report.
- Communicate environmental issue with nearby communities and all accept if they have an environmental complaint.
- Monitoring and improving cooling water system in production process in order to reduce water consumption and recirculation system.
- Electrical conservation plan development to improve electricity efficiency in order to reduce electric power consumption.
- Increase green area by planting trees around the factory.
- Monitoring and measurement procedure of workplace environment regulation.

4) Disclosure and Transparency

The important company information includes financial reports and non-financial information is disclosed correctly, accurately, on a timely basis through easy-to-access channels that are fair and trustworthy. We have the investor relations officer available to communicate with outsiders and company secretary in compliance to laws.

In general the company information is submitted through the Stock Exchange of Thailand channel in the annual report format (Form 56-1) and the bi-lingual company Annual Report (Form 56-2). The same information is also posted on the company website with the up-to-date information.

The company board of directors is responsible for the producing of publicized consolidated financial report of company and its subsidiaries under the recognized certified standard with the choice of appropriate accounting policy and practice on regular basis. Sufficient explanations to the financial statements are also inclusive in the annual report.

The company board of directors has appointed the audit committee, comprising of independent directors to take responsibility in auditing and certifying the quality of financial report and internal audit. The related comments from the audit committee are marked in the report from the audit committee pages. The Company has provided the disclosure in related to number of meetings and number of times of each director attended the meeting each year, including the disclosure of remuneration policy for directors as well.

5) Responsibilities of the Board

The Board of Directors has important role in corporate governance for maximum benefit of the Company and responsible for the duties to shareholders and independent from the management in the decisions for maximum benefit of the Company and overall shareholders. The Company provides the separation of roles and responsibilities systems between the Board of Directors and the management clearly. And overseen the Company's work system to ensure that various activities of the Company and has conducted in a lawful and ethical manner.

The Board of Directors consists of directors whose variety qualification in terms of skills, specialized capabilities experience that beneficial to the Company including they have devoted time and effort to their duties in order to enhance the Company's strength.

The Company has established the Audit Committee and the Executive Committee to study and screening necessary. Especially in cases that relies on neutrality in diagnosis and policy formulation on role, responsible, working process clearly to make the effective and efficient duties of the Board.

All directors understand the duties and responsibilities of the Board and the Company's business as well. They are ready to express their opinion freely and perform with integrity careful and thoughtful by considering the maximum benefit of the Company and fair to all shareholders with accurate and complete information. In the past year, all directors devoted sufficient time to perform duty under responsibilities fully. It is a duty of directors to attend every Board meeting, unless there are special reasons really.

8.2 Committees

The management structure of the Company consisted of the Board of Directors and 3 committees such as Audit Committee Executive Committee and Nomination and Remuneration Committee which were define the authority and responsibilities of committees in Charter of Board of Directors, Charter of Audit Committee, Charter of Executive Committee and Charter of Nomination and Remuneration Committee which were approved by the Board of Directors' meeting No. 8/2015 on August 11, 2015 and shall became effective on August 11, 2015 onwards.

1) Board of Directors

As at December 31, 2015 the Board of Directors consisted of 8 directors as follows.

No.	List of Directors	Position	Remarks
1.	Dr.Vichit Yamboonruang	Chairman of the Board of Directors	
2.	Mr.Wiboon Sangwithayanon	Director	Appointed on 3 Jun 2015
3.	Mr.Burin Kunatippapong	Director	

No.	List of Directors	Position	Remarks
4.	Mr.Vichien Tangudtaisuk	Director	Appointed on 26 Feb 2015
5.	Miss Rewadee Whanchid	Director	Appointed on 24 Feb 2015
6.	Asst.Prof.Dr. Pakdee Manaves	Independent Director	Appointed on 24 Feb 2015
7.	Mr.Theera Phetmalaigul	Independent Director	Appointed on 24 Feb 2015
8.	Mr.Tatchapong Thamputhipong	Independent Director	Appointed on 26 Feb 2015

According to the articles of association section 2 Board of Directors, article 6 stated that the Board of Directors shall consist of not less than five (5) persons. At least one-half (1/2) of the directors must be residents of Thailand. The Board of Directors shall elect one (1) director as the Chairman of the Board of Directors. If deemed appropriate by the Board of Directors, one (1) or more directors may be elected as Vice-Chairmen, to have duties pursuant to these Articles of Association in the matters designated to them by the Chairman.

As at December 31, 2015, the Company had total of 8 directors which consists of 2 Executives Directors, 3 outside director who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Mr. Wittaya Janta-ummao, Company Secretary oversees the activities of the Board of Directors, minutes of meeting and documenting about the meeting.

Tenure

- (1) Directors must retire from office as one in three of all members in every Annual General Meeting. If the number of Directors cannot divide into three parts, directors shall retire nearest to one in three of all members. Directors who retired by rotation may be re-elected.
- (2) In cases where the position of director is vacant because of other reasons except expiration of the term and the remaining term not less than 2 months. The Board of Directors have to elect directors to replace the vacancies on the Board of Directors at the next meeting. The persons who are elected as such directors will remain in office only for the remaining term of directors they replace.
- (3) Directors must retire from office when.
 - A. The expiration of the term.
 - B. Resignation
 - C. Died
 - D. Disqualified or prohibited characteristics under the law or the Articles of Association. A manner that reflects the lack of suitable to get trust to manage business that the public is shareholder according to the Securities and Exchange Commission's notification.

- E. The meeting of shareholders voted to out of position.
 - F. The court ordered to out of position.
- (4) Directors who resigned before the expiration of term, have to submit a letter of resignation to the company. The resignation is effective from the date of letter of resignation reach to the company and they can inform their resignation to the registrar according the law on public limited company.

Qualification of Independent Directors

- (1) Shareholding does not exceed one percent of total shares with voting rights of the Company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest which includes the related party's shareholding of such independent directors.
- (2) Never or ever was a director who participate in administration, employees, staff, consultants who receive a regular salary or the controlling person of the Company, parent companies, subsidiaries, affiliates or the same level subsidiary or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before apply for permission to the SEC.
- (3) They are not persons who have blood ties or by legal registration in manner that is father, mother, spouse, sibling and child, including spouse of a child of the executives, major shareholders, control authority or persons who will be nominated as executive or controlling person of the Company or its subsidiaries.
- (4) Never or ever had business relationship with the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest in a way that may obstruct their independent judgment. Including never or ever was major shareholder, director who was not independent director or executive of the business relationship of the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.
- (5) Never or ever was the auditor of company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest and never was major shareholder, director who was not independent director, executive or managing partner of audit firm which has an auditor belong to the parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.
- (6) Never or ever was any professional service provider which includes serving as legal advisor or financial advisor who receives service fees more than two million baht per year from the company, parent companies, subsidiaries, affiliates or juristic person that may have conflict of interest. In the

case that professional service provider is juristic person, provided include major shareholder, director who was not independent director, executive or managing partner of such professional service provider unless they are clear from the foregoing relationship not less than two years before they was appointed as an independent director.

- (7) Not a director who has been appointed as a representative of Board of Directors, major shareholders or shareholders who are related to the Company's major shareholders.
- (8) Do not operate the same nature business and compete with the Company or its subsidiaries or not a partners in partnership or directors who participate in management, employee, staff, consultant who receive regular salary or holding more than one percent of the shares with voting rights of other company that operate the same nature business and compete with the Company or its subsidiaries.
- (9) No other characteristics that make they can not to give an opinion independently on the company's operation.

If the Securities and Exchange Commission announced changes to qualifications of independent directors, independent directors of the company must qualify as change announced in all respects.

Role of Chairman

- (1) Responsible for determines agenda, lead and control Board of Directors' meeting to run smoothly.
- (2) Create a reasonable relationship with the CEO and Company Secretary.
- (3) Encourages all directors to participate in the meeting and can show fully potential.
- (4) Create clarity on the scope of duties and responsibilities between Board of directors and the executives.
- (5) Determines framework and monitor the corporate governance policy.
- (6) Be a representative and build a reputation to organization.
- (7) Be the shareholders' representative to serve as a leader in the annual general meeting.
- (8) Participate in building process of strategy plan that effective in practice.
- (9) Responsibility to seek qualified directors to join as member of the Board and directors development.
- (10) Supervise the Board of Directors along with evaluation of performance, communicate for transmit the expectation to the Board of directors.
- (11) Create succession planning process and the evaluation of performance of Chief Executive Officer.

Duties and responsibilities

Duties and responsibilities of directors according to defined in the Articles of Association by acting as follows.

- (1) The authority in accordance with Public Limited Companies Act BE 2535 and any other laws that defined as duties of director or Board of Directors of public companies.
- (2) Perform their duties with responsibility, careful and honesty including they must comply with the law, objectives and articles of association that defined as well as compliance with resolutions of the shareholders' meeting.
- (3) Determine the main business policy, Monetary Policy, Funding policy, Capital Management and Risk management policy for the company implementation
- (4) Authorized to determine and change the name of directors who have authorized signatory of the company.
- (5) Corporate governance to meet or exceed the target set and determined a solution if there are obstacles in achieving that target.
- (6) Provide the general information reporting and financial statements to its shareholders and general stakeholders correctly, completely, transparency and in accordance with the law.
- (7) Acknowledge the important audit report and determine measures to improve if it finds significant deficiencies.

2) Audit Committee

As at December 31, 2016 the Audit Committee consisted of 3 members as follows.

No.	List of Audit Committee	Position	Remarks
1.	Asst.Prof.Dr. Pakdee Manaves	Chairman of the Audit Committee	Appointed on 24 Feb 2015
2.	Mr. Theera Phetmalaigul	Audit Committee	Appointed on 24 Feb 2015
3.	Mr. Tatchapong Thamputhipong	Audit Committee	Appointed on 26 Feb 2015

Mr. Tatchapong Thamputhipong is a member of the Audit Committee who has sufficiently knowledgeable and experienced in the field of accounting able to conduct a review to assess financial statement credibility in accordance with the Security Act (No. 4) B.E. 2551 and Miss Chinanut Jariyarudeechai, Chief Financial Controller served as Secretary of Audit Committee who oversee the activities of Audit Committee, minutes of meeting and documenting about the meeting.

Tenure

Member of Audit Committee has term of office according to their tenure for director position and member of Audit Committee who retires by rotation may be re-appointed for another term. Addition to the retirement by expiration of term, a member of Audit Committee must retire from office when.

- (1) Dead

- (2) Resign
- (3) Disqualified to being a member of Audit Committee according to this charter or regulations of the Securities and Exchange Commission.
- (4) The Board of Directors approved to retire.

A member of Audit Committee who wish to resign, shall submit a letter of resignation to the Chairman of Board of Directors and Board of Directors is an approver in the event that the entire Audit Committee shall retire from office. The Audit Committee that retired from office must acting in position to continue operation until new Audit Committee will be commissioned.

In the case of member of audit committee becomes vacant because of other causes in addition to retirement by rotation, the Board of Directors have to appoint a person who qualified to be a member of audit committee instead within 90 days to make the Audit Committee has full member according to the Board of Directors defined.

Duties and Responsibilities

The Audit Committee has duties and responsibilities as follows.

- (1) Review the accuracy of Company's financial statements as it should be according to the general accepted accounting standards and adequate disclosure.
- (2) Review the Company's internal control and internal audit systems to be appropriate and effective.
- (3) Review the Company's compliance with the law on Securities and Stock Exchange, requirements of the Stock Exchange of Thailand and laws relating to the Company's business.
- (4) Consider and make a proposal in re-appointment, termination and remuneration of auditor of the Company.
- (5) Meeting with the auditor specifically at least 1 time per year to discuss on various matters that the Audit Committee or the auditor see that it should be discuss in private.
- (6) Review the independence of auditor and determine the receiving other services policy that is non-audit service from the same audit firm.
- (7) Review the corporate governance policy and make the proposal any changes to approve by the Board of Directors.
- (8) Review the related party transactions or transactions that may have conflicts of interest to comply with laws and regulations of the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company.
- (9) Review the Company's risk management systems to be appropriate and effective.

- (10) Consider the independence of internal audit department as well as to approve, appoint, migrate, lay off and consider the performance, meritorious service of internal audit head. All of this may hire individuals or external firm to perform internal audit work by nominate and qualifications to the Audit Committee for approval at least once a year at the same time with an auditor nomination and practice as the Company conduct themselves tacitly.
- (11) Review and comment on internal audit plan, performance of internal audit department and coordinate with the auditor.
- (12) Prepare a report of the Audit Committee to disclose it in annual report of the Company that report must be signed by the Chairman of Audit Committee and must contain at least the following.
- Commenting on the accuracy, completeness and reliability of the financial statements of the Company.
 - Commenting on the adequacy of internal control system of the Company.
 - Commenting on the compliance with law on the Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.
 - Commenting on the suitability of an auditor.
 - Commenting on the transactions that may have conflicts of interest.
 - The number of Audit Committee's meetings and the attendance of each member.
 - Comments or overall observation that the Audit Committee received from the performance of duties under the Charter.
 - Other issues that shareholders and investors should be informed under the scope of duties and responsibilities as assigned by the Board of Directors.
- (13) Investigate suspicious circumstances that director, manager or persons who responsible for operation of the Company committed an offense under the Securities and Exchange Act (No. 4) BE 2551 which the auditor detected and reported and the Audit Committee shall reports the results of preliminary inspection to Board of Directors, the Securities and Exchange Commission and the auditor within 30 days from the date of notification by the auditor. The suspicious circumstances that have to inform and method to get facts about such circumstances shall be in accordance the notification of the Capital Market Commission defined.
- (14) In performing of Audit Committee's duties, if found or suspected that it have transaction or action as follows which may have a significant impact on the financial position and operating results of the Company. The Audit Committee shall reports to Board of Directors for rectification within period that Audit Committee deem appropriate.
- Transaction was conflicts of interest.

- Fraud or irregularity or a significant deficiency in internal control system.
- Violation of the law on Securities and Exchange, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business.

If the Board of Directors or Executive fails to make a rectification within period according to the first paragraph, one of member of Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (15) Authorized to hire the consultant or outsider according to regulation of the Company to comment or consulting if needed.
- (16) Authorized to invite the Executive or any related person of the company to comment, attend meetings or provide relevant information.
- (17) Report the performance of Audit Committee to the Board of Directors acknowledge at least 4 times per year.
- (18) Evaluation of its own performance annually.
- (19) Review and evaluate on the adequacy of its charter and propose the change to the Board for approval.
- (20) Perform any other duties as assigned by the Board of Directors.

3) Executive Committee

As at December 31, 2015 the Executive Committee consisted of 4 members as follows.

No.	List of Executive Committee	Position	Remarks
1.	Mr.Wiboon Sangwithayanon	Chief Executive Officer	Appointed on 11 Aug 2015
2.	Miss Rewadee Whanchid	Executive Committee	Appointed on 11 Aug 2015
3.	Miss Chinanut Jariyarudeechai	Executive Committee	Appointed on 11 Aug 2015
4.	Mr. Peerapon Thantranon	Executive Committee	Appointed on 11 Aug 2015

Elements and qualifications

The Executive Committee must has at least 3 members consisting of Chief Executive Officer as a Chairman of Executive Committee by position and other persons who the Board of Directors appointed to be member of Executive Committee, are employees and/or outsider. This requires knowledge and experience sufficient to serve management of the Company's business as well.

Term in office

Member of Executive Committee retire from office when

- (1) Dead
- (2) Resign

(3) The Board of Directors approved to retire.

Any member of Executive Committee would like to resign, shall submit a resignation letter to Chairman of the Board. In cases where position member of Executive Committee is vacant, the Board of Directors shall appoint a new member of Executive Committee within 90 days to make Executive Committee has fully members as the Board of Directors defined.

Executive authority

- (1) Appointment, removal, transferring, considering meritorious service as well as determine compensation and benefits for employees in various levels including other working group to perform various activities in management of the Company.
- (2) Approve the sales under normal transactions of the Company in the absence of guarantees or collateral or not protect or exceed credit limit by insurance in excess amount of Baht 20 million (total amount per client).
- (3) Approve raw materials purchasing to produce in all items which excess from authority of the management.
- (4) Approve the sourcing and investment in fixed assets in excess amount of Baht 5 hundred thousand per time.
- (5) Approve the pretreatment, destroy, write off the fixed assets and intangible assets that deprecated, damaged, lost, destroyed or obsolete cannot be used which has total book value in excess amount of Baht 5 hundred thousand in each time.
- (6) Approve the reconditioning, destruction of raw materials and / or deteriorated inventory or obsolete, which would have book value decreased in excess amount of Baht 5 hundred thousand in each time.
- (7) Approve the compromise, dispute settlement by arbitration, grievances, litigation and / or the implementation of any judicial procedure on behalf of the Company for non-habitually of commercial with discount, in excess amount of Baht 5 hundred thousand in each time and / or habitually of commercial with discount, in excess amount of Baht 1 million in each time.
- (8) Authorized to perform in financial transaction with financial institution in account opening with bank, financial institution and request guarantee from bank, financial institution of not exceeding Baht 50 million.
- (9) Approve loans and guarantee to subsidiaries in the amount of not exceeding Baht 20 million per company.
- (10) The Executive Committee may authorize the executives or any person has the authority to perform in any or many matter according to the Executive Committee considered appropriate. The approval of

executive committee and authorization must not the related transaction or transaction that may have conflict of interest or transaction that the members of Executive Committee are the stakeholders as defined in the Articles of Association and the announcement of the Capital Market Commission.

(11) Hiring a consultant or independence person to provide comments or suggestions as needed.

(12) Perform other duties according assigned from the Board of Directors in each period.

Duties and Responsibilities

- (1) Make recommendations on strategic direction, Management structure, Business plan and annual budget for the Board of Directors.
- (2) Responsible for management of the Company's business to comply with the direction, policy and goals of business.
- (3) Responsible for enhancing competitiveness of the Company and encourage to create innovation continuously.
- (4) Responsible for the operation of the Company to comply the law, objectives, articles of association, resolution of shareholders, resolution of Board of Directors as well as related regulations.
- (5) Ensuring the preparation of financial reports for the auditor to audit and / or review before propose to the Audit Committee and the Board of Directors respectively.
- (6) Consider and comment on the subject that must be approved by the Board of Directors. Except in any activities that the Board of Directors authorized to other committees to perform.
- (7) Consider and review the risk management and internal control systems of the Company.
- (8) Review and assess the adequacy of its charter and propose the change to the Board of Directors for approval.
- (9) Perform any other according to the Board of Directors assigned.

4) Nomination and Remuneration Committee

As at February 29, 2016 the Nomination and Remuneration Committee consists of 3 members as follows.

No.	List of Nomination and Remuneration Committee	Position	Remarks
1.	Asst.Prof.Dr. Pakdee Manaves	Chairman of the Nomination and Remuneration Committee	Appointed on 29 Feb 2016
2.	Mr. Theera Phetmalaigul	Nomination and Remuneration Committee	Appointed on 29 Feb 2016
3.	Mr. Tatchapong Thamputhipong	Nomination and Remuneration Committee	Appointed on 29 Feb 2016

Objectives

The Nomination and Remuneration Committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the Shareholders' Meeting.

Composition of the Nomination and Remuneration Committee

- (1) The Nomination and Remuneration Committee is to be appointed by the Board of Directors company's committee and has to comprise of not less than three persons, being the Company's directors and/or executives by more than one-half of the total number of Nomination and Remuneration Committee's members must be independent directors.
- (2) The independent director shall be the Chairman of the Nomination and Remuneration Committee.

The office term

- (1) The Nomination and Remuneration Committee's member has the office term of three years.
- (2) The Nomination and Remuneration Committee's member may be re-appointed as the Board of Directors see as appropriate.
- (3) Apart from vacating upon the end of office term stated in Item (1), the Audit Committee's member will retire from the office upon the following conditions:
 - Resignation
 - Dismissal by the Board of Directors
- (4) The Board of Directors has power to appoint a new member of the Nomination and Remuneration Committee as to resume the operation and to substitute the member of the Nomination and Remuneration Committee who is out of office term according to Item (1) or Item (3) The substituted member can only be in the office within the remaining term of the member he/she replaced.

Duties and Responsibilities

Nomination

- (1) Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
- (2) Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/or became vacant, including newly appointed director.

- (3) Executing other tasks related to nominations as assigned by the Board of Directors.
- (4) Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

Remuneration

- (1) Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
- (2) Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
- (3) Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.
- (4) Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
- (5) Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

The management team and other units have to report or present the information relating to the Nomination and Remuneration Committee in order to support the operation of the Nomination and Remuneration Committee to achieve their assigned tasks.

Reporting

The Nomination and Remuneration Committee directly reports to the Board of Directors.

Meetings

- (1) The Nomination and Remuneration Committee holds a meeting when seen as appropriate (at least 1 time a year) and has power to call for an extra meeting if necessary. The Nomination and Remuneration Committee shall comprise of not less than one-half of the total existing members.
- (2) All the Nomination and Remuneration Committee's members shall attend every meeting unless he/she has any necessary matter. In this case, the member has to notify his absence in advance to the Chairman of the Nomination and Remuneration Committee.
- (3) The Chairman of the Nomination and Remuneration Committee shall be the chairman of the meeting. In case where the Chairman of the Nomination and Remuneration Committee is absent, other Nomination

and Remuneration Committee's members attending the meeting can select one member to be a substitute chairman of the meeting.

- (4) The resolution of the Nomination and Remuneration Committee can be made by majority vote. Any member of the Nomination and Remuneration Committee, who has any interest or benefit in the related topic shall not vote in that particular topic.
- (5) The meeting invitation letter shall be issued to the Nomination and Remuneration Committee in advance prior to the meeting date held. This excludes the emergency case, where the dates of the meeting will be informed by other methods or the meeting shall be scheduled earlier. The secretary of the Nomination and Remuneration Committee shall take the minutes of the meeting.
- (6) The Nomination and Remuneration Committee can invite any related personnel to attend the meeting in order to provide relevant information to the Nomination and Remuneration Committee.

8.3 Nomination and appointment of Directors and Executives

The Nomination and Remuneration Committee served for nominating candidates to replace Directors and Executives in the case of completed their terms resign or other. In order to comply with the corporate governance guidelines of the Stock Exchange of Thailand and Articles of Association, the Board of Directors and executives of the Company must be fully qualified by the Public Companies Act BE 2535 and the Securities and Exchange Act BE 2535.

The Nomination and Remuneration Committee is responsible for setting the company's policy and criteria in the selection of directors and determining the remuneration of the Board of Directors and sub-committees. Also, to recruit, select, and nominate the right person to be a director as well as to set the remuneration for a director. This includes working on other assigned tasks and present to the Board of Directors and/or to the Shareholders' Meeting.

The Charter of the Nomination and Remuneration Committee was approved by the Board of Directors Meeting No. 1/2016 on February 29, 2016 and become effective on February 29, 2016 onwards.

8.4 Supervision of Subsidiary and Affiliated Companies

The Company set up mechanism to supervise and oversee the operations of its subsidiary and affiliated companies as follows:

- (1) The Company sends representatives of the Company to serve as directors, executives, or authorized persons in such companies according to the ratio of shareholding which was approved by the meeting of the Board of Directors.

- (2) The Company has a policy to appoint the audits of the Company to serve as the audits of subsidiary and affiliated companies to regulate and ensure accuracy and completeness in the disclosure of financial status information and operation results, transactions between subsidiary companies and related persons, acquisition and disposal of assets or other important transactions, using the same criteria for disclosure of information and preparation of transaction used by the Company.

8.5 Insider information management

The Company supervise the insider information by defined the guidelines on ethical principles for employees including measures to supervise the use of insider information as follows.

- 1) The Company determined to Directors, Executives and Employees as the notification of the SEC that defined to Directors and Executives responsible for report the change in securities holdings to the SEC under article 59 of the Securities Exchange Act of BE 2535 within 3 days from the date of holding changed and inform to Company Secretary acknowledged to record change and number of securities summary of directors and executives individually and report to the SEC. It was also informed penalty if they are violates or fails to comply with such requirements.
- 2) The Company has regulation to ban the financial information or other information that impact to the Company's securities market price disclose outside parties or those who are not involved and ban on securities trading in the last 1 month before the financial information or other that impact to the market price of its securities to the public and must not trade the Company's securities until after 24 hours from the time it was disclosed all information to the public. Non-fulfillment such regulation constitute a disciplinary breach of the Company. If any director, executive or employee who know important insider information committed a disciplinary breach, the Company will conduct disciplinary penalty under the regulations of working in order to maintain the discipline of organization or punitive action by the process of law in the case of an offense which violated the law. The procedures and implementation of penalty depends on the seriousness of offense in each case that include termination and maximum penalty of criminal action. Moreover, the Company specified the measures on insider information management in employment contract relating to the insider information of the Company which all employees must comply.

8.6 Remuneration of Auditor

Articles of Association stated that the Annual General Meeting of Shareholders shall appoint the Auditor and determine audit fee of the Company every year. The appointment of auditor can appoint existing auditor again. The auditor must not be a director, staff, employee or person who holding any position in the Company.

The Annual General Meeting of Shareholders 2015 on April 29, 2015 appointed Mr. Khitsada Lerdwana C.P.A. Registration No. 4958 and / or Mr. Termphong Opanaphan C.P.A. Registration No. 4501 and / or Ms. Sumalee Reewarabandith C.P.A. Registration No. 3970 of EY office Company Limited as the auditor of the Company with remuneration not exceeding 1,100,000 Baht including authorization by the Board of Directors to approve the audited financial statements that may occur during the year.

EY office Company Limited was an auditor of the Company since 2009 - 2015, total of 7 years and the auditor of its subsidiaries is the same office of the Company's Auditor. Details of audit fee as follows.

Audit fees (Baht)	2015	2014	2013
Annual audit	700,000	685,000	685,000
Review of quarterly financial statements (3 quarter)	345,000	330,000	330,000
Reporting package	-	52,000	52,000
Review of BOI certificates	-	-	100,000
Subsidiaries audit	465,000	477,000*	477,000*
Total	1,510,000	1,067,000	1,167,000

* In 2013-2014 the Company had 2 subsidiaries [WH pipe (Thailand) Ltd. and WH holdings Ltd.]



9. Detailed information about Directors, Executives, Control authority and Company Secretary

Qualification List of Directors, Executives, Control authority and Company Secretary as at December 31, 2015.

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
1. Dr.Vichit Yamboonruang Chairman of the Board of Directors Appointed on 16 Mar 2015	74	<ul style="list-style-type: none"> Ph.D Public & International Affairs, University of Pittsburgh, USA M.S. Science & Hygiene, University of Pittsburgh, USA M.A. Economics, Columbia University, New York, N.Y., USA 	None	None	2005 – present	Chairman of the Board of Directors Chairman Independent Director / Chairman of Audit Committee Independent Director Independent Director Director	Wiik & Hoeglund PLC Global Bond Industrial Co., Ltd. Jasmine International PLC Rayong Purifier PLC Wally International Co., Ltd. Sangsin Property Co., Ltd.
					2005 – 2013	Chairman of the Board of Directors	Thai Premier League Co., Ltd.
2. Mr.Wiboon Sangwithayanon Director / Chief Executive Officer (Authorized signatory) Appointed on 3 Jun 2015	51	<ul style="list-style-type: none"> Master of Business Administration (MBA), Major in Marketing Management, National Institute of Development Administration Bachelor of Engineering (BE), Major in Civil Engineering, Chulalongkorn University Director Accreditation Program (DAP) class 120/2015 	None	None	Jun 2015 – present 2012 – May 2015 2007 – 2012 2005 – 2007 2002 – 2005 1989 – 2002	Chief Executive Officer Vice President – Sales & Marketing Business Development Manager / Project Manager Managing Director Business Development Manager Marketing Manager	Wiik & Hoeglund PLC Wiik & Hoeglund PLC Vi-Va Limited Partnership Phetsiam PE Pipe Co., Ltd. Matech International Limited Partnership Wiik & Hoeglund PLC
3. Mr.Burin Kunatippapong Director	44	<ul style="list-style-type: none"> M.M (Entrepreneurship) with Distinction, College of Management, Mahidol 	None	None	2015 – present Jun 2015 – present	Managing Director Director	Koncise Co.,Ltd. Wiik & Hoeglund PLC



Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
Appointed on 1 Jun 2015		University <ul style="list-style-type: none"> • M.Eng Sc (Engineering Management), Queensland University of Technology, Australia • B.Eng (Mechanical Engineering), Chulalongkorn University 			2011 – May 2015 2008-2010	Chief Executive Officer / Executive Director Senior Vice President Thailand Branch Manager	Wiik & Hoeglund PLC Pacific Star International (Thailand) Ltd. Bovis Lend Lease (Thailand) Ltd.
4. Mr.Vichien Tangudtaisuk Director (Authorized signatory) Appointed on 26 Feb 2015	58	<ul style="list-style-type: none"> • Master of Business Administration (MBA), Chulalongkorn University • Master of Business Administration (Marketing), Thammasat University • Bachelor of Education (Psychology), Chulalongkorn University • Bachelor of Laws, Ramkhamhaeng University 	None	None	Feb 2015 – present 2011 – present 2010 – present 1998 – present 1998 – present 2002 – 2012	Director Director Chairman of the Board of Directors Director Director Adviser to the Board of Directors	Wiik & Hoeglund PLC Apollo Solar Co., Ltd. Multibax PLC Thai Housing Development Co., Ltd. Yawawong Holding Co., Ltd. Grand Unity Development Co., Ltd.
5. Miss Rewadee Whanchid Director / Executive Committee (Authorized signatory) Appointed on 24 Feb 2015	45	<ul style="list-style-type: none"> • Master of Business Administration, Kasetsart University • Bachelor of Business Administration, Ramkhamhaeng University 	None	None	Feb 2015 – present 2014- present 2012- present 2008- present 1994- present	Director Director Director Director Assistant Managing Director	Wiik & Hoeglund PLC Thai Consumer Distribution Centre Co., Ltd. Mantra Assets Co., Ltd. Aqua Ad PLC Aqua Corporation PLC
6. Asst.Prof.Dr. Pakdee Manaves Independent Director / Chairman of the Audit Committee	51	<ul style="list-style-type: none"> • D.Eng, Industrial Engineering, Kasetsart University (Collaboration with Case Western Reserve University, USA) 	None	None	Feb 2015 – present 2009 – present	Independent Director / Chairman of the Audit Committee Assistant Professor	Wiik & Hoeglund PLC Stamford International University



Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
Appointed on 24 Feb 2015		<ul style="list-style-type: none"> ● PhD in International Business Management, American University, USA ● Master of Business Administration, University of Liverpool, UK ● Master of Business Administration, Thammasat University ● B.Eng, Chulalongkorn University 			2012 – 2014	Managing Director	Business Group in Indonesia, Prukta Real Estate PLC
					2004 – 2012	Deputy Managing Director	Bangkok Aviation Fuel Services PLC
					2010 – 2012	Managing Director	JP-One Asset Co., Ltd.
					1997 – 2004	Managing Director	Fosroc (Thailand) Limited
7. Mr.Theera Phetmalaigul Independent Director / Audit Committee Appointed on 24 Feb 2015	43	<ul style="list-style-type: none"> ● Master of Engineering (Mechanical), Cornell University, College of Engineering, Ithaca, NY, USA ● Bachelor of Engineering (Mechanical), Chulalongkorn University ● Director Accreditation Program (DAP) class 120/2015 	None	None	Feb 2015 – present	Independent Director / Audit Committee	Wiik & Hoeglund PLC
					2012- present	Chairman of the Board of Directors	Global Success Partner Co., Ltd.
					2011-2012	Asia Pacific Stewardship & Analysis Manager	ExxonMobil Co., Ltd.
					2010-2011	Shutdown and Turnaround Manager	Esso Sriracha refinery, Esso (Thailand) PLC
8. Mr.Tatchapong Thamputhipong Independent Director / Audit Committee Appointed on 24 Feb 2015	50	<ul style="list-style-type: none"> ● Master of Business Administration, Thammasat University ● Bachelor of Business Administration (Finance and Banking), Chulalongkorn University 	None	None	Jun 2015 – present	Senior Vice President	Siam Commercial Bank PLC
					Feb 2015 – present	Independent Director / Audit Committee	Wiik & Hoeglund PLC
					2014 – May 2015	Senior Vice President & Division Head	Bangkok Bank PLC
					2012 – 2013	Chief Executive Officer	Corporate Group of Thonburi Hospital
					2012 – 2013	Managing Director	Ameditech Corporation Co., Ltd.
						Executive Director	Pattaya Hospital
					2012 – 2013	Managing Director	Dental Siam Co., Ltd.



Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
9. Miss Chinanut Jariyarudeechai Executive Committee / Chief financial controller Appointed on 12 May 2015	38	● Bachelor of Accounting , Chiangmai University	None	None	May 2015 – present Dec 2014 – Apr 2015 2011-2014	Executive Committee / Chief financial controller Accounting Manager Accounting Manager	Wiik & Hoeglund PLC Wiik & Hoeglund PLC Real Move Co., Ltd.
10. Mr. Peerapon Thantranon Executive Committee / Domestic Sales Manager	48	● St. Joan Of Arc Commercial School	None	None	Jul 2015 – present Mar 2013 – Jun 2015 Jan 2008 – Sep 2009 Jan 2006 – Jan 2007 Sep 1993 – Jan 2006	Domestic Sales Manager Assistant Sales Manager Sales & Marketing Executive Assistant Sales Manager Senior Executive Officer	Wiik & Hoeglund PLC Wiik & Hoeglund PLC Texcom Export Co.,Ltd. Phetsiam PE Pipe Co.,Ltd. Wiik & Hoeglund PLC
11. Mrs. Sasiwimon Wirojchewan Administrative & Procurement Manager	49	● Master of arts in Economic Law, Faculty of Law, Chulalongkorn University ● Bachelor of Science in Social Psychology, Faculty of Education, Ramkhamhaeng university	None	None	2005 - present	Administrative & Procurement Manager	Wiik & Hoeglund PLC
12. Miss Jarunee Anansuksakun Technical & Product Manager	42	● Master of Business Administration National Institute of Development Administration ● Bachelor of Environmental Engineering, Chulalongkorn University	None	None	2000- present	Technical & Product Manager	Wiik & Hoeglund PLC
13. Mr. Arom Petchmanee Factory Manager	51	● Doctor of Business Administration (DBA) Western University ● Master of Business Administration (MBA) Burapha University	None	None	2007 – present	Factory Manager	Wiik & Hoeglund PLC



Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
		<ul style="list-style-type: none"> • Master of Business Economics (MBE) Kasetsart University • Bachelor of Laws (LL.B.) Ramkhamhaeng University • Bachelor of Industrial Technology in Electrical Engineering (Electrical Power) Srinakharinwirot University • Bachelor of Science in Industrial Technology (Electronics) Rajabhat Institute Chachoengsao • Bachelor of Science in Industrial Technology (Production) Petchburiwittayalongkorn Teachers College. (under the Royal Patronage) 					
14. Mr. Krisnat Busapavanij Export Sales Manager	44	<ul style="list-style-type: none"> • Master of Business Administration: International Management Emphasis, Bellevue University, USA. • Bachelor of Business Administration, Bangkok University 	None	None	2010 - present	Export Sales Manager	Wiik & Hoeglund PLC
15. Miss Parichart Wongwiwat Business Development Manager	46	<ul style="list-style-type: none"> • Bachelor of Business Administration, General Administration, Ramkhamhaeng university • Master of Public Administration, Public 	None	None	Jun 2015 – present May 2010- May 2015 Oct 1998 – Feb 2010	Business Development Manager Assistant Managing Director Assistant Manager of Sales and Marketing	Wiik & Hoeglund PLC Thai Gow Gai Group Co., Ltd. Wiik & Hoeglund PLC



บริษัท วิค แอนด์ ฮูกลันด์ จำกัด (มหาชน)
WIik & HOEGLUND PUBLIC CO.,LTD

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
16. Mr. Wittaya Janta-ummao Company Secretary Appointed on 12 May 2015	30	and Private Management, National Institute of Development Administration • Bachelor of Economics, Chiangmai University	None	None	May 2015 - present Oct 2014 – Apr 2015 2011 – Sep 2014 2008 - 2011	Corporate Secretary / Investor Relations Corporate Secretary / Investor Relations Corporate Secretary / Investor Relations Research Assistant / Transport economist	Wiik & Hoeglund PLC Asset Bright PLC General Engineering PLC Smart Plan Consultant Co., Ltd.

Details on the tenure as Directors and Executives in Subsidiaries, Associates and related companies as of
December 31, 2015

No.	List of Directors	The Company	Subsidiary (Wiik Water Co., Ltd.)	Associates (None)	Related Companies (None)
1.	Dr.Vichit Yamboonruang	X			
2.	Mr.Wiboon Sangwithayanon	//	/		
3.	Mr.Burin Kunatippapong	/			
4.	Mr.Vichien Tangudtaisuk	/	/		
5.	Miss Rewadee Whanchid	//	/		
6.	Asst.Prof.Dr. Pakdee Manaves	/			
7.	Mr.Theera Phetmalaigul	/			
8.	Mr.Tatchapong Thamputthipong	/			

Notes

- (1) / = Director X = Chairman of the board // = Executive Director
- (2) Related Companies shall mean juristic person definition of the person who may have a conflict of this announcement.

10. Corporate Social Responsibilities: CSR

10.1 Overall Policy

Wiik & Hoeglund Public Company Limited (“the Company”) operates core business is the manufacture and distribution of high quality plastic pipes and fittings for application of various types by quality of our products and services are recognized internationally. The Company has significant part in upgrading quality of water supply infrastructure which is important and affect to the quality of life development of people in the country directly.

The Board of Directors aware of the responsibility to society and environment for the sustainability of business and overall society. And to provide the Company and its subsidiaries have the social and environmental responsibility guidelines to take part in the management of business processes (CSR-in-Process). Therefore the Company determined the corporate social responsibility policy (CSR) as follows.

1) Operation with fairness

To achieve fairness in business operation, the Company has determined code of ethics for its employees and announced a guideline for operations of the Company on June 22, 2009 and updated Code of Conduct on February 29, 2016.

The Company expects all staff to perform their duties without obligation or commitment of any relevance that related to exploitation by outsiders. The business operation or any legal action of the Company must be correctly under legal and any related regulations always, both transactions occurring domestic and overseas.

The Company operates its business based on openness, honesty, reliability, rationality and justice. Such fundamental ethical principles will be taken to treat our customer, partner, government official and personnel in the group companies as well as any business operation that related to products and environment.

2) Anti-Corruption

The Company operates with transparency under the rules of fair competition. Therefore, the Company does not accept contacting or doing business that non-transparent or connected to corruption which is an action that inconsistent with fair competition and destroy our honor and reputation of organization and country.

The Company’s Directors, Executives, and employees are prohibited from engaging in any acts related to any form of corruption for the direct or indirect benefit of oneself, family, friends, or acquaintance, whether to receive from or give a bribe in the form of money or any others to government or private agency that the Company conducts business with or contacts, and shall strictly comply with the anti-corruption policy of the Company.

The Company has also ensured to provide a structure of responsibility, risk management system, internal control, and internal audit to prevent and suppress corruption in the Company.

The Board of Directors' Meeting No. 8/2015 on August 11, 2015 approved the intention to join the Private Sector Collective Action Coalition against Corruption (CAC) and ratification to acknowledge the agreement under declaration of CAC on Anti-Corruption in all forms on August 31, 2015. Moreover, the Board of Directors approved the Anti-Corruption Policy of the Company which was effective on August 11, 2015.

3) Respect for human rights

The Company focus on human rights basic to promote respect for rights and freedoms of non-discrimination and promote equality by regardless of the differences of race, skin color, gender, language, religion, physical status or health and we expect all staff to treat each other with honesty, integrity, fairness and respect which includes respect for different culture and traditions. The Company does not accept disparaging, bias, favoritism, discrimination and does not accept any behavior of its employees or partners who are behaving in a way threatening or damaging to the Company. We defined the ethical principles guidelines for employees which sets guidelines on such matters clearly. And announced a guideline for operations of the Company on June 22, 2009 and updated Code of Conduct on February 29, 2016.

4) Practice on workers fairly

The Company treats employees equally and fairly and provides welfare, safety and hygiene in the workplace including compliance with organizational learning policy and personnel development to promote working of employees professionally. Development of working system and creates innovation in organizations as well as encourages employees to participate in making benefits to society both directly and indirectly.

The Company has policy on recruiting, developing and retaining personnel because we realized that personnel are important in achieve the Company's goal. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

5) Responsibility to Consumer

The Company has international manufacturing quality standards which was being certified ISO 9001: 2008 and ISO 14001: 2004 for the production of PE pipes and pipe fittings. The Company produce according to

manufacturing standards that customer require such as TIS 982-2556, ISO 4427-2, ASTM D3035, DIN 8074, ASTM F714, AS/NZS 4130 and EN 12201-2.

The Company focuses on products quality control from the selection and monitoring of resins to get the genuine raw material of high quality polyethylene compound for use in the manufacturing. Quality control in the manufacturing process (In Process Quality Control) until inspection before delivery to the customer (Final Inspection) by using standardized tests that are internationally recognized. Thus, it is ensuring that products and services of the Company have highest quality throughout duration of use.

6) Caring for environment

The Company is a leading manufacturer of HDPE pipe in Thailand for over 30 years. We conduct business under the quality policy and environmental conservation. Thus, the Company was being recognized in terms of products and quality control internationally by focus on environment saving and development policy under the theme “Improving Your Living Environment”. Production process and products of the Company not pollute and environmentally friendly. The Company proud that has international standard of environmental conservation ISO 14001.

The company continues to focus on environmental management and attempts to least cause of environmental impact whether our employees, location and nearby communities. The environmental management concerns manufacturing process, chemical using in production and machine maintenance including with disposal hazard and non-hazard waste under legal standard. The environmental management activities as follows;

- External Audit ISO14001 from Third parties and surveillance auditor and Internal Audit in the company
- Environment campaign and continuous training environment acknowledge along with visiting outside
- Making contact with supplier to disposal the waste who under control of Department of Industrial Works (DIW) and all concerned
- Appointing an environmental management committee in order to visual inspection to evaluate potential environmental concern and monthly situation report.
- Communicate environmental issue with nearby communities and all accept if they have an environmental complaint.
- Monitoring and improving cooling water system in production process in order to reduce water consumption and recirculation system.
- Electrical conservation plan development to improve electricity efficiency in order to reduce electric power consumption.

- Increase green area by planting trees around the factory.
- Monitoring and measurement procedure of workplace environment regulation.

7) Community or social development

Since the company's business is in the manufacturing sector which our factory was located in Rayong Province. The company is well aware of community effect, so we have decided to build our plant in the best industrial estate that high management standard, reliable and friendly community located. The company has defined the definition of production process, security system, hygienic condition and friendly environmental. Moreover we are providing to support public communities and social responsibility such as donation our product to public construction and participate various social activities. In additional the company's recruitment policy will give priority the candidates who are domiciled in the vicinity in order to increase local employment, economy growth and improve the well-being of local communities.

8) Dissemination of innovation from operation with responsibility to social environmental and stakeholders

The Company has significant part in upgrading quality of water supply infrastructure which is important and affect to the quality of life development of people in the country directly. Especially the upgrading of quality standard of water pipeline that changed from steel pipe to high density polyethylene pipe (HDPE) today, which is the same type used in developed countries such as Europe in all water supply system for over 50 years. So it solves the problem of rust from steel pipe and makes tap water safe for consumers. This type of pipe is easier for installation, so it reduce the time to place pipeline and has longer lifetime worth the investment.

But in the past, the using of HDPE pipe in Thailand still faces several obstacles especially the quality standard that use of low-quality raw materials to produce. Some contractor who want to reduce costs, use this weakness select the pipe with a mixture of recycled plastic which has a lower price cause many of problems such as.

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.
- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

The Company understood this problem very well and keeps the standard and quality policy to the highest at all time to provide confidence and safety for the user and also improves the quality of life of people in Thailand.

10.2 Activities to benefit society and environment

In 2015, the Company has the activities to benefit society and environment as follows.

1) Mobile water production system, Provincial Waterworks Authority, Wattanakorn branch

As Provincial Waterworks Authority, Aranyaprathet branch faces drought currently which has raw water insufficient to produce water supply. It is need to deliver extra water from Provincial Waterworks Authority, Wattanakorn branch to increase the efficiency of water production.

Therefore Wiik & Hoeglund Public Company Limited bring mobile water production machine size 30 cubic meters per hour with equipment such as a water tank capacity of 100 cubic meters and welding pipe size 110 mm distance of approximately 500 meters to install at Provincial Waterworks Authority, Wattanakorn branch without any charge to increase water supply to production of Provincial Waterworks Authority for quality water supply to public in drought season.



2) “WIik CARE ENVIRONMENT” Project

Mr. Wiboon Sangwithayanon, Chief Executive Officer with Executives and Employees of Wiik & Hoeglund Public Company Limited deliver garbage storage equipment for the environment to Hua Hin Municipality Prachuap Khiri Khan Province. Mr. Nopporn Woothikul, Mayor receive 8 trash in order to achieve public benefit in “WIik CARE ENVIRONMENT” project for campaign to clean and restore natural balance back to beach in Cha-am - Hua Hin at Chomview Seafood Restaurant Cha-am, Phetchaburi Province on November 13, 2015.



10.3 Anti-Corruption Policy

The Board of Directors’ Meeting No. 8/2015 on August 11, 2015 approved the intention to join the Private Sector Collective Action Coalition against Corruption (CAC) and ratification to acknowledge the agreement under declaration of CAC on Anti-Corruption in all forms on August 31, 2015. Moreover, the Board of Directors approved the Anti-Corruption Policy as follows.

1) Corruption

Corruption may include the abuse of entrusted power for private gain by offering, promising, giving, accepting or soliciting of direct and/or indirect as inducement for an action which is illegal and unethical. Inducement can take the form of gifts, offering, rewards or other advantages to government official or other stakeholders whom the company has to deal with.

2) Policy

Wiik & Hoeglund Public Company Limited conducts business with transparency, under the rules of fair competition. The Company shall not engage in obscure business or business that enables corruption which is not in accordance with the rules of fair competition and destroys the honor and credibility of the Company and the country.

The Company's Directors, Executives, and employees are prohibited from engaging in any acts related to any form of corruption for the direct or indirect benefit of oneself, family, friends, or acquaintance, whether to receive from or give a bribe in the form of money or any others to government or private agency that the Company conducts business with or contacts, and shall strictly comply with the anti-corruption policy of the Company.

The Company has also ensured to provide a structure of responsibility, risk management system, internal control, and internal audit to prevent and suppress corruption in the Company.

3) Duties and Responsibilities

- (1) The Board of Directors shall consider and approve policies against corruption of all forms whether direct or indirect to be used a guideline by all employees.
- (2) The Board of Directors shall comply with the anti-corruption policy and assign the executive to implement the anti-corruption measures.
- (3) The Audit Committee shall audit and review to ensure good corporate governance practices in the Company that are in line with the relevant policies, regulations, and laws.
- (4) The Audit Committee must report if they discover or suspect any transactions or acts, which may significantly affect the financial status and operating results of the Company, and corruptions to the Board of Directors.
- (5) The internal audit office shall directly report to the Audit Committee and shall carry out auditing of operations of every unit to ensure compliance with the company's regulations and evaluate efficiency and sufficiency of the internal control system based on the principles of good corporate governance.
- (6) The Executive shall communicate to all personnel in the Company and related persons the Company's anti-corruption policy.

4) Measures

- (1) The Directors, Executives, and employees shall comply with the anti-corruption policy. The Board of Directors shall assign the executive to communicate the policy to all employees and implement the anti-corruption measures.
- (2) The Directors, Executives, and employees who violate or fail to comply with the good corporate governance and anti-corruption policies shall be penalized in accordance with the laws and the Company's regulations. However, the Company shall not demote or negatively penalize those who fail to comply with anti-corruption policy even though they may cause the Company to loss business opportunity.
- (3) The Company shall lay out disbursement regulations with clearly defined amount, approval authority, objective, and receiver. Proof of documents shall be required to prevent fraud or corruption and inspection by internal control office must be carried out.
- (4) The Company shall audit sales and marketing work, acquisition, and contracts with risk of corruption to be in compliance with disbursement and acquisition regulations. The internal audit office shall provide opinions and monitor the process.
- (5) The Company shall provide human resource management process that reflects the commitment of the Company to fight against corruption from recruitment, training, evaluation, compensation, and promotion.
- (6) The Company shall provide internal audit to ensure that the internal control system is effective and helps the company to achieve its goals, as well as to ensure that every unit's operation complies with regulations and to find weakness and defect in the operation and provide recommendations on operation system to improve efficiency and effectiveness in accordance with good corporate governance.
- (7) The internal audit office shall immediately report matters to the Audit Committee which shall notify the Board of Directors.

5) Communicating Anti-Corruption Policy

- (1) The Company shall post the notice of anti-corruption policy on every public relation board of the Company.

- (2) The Company shall communicate anti-corruption policy through communication channels of the Company including the Company's website, annual transaction statements (Form 56-1), and annual report (Form 56-2).
- (3) The Company shall include the anti-corruption policy in the manual for employees.
- (4) Every employee must sign the form as an agreement for acknowledging the Codes of Conduct and anti-corruption policy and agree to comply with the regulations to prevent for using reason of not having read or signed the form as an excuse to not comply with the Code and policy.
- (5) If any regulation in the Codes of Conduct or anti-corruption policy is canceled, such cancellation shall be approved by the Board of Directors and must be immediately announced.

6) Reporting or Complain

The Board of Directors has set out measures for reporting or submitting complains on unlawful or unethical acts or acts of corruption or wrongdoing by the company's personnel, as well as on inaccurate financial statements or defected internal control system and has implemented protective measures for reporters. This is to encourage stakeholders to be involved in overseeing and protecting the interests of the Company more efficiently.

(1) Scope of reporting and complaining

- Unlawful acts, acts of corruption, violation of the Company's Articles of Association or Ethics by the Directors, Executives, and employees.
- Anomalies in financial statements and defects in the internal control system.
- Matters affecting the interests or reputation of the Company.

(2) Reporting or complaining channels

- Opinion boxes of the Company
- Contact Chief Executive Officer
E-mail: wiboon@wiik-hoeglund.com
Tel: 02-612-8600 Ext. 8650
- Contact Chairman of the Audit Committee
E-mail: pmanaves@gmail.com
Tel: 02-612-8600
- Contact Secretary to the Audit Committee
E-mail: chinanut@wiik-hoeglund.com
Tel: 02-612-8600 Ext. 8620

(3) Protective measures for reporters

- The Company shall not disclose information and identity of those who petition, complain, and the accused.
- The Company shall disclose information as necessary and shall consider the safety and damage of the reporter, source of information, and related persons.
- Those who receive damages shall be mitigated with fair and appropriate process.
- It is a duty of the commanders or heads of the units of the accused to exercise due care in giving orders to protect the petitioner, witness, and informant during investigation.

7) Process after reporting

(1) Collecting facts

Officer shall proceed to collect all facts and send a report to Secretary to the Audit Committee.

(2) Information screening and investigation

Secretary to the Audit Committee shall present the information to the Board of Director or Chief Executive Officer to appoint investigation committee to carry out information screening and investigation. The investigation committee shall be composed of:

- Personnel Manager or representative from the department.
- Commander in the petitioner's line of work who shall not have conflict or material interest with the petitioner.
- Commander in the accused's line of work who shall not have conflict or material interest with the accused.
- Senior executive officer

Secretary to the Audit Committee shall participate to observe the investigation process.

(3) Determining operation measures

Secretary to the Audit Committee shall prepare summary report and submit to the Board of Directors or Chief Executive Officer whichever the case for approval of operation.

For the case that affects the reputation, image, or financial status of the Company or conflicts with the business policy of the Company or relates to senior executive, Secretary to the Audit Committee shall submit report to the Audit Committee and/or Board of Directors for consideration.

11. Internal Control and Risk Management

11.1 The Board of Directors' Comment regarding the internal control system

The Board of Directors' meeting No. 1/2016 held on February 29, 2016 by an independent director and audit committee includes two members attended the meeting. The Board has assessed the Company's internal control system by questioning information from the management and inspection documents from the management including the assessment of the management and preparation of the report of the Audit Committee. The conclusion after an assessment of the internal control of the company in various five components: (1) Internal organization control (2) risk assessment (3) The operational control (4) Information and Communication system, and (5) Tracking and trace back system

The Board of Directors concluded that the Company's internal control systems are adequate and appropriate. The Company has provided sufficient personnel to implement the system effectively. The internal control system can monitor the operations of its subsidiaries to protect the Company's assets and its subsidiaries by illegally used or without authority of the directors or executives as well as sufficiently monitor the transactions with persons who may have conflicts of interest and related party. For other internal control subjects, the Board of Directors considered that the Company has sufficient internal control as well.

11.2 The opinion of the Audit Committee

As the assessment of the internal control systems above, the Independent Director and Audit Committee do not have any further observations from the Board of Directors. Moreover the auditor of the company, Mr. Khitsada Lerdwana Auditor License No. 4958 of the Office of E Pty Ltd, who is the auditor of quarterly and year ended 2015 expressed the opinion in the auditor report that In our opinion, the financial statements of financial position as at December 31, 2015 results of operations and cash flows for the year then ended of Wiik & Hoeglund Public Co.,Ltd (the Company) and its subsidiaries and of Wiik & Hoeglund Public Co.,Ltd (Company) in accordance with generally accepted accounting principles in accordance with International financial reporting standards.

Emphasis of matter

I draw attention to Note 5 to the financial statements regarding the change in accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for land. My opinion is not qualified in respect of this matter.

11.3 Head of Internal Audit and supervisors overseeing the company's operations

The Board of Directors's meeting No. 2/2015 held on April 2, 2015, has assigned JP Tip Audit Limited to perform the internal auditor of the Company since January 1, 2558 until December 31, 2558. The JP Tip Audit limited has appointed Mr.Tanongsak Paditsatan (Managing Director) to be main duty of the internal auditors of the Company.

The Audit Committee has considered the qualifications of JP Tip Audit Limited and Mr. Tanongsak and concluded that there is sufficient and appropriate for such duties. They are independence and experienced in the field of internal audit of the industry in the same as company business for eight years

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee.



12. Related Party Transaction

12.1 Related transactions with related parties that may lead to conflicts in the past year.

Related Parties	Relationship	Category	Separate financial statements (thousand baht)		Description
			2015	2014	
Uponor Infra Ltd.	Beginning on February 24, 2015 Uponor Infra Ltd. is not a parent company.	<ul style="list-style-type: none"> Administrative expenses 	1,162	13,889	Management fee and technical assistance fee expenses.
Wiik Water Co., Ltd.	Subsidiary in 100% holding	<ul style="list-style-type: none"> Sales revenue 	1,400	1,360	Pipe and fittings sales
		<ul style="list-style-type: none"> Trade receivables 	175	34,029	
		<ul style="list-style-type: none"> Cost of sales 	8,009	6,160	Welding and other services cost
		<ul style="list-style-type: none"> Trade payables 	209	92	
		<ul style="list-style-type: none"> Administrative expenses 	2,217	-	Engineering services fee
		<ul style="list-style-type: none"> Other payables 	494	-	
		<ul style="list-style-type: none"> Investments in subsidiaries 	20,650	-	Purchase of preferred share from WH Holdings
		<ul style="list-style-type: none"> Allowance for impairment loss of investment 	(650)	-	Limited of Baht 650,225 and Newly shares subscription of Baht 20 million.

12.2 Necessity and reasonableness of the transaction.

The Audit Committee has provided an opinion on the reasonableness of the transactions of the Company and related companies as follows: (A copy of the opinion of the Audit Committee as attached).

The company is engaged in the manufacture of pipes and fittings made of plastic. The related companies which is operated in the same line of work. The transactions with related items such as trading goods such as pipes and fittings. Machine tool the equipment used in the production of raw material costs and installation operations. Intercompany loans Loan Guarantees and consulting, etc.

By conducting the entire transaction. The transaction is reasonable. According to the rules of business and the general price level with traded with outsource supplier. The process of approving the transaction. According to usual business Policies and procedures. As well as transactions with third parties or other activities that are not related to each other. Namely to consider the interests of its shareholders.

12.3 Policy and trends for transactions in the future.

If a company has entered into a transaction that is in accordance with normal business operations. The Company will determine the price and conditions of the items to clear and can be compared with others. The company will provide the Audit Committee of the Company to consider and comment on the appropriateness and reasonableness of the transaction.

Transactions that may occur in the future. The Board of Directors will act in accordance with the laws and regulations of the Securities and Exchange Commission announced the order or the terms of the Stock Exchange of Thailand. As well as compliance with the disclosure of related party transactions. And the acquisition or disposal of major assets of the company or its subsidiaries. And accounting standards set by the Association of Accountants.

13. Key Financial Information

13.1 Summary Financial Statements

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013-2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
Assets						
Current assets						
Cash and cash equivalents	71,302,684	35,342,005	84,342,784	54,826,481	34,735,250	80,927,983
Trade and other receivables	369,705,961	229,913,761	225,696,138	342,344,143	231,579,152	228,388,647
Inventories	223,487,534	212,456,156	181,029,452	222,490,656	211,369,909	178,571,063
Advance payment to subcontractors	28,313,619	28,318,778	28,407,428	28,243,619	28,243,619	28,243,619
Other current assets	6,685,653	4,781,766	13,866,909	5,111,868	4,175,570	12,208,416
Total current assets	699,495,451	510,812,466	533,342,711	653,016,767	510,103,500	528,339,728
Non-current assets						
Restricted bank deposits	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Investments in subsidiaries	-	-	-	20,000,000	-	-
Other long-term investment	21,245,632	21,245,632	21,245,632	21,245,632	21,245,632	21,245,632
Property, plant and equipment	451,225,061	342,744,086	361,481,224	446,723,824	337,326,698	355,399,192
Intangible assets	3,665,647	621,820	657,415	3,665,647	621,820	657,415
Deferred tax assets	13,402,878	10,037,990	10,837,830	13,086,820	9,710,544	10,536,818
Other non-current assets	24,324,311	20,514,650	8,524,741	17,756,168	15,094,093	1,293,365
Total non-current assets	529,863,529	411,164,178	418,746,842	538,478,091	399,998,787	405,132,422
Total assets	1,229,358,980	921,976,644	952,089,553	1,191,494,858	910,102,287	933,472,150

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013-2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	386,000,000	265,278,988	310,000,000	376,000,000	265,278,988	310,000,000
Trade and other payables	113,418,755	131,280,319	116,954,605	100,935,313	127,737,431	110,741,001
Current portion of liabilities under						
finance lease agreement	336,310	658,961	308,979	336,310	658,961	308,979
Advance received from customers	54,585,897	48,583,014	53,790,503	51,599,771	48,018,834	50,596,375
Other current liabilities	34,634,224	26,273,280	15,929,451	24,273,911	17,868,978	8,977,255
Total current liabilities	588,975,186	472,074,562	496,983,538	553,145,305	459,563,192	480,623,610
Non-current liabilities						
Liabilities under finance lease agreement,						
net of current portion	907,087	-	658,594	907,087	-	658,594
Provision for long-term employee benefits	9,883,079	13,806,257	11,833,126	8,388,637	12,269,031	10,465,026
Deferred tax liabilities	21,162,229	-	-	21,162,229	-	-
Other non-current liabilities	-	100,000	348,000	-	-	-
Total non-current liabilities	31,952,395	13,906,257	12,839,720	30,457,953	12,269,031	11,123,620
Total liabilities	620,927,581	485,980,819	509,823,258	583,603,258	471,832,223	491,747,230
Shareholders' equity						
Share capital						
Registered						
664,892,534 ordinary shares of Baht 1 each	664,892,534	300,000,000	300,000,000	664,892,534	300,000,000	300,000,000
(2013-2014: 300,000,000 ordinary shares						
of Baht 1 each)						
Issued and fully paid up						
299,938,000 ordinary shares of Baht 1 each	299,938,000	299,938,000	299,938,000	299,938,000	299,938,000	299,938,000
Share premium	127,160,000	127,160,000	127,160,000	127,160,000	127,160,000	127,160,000
Retained earnings (deficit)						
Appropriated - statutory reserve	25,387,773	25,387,773	25,387,773	25,387,773	25,387,773	25,387,773
Unappropriated (Deficit)	71,296,710	(19,040,448)	(12,769,978)	70,756,911	(14,215,709)	(10,760,853)
Other components of shareholders' equity	84,648,916	-	-	84,648,916	-	-
Equity attributable to owners of the Company	608,431,399	433,445,325	439,715,795	607,891,600	438,270,064	441,724,920
Non-controlling interests of the subsidiaries	-	2,550,500	2,550,500	-	-	-
Total shareholders' equity	608,431,399	435,995,825	442,266,295	607,891,600	438,270,064	441,724,920
Total liabilities and shareholders' equity	1,229,358,980	921,976,644	952,089,553	1,191,494,858	910,102,287	933,472,150

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013-2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
Profit or loss:						
Revenues						
Sales	1,099,470,845	881,626,032	646,536,826	1,100,870,808	882,985,985	678,379,925
Service income	45,577,873	63,004,994	99,831,181	2,871,012	5,213,107	928,000
Other income						
Dividend income	800,000	24,000,000	3,200,000	800,000	24,000,000	3,200,000
Others	17,743,381	43,143,842	4,686,188	18,102,757	41,955,300	4,022,900
Total revenues	1,163,592,099	1,011,774,868	754,254,195	1,122,644,577	954,154,392	686,530,825
Expenses						
Cost of sales	917,440,725	788,892,909	529,971,539	918,840,688	793,398,407	559,292,407
Cost of services	41,801,331	61,611,913	93,937,315	752,693	4,236,479	714,126
Selling expenses	60,818,984	66,435,667	53,536,059	66,238,984	66,435,667	53,536,059
Administrative expenses	48,926,905	84,170,099	59,955,134	44,939,636	76,712,782	56,105,321
Total expenses	1,068,987,945	1,001,110,588	737,400,047	1,030,772,001	940,783,335	669,647,913
Profit before finance cost and income tax expenses	94,604,154	10,664,280	16,854,148	91,872,576	13,371,057	16,882,912
Finance cost	(15,712,479)	(16,134,909)	(16,329,663)	(15,638,462)	(15,999,639)	(16,289,773)
Profit (loss) before income tax expenses	78,891,675	(5,470,629)	524,485	76,234,114	(2,628,582)	593,139
Income tax (expenses) income	4,423,966	(799,841)	(409,062)	4,448,722	(826,274)	(132,883)
Profit (loss) for the year	83,315,641	(6,270,470)	115,423	80,682,836	(3,454,856)	460,256
Other comprehensive income:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial gain - net of income tax	4,471,017	-	-	4,289,784	-	-
Changes in revaluation of assets - net of income tax	84,648,916	-	-	84,648,916	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	89,119,933	-	-	88,938,700	-	-
Other comprehensive income for the year	89,119,933	-	-	88,938,700	-	-
Total comprehensive income for the year	172,435,574	(6,270,470)	115,423	169,621,536	(3,454,856)	460,256
Earnings per share						
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	0.28	(0.02)	0.00	0.27	(0.01)	0.00

Wiik & Hoeglund Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2013-2015

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
Cash flows from operating activities						
Profit (loss) before tax	78,891,675	(5,470,629)	524,485	76,234,114	(2,628,582)	593,139
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortization	22,748,294	27,540,448	32,621,664	21,073,675	25,759,441	31,237,129
Doubtful accounts (reversal)	(697,571)	20,218,404	(3,611,480)	(697,571)	20,292,440	(2,074,521)
Bad debt	-	375,798	5,623,780	-	375,798	4,036,990
Reduction of inventories to net realisable value	11,772,311	11,113,852	(1,584,014)	11,772,311	11,113,852	(1,584,014)
Loss (gain) on disposal and write-off of property, plant and equipment	(3,660)	7,242	52,056	(176,801)	7,242	100,120
Loss on impairment of property, plant and equipment	1,716,953	-	-	1,694,034	-	-
Write-off withholding tax deducted at source	65,317	1,248,790	-	58,454	-	-
Long-term employee benefits expenses	1,770,425	1,973,131	1,928,015	1,586,668	1,804,005	1,773,854
Unrealised gain on exchange	(3,853,514)	(336,524)	(654,858)	(3,908,545)	(309,657)	(654,858)
Allowance for impairment loss of investment in subsidiary	-	-	-	650,237	-	-
Gain on the deregistration of subsidiary	-	-	-	(98,589)	-	-
Dividend income	(800,000)	(24,000,000)	(3,200,000)	(800,000)	(24,000,000)	(3,200,000)
Interest income	(350,779)	(410,532)	(1,177,949)	(331,889)	(408,098)	(1,167,480)
Interest expenses	15,712,479	16,134,909	16,329,663	15,638,462	15,999,639	16,289,773
Profit from operating activities before changes in operating assets and liabilities	126,971,930	48,394,889	46,851,362	122,694,560	48,006,080	45,350,132
Operating assets (increase) decrease						
Trade and other receivables	(139,252,536)	(24,790,418)	(24,982,955)	(110,225,327)	(23,837,335)	(9,234,773)
Inventories	(22,803,689)	(42,540,556)	(18,969,723)	(22,893,059)	(43,912,698)	(31,059,830)
Advance payment to subcontractors	5,159	88,650	529,098	-	-	-
Other current assets	(799,886)	9,070,820	2,355,399	(1,004,558)	8,018,522	624,991
Other non-current assets	(3,809,661)	(13,751,629)	8,981,590	(2,662,075)	(13,800,729)	9,106,490
Operating liabilities increase (decrease)						
Trade and other payables	(17,929,428)	14,677,819	67,147,887	(26,816,534)	17,321,669	66,766,817
Advance received from customers	6,002,883	(5,207,489)	4,580,493	3,580,937	(2,577,541)	2,934,479
Other current liabilities	8,860,131	10,439,920	(3,907,732)	6,944,582	8,987,814	(2,429,174)
Provision for long-term employee benefits	(104,832)	-	(106,104)	(104,832)	-	(106,104)
Other non-current liabilities	(100,000)	(248,000)	348,000	-	-	-
Cash used in operating activities	(42,959,929)	(3,865,994)	82,827,315	(30,486,306)	(1,794,218)	81,953,028
Cash received from refund withholding tax deducted at source	-	3,529,047	800,332	-	-	-
Cash paid for interest expenses	(16,211,665)	(16,230,998)	(16,134,787)	(16,178,111)	(16,095,729)	(16,094,897)
Cash paid for corporate income tax	(1,281,707)	(3,025,261)	(3,196,294)	(4,584)	(9,144)	(28,269)
Net cash used in operating activities	(60,453,301)	(19,593,206)	64,296,566	(46,669,001)	(17,899,091)	65,829,862

Wiik & Hoeglund Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013-2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2015	2014	2013	2015	2014	2013
Cash flows from investing activities						
Cash payment for acquisition of subsidiary	-	-	-	(20,650,237)	-	-
Cash receipt from the deregistration of subsidiary	-	-	-	98,589	-	-
Dividend received from other long-term investment	800,000	24,000,000	3,200,000	800,000	24,000,000	3,200,000
Acquisition of property, plant and equipment	(25,189,856)	(8,584,958)	(23,134,628)	(24,235,328)	(7,468,594)	(19,622,465)
Proceeds from sales of property, plant and equipment	781,448	-	1,103,302	781,448	-	1,053,429
Acquisition of intangible assets	(3,894,880)	(190,000)	(188,800)	(3,894,880)	(190,000)	(188,800)
Interest income	404,492	433,998	655,411	346,281	431,565	644,942
Net cash from (used in) investing activities	(27,098,796)	15,659,040	(18,364,715)	(46,754,127)	16,772,971	(14,912,894)
Cash flows from financing activities						
Increase (decrease) in short-term loans						
from financial institutions	120,735,567	(44,735,567)	60,000,000	110,735,567	(44,735,567)	60,000,000
Cash repayment of long-term loans	-	-	(100,000,000)	-	-	(100,000,000)
Payment of liabilities under finance lease agreements	(1,287,522)	(308,612)	(291,656)	(1,287,522)	(308,612)	(291,656)
Net cash from (used in) financing activities	119,448,045	(45,044,179)	(40,291,656)	109,448,045	(45,044,179)	(40,291,656)
Net increase (decrease) in cash and cash equivalents	31,895,948	(48,978,345)	5,640,195	16,024,917	(46,170,299)	10,625,312
Unrealised gain (loss) on exchange for cash and cash equivalents	4,064,731	(22,434)	622,310	4,066,314	(22,434)	622,310
Cash and cash equivalents at beginning of year	35,342,005	84,342,784	78,080,279	34,735,250	80,927,983	69,680,361
Cash and cash equivalents at end of year	71,302,684	35,342,005	84,342,784	54,826,481	34,735,250	80,927,983
Supplemental disclosure of cashflow information						
Non-cash transactions						
Surplus on revaluation of land	105,811,145	-	-	105,811,145	-	-
Acquisition of motor vehicle under finance lease agreement	1,871,958	-	-	1,871,958	-	-



Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2013-2015

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
					Other components of equity					
					Other changes	Other comprehensive				
					by the owners	income				
	Issued and	Retained earnings (deficit)			Difference resulting			Total equity	Equity attributable	Total
	paid-up				from change in			attributable to	to non-controlling	shareholders'
	share capital	Share premium	Appropriated	Unappropriated	attributable interest	Surplus on	Total other	owners of	interests of	equity
				(Deficit)	in the subsidiary	revaluation of assets	components of	the Company	the subsidiary	
Balance as at 1 January 2013	299,938,000	127,160,000	25,387,773	(12,885,401)	-	-	-	439,600,372	2,550,500	442,150,872
Total comprehensive income for the year	-	-	-	115,423	-	-	-	115,423	-	115,423
Balance as at 31 December 2013	299,938,000	127,160,000	25,387,773	(12,769,978)	-	-	-	439,715,795	2,550,500	442,266,295
Balance as at 1 January 2014	299,938,000	127,160,000	25,387,773	(12,769,978)	-	-	-	439,715,795	2,550,500	442,266,295
Total comprehensive income for the year	-	-	-	(6,270,470)	-	-	-	(6,270,470)	-	(6,270,470)
Balance as at 31 December 2014	299,938,000	127,160,000	25,387,773	(19,040,448)	-	-	-	433,445,325	2,550,500	435,995,825
Balance as at 1 January 2015	299,938,000	127,160,000	25,387,773	(19,040,448)	-	-	-	433,445,325	2,550,500	435,995,825
Profit for the year	-	-	-	83,315,641	-	-	-	83,315,641	-	83,315,641
Other comprehensive income for the year	-	-	-	4,471,017	-	84,648,916	84,648,916	89,119,933	-	89,119,933
Total comprehensive income for the year	-	-	-	87,786,658	-	84,648,916	84,648,916	172,435,574	-	172,435,574
Difference resulting from change in attributable interest in the subsidiary	-	-	-	-	2,550,500	-	2,550,500	2,550,500	(2,550,500)	-
Equity attributable interest in the deregistration of subsidiary	-	-	-	2,550,500	(2,550,500)	-	(2,550,500)	-	-	-
Balance as at 31 December 2015	299,938,000	127,160,000	25,387,773	71,296,710	-	84,648,916	84,648,916	608,431,399	-	608,431,399



Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013-2015

(Unit: Baht)

	Separate financial statements					Total shareholders' equity		
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity			
					Appropriated		Unappropriated (Deficit)	Other comprehensive income Surplus on revaluation of assets
Balance as at 1 January 2013	299,938,000	127,160,000	25,387,773	(11,221,109)	-	441,264,664		
Total comprehensive income for the year	-	-	-	460,256	-	460,256		
Balance as at 31 December 2013	299,938,000	127,160,000	25,387,773	(10,760,853)	-	441,724,920		
Balance as at 1 January 2014	299,938,000	127,160,000	25,387,773	(10,760,853)	-	441,724,920		
Total comprehensive income for the year	-	-	-	(3,454,856)	-	(3,454,856)		
Balance as at 31 December 2014	299,938,000	127,160,000	25,387,773	(14,215,709)	-	438,270,064		
Balance as at 1 January 2015	299,938,000	127,160,000	25,387,773	(14,215,709)	-	438,270,064		
Profit for the year	-	-	-	80,682,836	-	80,682,836		
Other comprehensive income for the year	-	-	-	4,289,784	84,648,916	88,938,700		
Total comprehensive income for the year	-	-	-	84,972,620	84,648,916	169,621,536		
Balance as at 31 December 2015	299,938,000	127,160,000	25,387,773	70,756,911	84,648,916	607,891,600		

13.2 Financial Ratios

Key Financial Ratios as at 31 December 2013-2015

Financial Ratios		2015	2014	2013
LIQUIDITY RATIO				
Current ratio	-	1.19	1.08	1.07
Quick ratio	-	0.75	0.56	0.62
Cash flow ratio	-	(0.11)	(0.04)	0.13
Accounts receivable turnover ratio	(round)	3.82	4.33	3.49
Average collection period	(days)	95.57	84.32	104.69
Inventory Turnover ratio	(round)	4.21	4.01	3.10
Average sale period	(days)	86.72	91.03	117.60
Payable turnover ratio	(round)	7.84	6.85	7.49
Repayment period	(days)	46.56	53.27	48.71
Cash Cycle	(days)	135.73	122.08	173.58
PROFITABILITY RATIO				
Gross profit margin	(%)	16.23	9.96	13.78
Operating profit margin	(%)	8.60	1.21	2.70
Other income ratio	(%)	1.59	6.64	4.06
Cash to profitability	(%)	(63.90)	(183.73)	381.49
Net profit margin	(%)	7.16	(0.62)	0.02
Return on equity	(%)	15.95	(1.43)	0.03
EFFICIENCY RATIO				
Return on assets	(%)	7.75	(0.67)	0.01
Return on fixed assets	(%)	26.72	6.04	8.93
Assets turnover	(round)	1.08	1.08	0.81
FINANCIAL POLICY RATIO				
Debt to Equity ratio	-	1.02	1.11	1.15
Interest coverage ratio	-	3.73	1.42	(3.94)
Debt service coverage ratio	-	1.25	(3.50)	(1.14)
Dividend payout ratio	(%)	-	-	-

14. Management Discussion and Analysis

14.1 Overview

1) Summary of operations and the factors that result in significant changes

Significant changes during the year

Wiik & Hoeglund Public Company
Limited (WIik)

- Principally engaged in the manufacture and distribution of High Density Polyethylene (HDPE) pipe and related certain fittings, Low Density Polyethylene (LDPE) pipe, Polypropylene (PP) pipe, Polybutylene (PB) pipe, Weholite Spiro pipe.
- On February 24, 2015, the Company has changed the major shareholder from the foreign corporation to a group of Thai businessperson in the portion of 65.99 percent of issued and paid-up shares.
- Issuance and allocation WIik-W1 of 99,979,334 units warrants, free of charge to the existing shareholders in a ratio of 1 warrant for every 3 existing ordinary shares. The warrants are to have an exercise price Baht 5 per share.
- Increase of the Company's registered capital amount of 364,954,534 shares, total to the Company's registered capital amount of 664,892,534 Baht for reserving the following transactions;
 - The exercise of WIik-W1 amount of 99,979,334 shares.
 - The allocation of the newly issued ordinary shares offered via General Mandate amount of 119,975,200 shares.
 - The allocation of newly issued ordinary shares offered via Private Placement amount of 145,000,000 shares.

Wiik Water Company Limited (WW)

- Principally engaged in the consultant and planning for pipe installation system and providing High Density Polyethylene (HDPE) pipe installation service and water management.
- WIik increased the shareholder portion in WW from 49 percent of issued and paid-up shares to 100 percent of issued and paid-up shares.
- Increased the issued and paid-up shares from 10 million Baht to 30 million Baht for WW's liquidity.

- Decreased the issued and paid-up shares from 30 million Baht to 18.52 million Baht for written-off retained losses.

Operating results in the past 3 years

	Year 2013 (Revised)	Year 2014 (Revised)	Changed (%)	Year 2015	Changed (%)
1. Production volume (Ton)	9,109.61	11,849.24	30.07	15,624.00	31.86
2. Back log (Ton)	5,973.85	3,343.34	(44.03)	7,327.95	119.18
• W-HQ Pipe	5,295.76	3,106.71	(41.34)	7,069.92	127.57
• Weholite	672.25	236.62	(64.80)	246.98	4.38
• Others	5.84	0.02	(99.64)	11.05	>100
3. Total revenues (million Baht)	754.25	1,011.77	34.14	1,163.59	15.01
3.1 Sale and service revenues					
1) Sale volume (Ton)	8,178.05	11,224.69	37.25	14,962.32	33.30
2) Separate :-					
• Domestic	602.97	653.60	8.40	908.94	39.07
• Export	120.08	291.03	142.36	236.11	(18.87)
3.2 Other income	31.20	67.14	115.19	18.54	(72.39)
4. Net profit (million Baht)	0.12	(6.27)	>100	83.32	>100

The Company's operating results in the past 3 years had the continuous growth. In year 2015, the Company's production capacity had been utilized 15,624 ton, increasing from year 2013 which was 9,110 ton and year 2014 which was 11,849 ton. However the Company had approved the investment plan for the year 2016 to acquire the new machine and improve the efficiency of the existing machine to increase the Company's production capacity in response to the back log and expecting new order volumes. The Company estimated that the average production capacity will increase from 22,800 ton per year or 1,900 ton per month to 27,500 ton per year or 2,300 ton per month or increasing 21%. Consequently, the Company will reduce the loss of orders due to short of production capacity in some month.

Analysis of the operating results and the financial position of WIHK

Summarized of the Statement of financial position

Million Baht	Year 2013 (Revised)	Year 2014 (Revised)	Changed (%)	2015	Changed (%)
Cash and cash equivalents	84.34	35.34	(58.10)	71.30	101.75
Trade and other receivables	225.70	229.91	1.87	369.71	60.80
Inventories	181.03	212.46	17.36	223.49	5.19
Property, plant and equipment	361.48	342.74	(5.18)	451.23	31.65
Total assets	952.09	921.98	(3.16)	1,229.36	33.34

Million Baht	Year 2013 (Revised)	Year 2014 (Revised)	Changed (%)	2015	Changed (%)
Total current liabilities	496.98	472.07	(5.01)	588.98	24.76
Non-current liabilities	12.84	13.91	8.31	31.95	129.77
Total liabilities	509.82	485.98	(4.68)	620.93	27.77
Shareholders' equity	442.27	436.00	(1.42)	608.43	39.55

As at December 31, 2015, the Company's cash and cash equivalents, trade and other receivables and inventories increased from the last year 101.75%, 60.80% and 5.19% respectively which align to the increasing of the revenues.

The shareholders' equity increased in amount of 172 million Baht came from the surplus on revaluation of land amount of 85 million Baht and actuarial gain from pension liabilities amount of 4 million Baht total increasing in profit amount of 89 million Baht (net of income tax) and profit from operating result for the year 2015 amount of 83 million Baht.

Summarized of the Statement of income

Million Baht	Year 2013 (Revised)	Year 2014 (Revised)	Changed (%)	2015	Changed (%)
Sales	623.22	881.63	41.46	1,099.47	24.71
Service income	99.83	63.00	(36.89)	45.58	(27.66)
Other income	31.20	67.14	115.20	18.54	(72.38)
Total revenues	754.25	1,011.77	34.14	1,163.59	15.01
Cost of sales and services	623.91	850.50	36.32	959.24	12.79
Selling and administrative expenses	113.48	150.61	32.71	109.74	(27.14)
Finance cost	16.33	16.13	(1.19)	15.71	(2.62)
Income tax (expenses) income	(0.41)	(0.80)	95.53	4.42	(653.11)
Profit (loss) for the year	0.12	(6.27)	>100	83.32	>100

In year 2015, the Company had the great leap profit compared to the past years. The reasons are increasing sales revenue compared to year 2013 and 2014 were 76.42% and 24.71% (respectively) and decreasing prices of raw material prices from the past years. However the Company also defined the raw material purchasing policy to suit with the volume of usage and to purchase raw material in advance so that the cost prices match the selling prices in each period of time.

Summarized of the significant financial ratios

	Year 2013	Year 2014	Changed (%)	Year 2015	Changed (%)
Debt to equity ratio (time)	1.15	1.11	(3.48)	1.02	(8.11)
Earning per share (Baht)	-	(0.02)	-	0.28	>100
Receivable management					
• Receivable Turnover (round)	3.49	4.33	24.07	3.82	(11.78)
• Day of account receivable (Day)	104.69	84.32	(19.46)	95.57	13.34
Inventory management					
• Inventory turnover (round)	3.10	4.01	29.35	4.21	4.99
• Day of inventory (Day)	117.60	91.03	(22.59)	86.72	(4.73)
Cash management					
• Cash conversion cycle (Day)	173.58	122.08	(29.67)	135.73	11.18

There are not any significant change in the Debt to equity ratio in the past 3 years. The Company can maintain the Debt to equity ratio between 1-1.5 times to equity which is the appropriate ratio for the Company.

In year 2014, the Company improved the process of the purchasing, production, selling and collection to be more efficiency compare to year 2013. And in year 2015, to compete with the others entrepreneur, the Company had reduced in the strictly approval of customer credit. The Company had implemented the credit risk insurance to reduce credit risk in case the Company can not collect the money from the customer.

2) Industry and economic conditions that affect the operations.

HDPE resin is the main ingredient in HDPE pipe production. Thus the movement of resin prices has a substantial effect on the cost. HDPE resin prices have been fluctuated in accordance with crude oil prices for long time. It is hard to predict and make decision for any manufacturer when to buy HDPE resin for stock. Therefore the Company manages the order of HDPE resin to comply with the pipe purchase order and delivery timing to customers.

Currently oil price situation in global market impact on economy and industry of Thailand. Plastics industry is one that affected from Oil prices directly because Plastics industry is directly linked to petroleum industry and petrochemical industry which is source of raw material for the production of plastic resins. Therefore, the production cost of plastic resin industry was directly changed by the price of petroleum in global market.

The information from Thai Plastic Industries Association stated that in 2015, domestic trading prices of HDPE plastic resin were in the price range of Baht 47-52 per kilogram which decreased when compared to the year 2014 which the trading in the price range of 51-57 per kilogram. HDPE resin price decreased mentioned above, that is good for the Company. It makes cost of goods sold of the Company decreased. Gross profit margin in 2015 increased to 16.23% of sales which was increased from the year 2014 with gross profit margin 14.50%.

Enhancing the quality and standard of Public Utilities; especially the metropolitan waterworks, is important and directly affects the quality of life of people in the country. Thailand has developed the waterworks systems steadily; especially the enhancement of water pipe quality by changing the iron-cast steel pipe to HDPE pipe which is widely used in developed countries. Countries in Europe, for instance, has been using HDPE pipe in their waterworks for more than 50 years. Corrosion problem in iron-steel pipe is solved and cleaned & safe water are transported throughout the plumbing system. HDPE pipe is worth the investment since it is easy to install, saves pipeline installation time and has long service life.

Thailand has faced the several obstacles in using HDPE pipe; especially the quality of HDPE Pipe. Some of contractors tend to use low quality of HDPE pipe in order to minimize the cost. The low price is the main reason for them to use HDPE pipe made from recycle material. As a result, many of the problems occur such as;

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.
- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

Wiik & Hoeglund Public Co., Ltd. is emphasizing on its quality of HDPE pipe and provides the clients the confidence in using its products. This idea also increases the quality of life of people in Thailand.

There is growth from the growth of public utility in ASEAN countries; such as Vietnam, Myanmar, Laos, Indonesia, Philippines, and India.

3) Change in key accounting policy

The Board of Directors' Meeting No. 6/2015 on May 12, 2015 approved the change in accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for its land and the Company used the land valuation by CPM Capital Co., Ltd., an independent appraiser and recorded the revaluation of such assets as follows.

Property, plant and equipment/Depreciation

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

Lands are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Land improvements	-	5 years
Building and improvements	-	5 - 40 years
Machinery and equipment	-	5 - 15 years
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 years
Leasehold improvements	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4) Non-recurring items

During the current year, the Company changed its accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for its land, since the management believed that this would be more appropriate under the current financial and economic conditions.

The effect of the change in the accounting policy is to increasing the Company's property plant and equipment by approximately Baht 1 0 6 million and increase revaluation surplus by approximately Baht 8 5

million, net of deferred tax liabilities of approximately Baht 21 million. Such transaction was recorded in other comprehensive income which has no impact on earnings for the year.

14.2 Operating results and profitability

The operating results of the Company and its subsidiary in year 2015 which had increased over 20% from the previous year had the net profit amount of 83.32 million Baht. Compared to the year 2014 which had the net loss amount of 6.27 million Baht, the Company had increased the profit amount of 89.59 million Baht by the major reasons as follows;

Revenue

(Baht)	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Sales	1,099,470,845	24.71	881,626,032	36.36	646,536,826
Service income	45,577,873	(27.66)	63,004,994	(36.89)	99,831,181
Sales and service revenues	1,145,048,718	21.22	944,631,026	26.56	746,368,007
Other income					
Dividend income	800,000	(96.67)	24,000,000	650.00	3,200,000
Others	17,743,381	(58.87)	43,143,842	820.66	4,686,188
Total revenues	1,163,592,099	15.01	1,011,774,868	34.14	754,254,195

1) Sales and service revenues

Sales and service revenues in the year 2015 is Baht 1,145.05 million increased from the year 2014 by 200.42 million Baht or 21.22% divided into Domestic sales of Baht 908.94 million and Export sales of Baht 236.11 million, representing 79.38% and 20.62% of sales and service revenues respectively.

As the result of the managing of production plan to comply with the sale orders better than last year. Consequently, the Company can reduce the loss of orders due to short of production capacity in some month which it made sales and service revenues increased.

2) Other income

Other income for the year of 2015 decreased in the amount of 48.60 million Baht or percentage of 72.38. The major decreasing came from the decreased of dividend income amount of 23.20 million Baht and export delivery income amount of 23.73 million Baht. In last year, The Company arranged and delivered the goods through the customer's destination and charged delivery income but this year the Company delivered to the pier and the customer delivered to their destination by themselves.

Expenses

(Baht)	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Cost of sales	917,440,725	16.29	788,892,909	48.86	529,971,539
Cost of services	41,801,331	(32.15)	61,611,913	(34.41)	93,937,315
Cost of sales and services	959,242,056	12.79	850,504,822	36.32	623,908,854
Selling expenses	60,818,984	(8.45)	66,435,667	24.10	53,536,059
Administrative expenses	48,926,905	(41.87)	84,170,099	40.39	59,955,134
Total expenses	1,068,987,945	6.78	1,001,110,588	35.76	737,400,047

3) Cost of goods sold and services

In 2015 the Company has cost of goods sold and services of Baht 959.24 million increased from last year by Baht 108.74 million or 12.79% follow the sales and service revenues increased and representing cost of goods sold and services ratio of 83.77% of sales and service revenues which was decreased from the last year that had ratio of 90.04%. As result of the price of main raw material in the manufacture decreased when compared to the last year.

4) Selling expenses

Selling expenses for the year 2015 decreased in amount of 5.62 million Baht or percentage of 8.45 by the major reason as follows;

- Delivery expenses decreased in amount of 15.52 million Baht aligned with the decreasing in revenue as described in no.2.
- Commission and promotion expenses increased in amount of 2.03 million Baht which aligned to increasing in sales revenue.
- Weholite royalty fee increased in amount of 2.90 million Baht because the selling Company share of Uponor and restructuring the compensation from Management Fee (which was classified as administrative expenses) to be royalty fee.
- Other increasing in amount of 4.61 million Baht from increasing in sales revenue.

5) Administrative expenses

Administrative expenses for the year 2015 decreased in amount of 35.24 million Baht or percentage of 41.87 by the reason as follows;

- Cancellation of the technical assistance and management agreement in February 2015 lead to reduce in this expenses amount of 14.54 million Baht and entered to Weholite licensing and royalty fee as no. 4.3 instead.

- In year 2014, there was allowance for doubtful account amount of 21.92 million Baht however in year 2015 there was no such transaction.

Finance cost and Income tax (expenses) income

(Baht)	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Finance cost	(15,712,479)	(2.62)	(16,134,909)	(1.19)	(16,329,663)
Income tax (expenses) income	4,423,966	(653.11)	(799,841)	95.53	(409,062)

6) Finance cost

Finance cost in year 2015 decreased from last year in amount of 0.42 million Baht or percentage of 2.62, because during the year of 2015 the Company had average outstanding loan amount of 293 million Baht while in year 2014, the Company had average outstanding loan amount of 313 million Baht. This led to decreasing in interest expenses.

7) Tax income

Tax income in year 2015 increased from last year amount of 5.22 million Baht which was deferred income tax according to Thai Accounting Standard No.12.

PROFITABILITY RATIO		Year 2015	Year 2014	Year 2013
Profit (loss) for the year	(Million baht)	83.32	(6.27)	0.12
Gross profit margin	(%)	16.23	9.96	13.78
Operating profit margin	(%)	8.60	1.21	2.70
Other income ratio	(%)	1.59	6.64	4.06
Cash to profitability	(%)	(63.90)	(183.73)	381.49
Net profit margin	(%)	7.16	(0.62)	0.02
Return on equity	(%)	15.95	(1.43)	0.03

Gross profit margin is 16.23% which increase from the year 2014 that gross profit margin is 9.96% as result of the market price of main raw material in the manufacture was decreased when compared to the last year and the increased production volume makes the company can decrease production costs per unit.

Operating profit margin is 8.60% which increase from the year 2014 that operating profit margin is 1.21% as result of cancellation of the technical assistance and management agreement and no allowance for doubtful accounts receivable.

Cash to profitability is (63.90%) because the Company had to manage raw material cost to a competitive price so we need to pay creditors faster.

Net profit margin is 7.16% which increase from the year 2014 that net profit margin is (0.62%). And return on equity is 15.95% which increase from the year 2014 that return on equity is (1.43%) as result of the Company's profits in 2015 increased from the last year.

14.3 Ability to manage assets

1) Receivables Management

In 2015 the Company had Trade and other receivables – net of Baht 369.71 million, divided into Trade receivables of Baht 365.46 million and other receivables of Baht 4.24 million. And past due over 12 months of Baht 26.91 million which has allowance for doubtful accounts fully.

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition. Details as follows

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2015	2014	2015	2014
<u>Trade receivables - related party (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	-	-	116	-
Past due				
Up to 3 months	-	-	59	15
6 - 12 months	-	-	-	3,021
Over 12 months	-	-	-	30,963
Total trade receivables - related party	-	-	175	33,999
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	320,867	175,474	299,119	170,484
Past due				
Up to 3 months	39,778	18,616	39,505	18,609
3 - 6 months	1,754	3,125	1,754	3,125
6 - 12 months	1,791	-	1,791	-
Over 12 months	26,911	27,609	26,848	27,546
Total	391,101	224,824	369,017	219,764
Less: Allowance for doubtful debts	(26,911)	(27,609)	(26,848)	(27,546)
Total trade receivables - unrelated	364,190	197,215	342,169	192,218

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
parties - net				
Retention receivables as per contract	1,274	27,897	-	4,886
Total	365,464	225,112	342,169	197,104
Total trade receivables - net	365,464	225,112	342,344	231,103
Other receivables				
Advances - related party (Note 7)	-	-	-	30
Other receivables - unrelated party	9	-	-	-
Unbilled work performed	4,233	4,802	-	446
Total other receivables	4,242	4,802	-	476
Total trade and other receivables - net	369,706	229,914	342,344	231,579

Part of the above overdue receivables aged over 90 days are secured by assignment to get payment from the customer, bank guarantees or guaranteed by the customer's directors and the Company is able to collect interest on overdue balances of certain delinquent receivables. Accordingly, the management believes that the allowance is adequate to cover the possible losses that may arise from the uncollectibility of the existing receivables.

Credit risk management

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries also have a policy to obtain bank guarantees from its customers to secure the partial amounts of receivable balances and have exercised the letters of guarantee to reduce the overdue receivable balances and has implemented the credit risk insurance since July 2014 to reduce more credit risk. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

2) Key component of other assets

In 2015 the Company had the key component of other assets as consolidated financial statements for the year 2015 ended December 31, 2015 as follows.

(Baht)	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Current assets					
Cash and cash equivalents	71,302,684	101.75	35,342,005	(58.10)	84,342,784
Inventories	223,487,534	5.19	212,456,156	17.36	181,029,452

(Baht)	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Advance payment to subcontractors	28,313,619	(0.02)	28,318,778	(0.31)	28,407,428
Other current assets	6,685,653	39.82	4,781,766	(65.52)	13,866,909
Non-current assets					
Restricted bank deposits	16,000,000	-	16,000,000	-	16,000,000
Other long-term investment	21,245,632	-	21,245,632	-	21,245,632
Property, plant and equipment	451,225,061	31.65	342,744,086	(5.18)	361,481,224
Intangible assets	3,665,647	489.50	621,820	(5.41)	657,415
Deferred tax assets	13,402,878	33.52	10,037,990	(7.38)	10,837,830
Other non-current assets	24,324,311	18.57	20,514,650	140.65	8,524,741

Current assets

• Cash and cash equivalents

Cash and cash equivalents are Baht 71.30 million which increased from the last year by Baht 35.96 million as result of revenue and payment increased.

• Inventories

Inventories are Baht 223.49 million which increased from the last year by Baht 11.03 million as result of raw materials and work in process by order of customers. During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 12 million (The Company only: Baht 12 million) to reflect the net realizable value. This was included in cost of sales.

• Advance payment to subcontractors

Advance payments to subcontractors are Baht 28.31 million which was little changed (0.02%) compared to the last year.

• Other current assets

Other current assets are Baht 6.69 million which increased from the last year by Baht 1.91 million as result of prepaid expenses.

Non-current assets

• Restricted bank deposits

Restricted bank deposits are Baht 16 million which unchanged from the last year as fixed deposits that pledged to secure credit facilities with bank.

- **Other long-term investment**

Other long-term investment is Baht 21.25 million which unchanged from the last year, consisting of investment in Siam City Leasing and Factoring Public Co., Ltd. of Baht 21.25 million and K-Tech Construction Public Co., Ltd. of Baht 30,000.

- **Property, plant and equipment**

Property, plant and equipment are Baht 451.23 million which increased from the last year by Baht 108.49 million as result of the change of accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for its land, since the management believed that this would be more appropriate under the current financial and economic conditions. The effect of the change in the accounting policy is to increasing the Company's property plant and equipment by approximately Baht 106 million.

- **Intangible assets**

Intangible assets are Baht 3.67 million which increased from the last year by Baht 3.05 million, consisting of computer software and License for the products under WEHOLITE trademark.

- **Deferred tax assets**

Deferred tax assets are Baht 13.40 million which increased from the last year by Baht 3.36 million.

- **Other non-current assets**

Other non-current assets are Baht 24.32 million which increased from the last year by Baht 3.81 million as result of value added tax credit.

EFFICIENCY RATIO		Year 2015	Year 2014	Year 2013
Return on assets	(%)	7.75	(0.67)	0.01
Return on fixed assets	(%)	26.72	6.04	8.93
Assets turnover	(round)	1.08	1.08	0.81

Return on assets is 7.75% which increased from the year 2014 with return on assets (0.67%) as result of the Company has the operating results better than the past. Moreover, the Company's total assets increased 33.34%, cash increased 101.75%, trade receivables increased 60.80% and inventories increased 5.19% which corresponds to sales growth. It showed that the management of the Company's assets to generate revenue had improved over the last year.

Return on fixed assets is 26.72% which increased from the year 2014 with return on fixed assets 6.04%. Assets turnover is 1.08 rounds same as the last year.

14.4 liquidity and Suitability of Capital Structure

1) Sources and uses of funds

In 2015 the Company's capital structure acquired from short-term loans from financial institutions for working capital with details of sources and uses of funds for the year 2015 as follows.

Cash flow	Year 2015	Changed (%)	Year 2014	Changed (%)	Year 2013
Net cash used in operating activities	(60,453,301)	208.54	(19,593,206)	(130.47)	64,296,566
Net cash from (used in) investing activities	(27,098,796)	(273.06)	15,659,040	(185.27)	(18,364,715)
Net cash from (used in) financing activities	119,448,045	(365.18)	(45,044,179)	11.80	(40,291,656)
Net increase (decrease) in cash and cash equivalents	31,895,948	(165.12)	(48,978,345)	(968.38)	5,640,195
Cash and cash equivalents at beginning of year	35,342,005	(58.10)	84,342,784	8.02	78,080,279
Cash and cash equivalents at end of year	71,302,684	101.75	35,342,005	(58.10)	84,342,784

- Net cash used in operating activities are Baht 60.45 million which increased from the year 2014 by Baht 40.86 million or 208.54% as result of the Company's performance growth with trade and other receivables increased while trade and other payables decreased by the administration of raw material prices.
- Net cash from (used in) investing activities are Baht 27.10 million from Machinery and equipment investment of Baht 25.19 million and License for the products under WEHOLITE trademark of Baht 3.90 million.
- Net cash from (used in) financing activities are Baht 119.45 million from short-term loans from financial institutions for working capital.

2) Investment expenditure

In 2015 the Company had investment expenditure of Baht 27.10 million from Machinery and equipment investment of Baht 25.19 million and License for the products under WEHOLITE trademark of Baht 3.90 million.

However, in 2016 the Company had the investment plan to acquire the new machine and improve the efficiency of the existing machine to increase the Company's production capacity in response to the back log and expecting new order volumes. The Company estimated that the average production capacity will increase from 22,800 ton per year or 1,900 ton per month to 27,500 ton per year or 2,300 ton per month or increasing 21%. Consequently, the Company will reduce the loss of orders due to short of production capacity in some month with the funding sources from the offering of new shares to specific investors (Private Placement) of 75 million shares at the price of Baht 3 per share, representing an amount of Baht 225 million.

The Company has policy to prepare its financial resources to suit their requirements. Both in the terms of working capital of Baht 100-200 million per month and the investment to purchase machinery and improve existing machinery in the first 6 months needs to spend approximately Baht 50 million. By starting to use money from January 2016, and 6 months later, there is the facility requires approximately Baht 50 million (use of money will depend on a plan to stop the machinery to improve capacity).

3) Suitability of Capital Structure

LIQUIDITY RATIO		Year 2015	Year 2014	Year 2013
Current ratio	-	1.19	1.08	1.07
Quick ratio	-	0.75	0.56	0.62
Cash flow ratio	-	(0.11)	(0.04)	0.13
Accounts receivable turnover ratio	(round)	3.82	4.33	3.49
Average collection period	(days)	95.57	84.32	104.69
Inventory Turnover ratio	(round)	4.21	4.01	3.10
Average sale period	(days)	86.72	91.03	117.60
Payable turnover ratio	(round)	7.84	6.85	7.49
Repayment period	(days)	46.56	53.27	48.71
Cash Cycle	(days)	135.73	122.08	173.58

Current ratio is 1.19, slightly higher than the last year that shows the Company's current assets include cash, accounts receivable and inventories over than short-term liabilities. It makes the flexibility for short-term liabilities repayment higher than the year 2014.

Quick ratio is 0.75, slightly higher than the last year and Cash flow ratio is (0.11%) reflect the actual liquidity that the Company has assets that can be converted into cash including cash from operating activities insufficient to repayment for short-term liabilities of the Company. However, the Company has policy to prepare its financial resources to suit their requirements with the funding sources from the offering of new shares.

Accounts receivable turnover ratio is 3.82 with Average collection period 95.57 days that shows the Company can billing from the sales on credit slower than the year 2014 as result of the relaxation on credit to the customers to increase the competitiveness of Company and it makes the Company's operating results improved in 2015. However, the company has made credit insurance to mitigate credit risk.

Inventory Turnover ratio is 4.21 with Average sale period 86.72 days that shows the Company sells products faster and inventory management better than the year 2014.

Payable turnover ratio is 7.84 with Repayment period 46.56 days that shows The Company has repayment faster than the year 2014 because we want to manage raw material prices for competitiveness.

In year 2014, the Company improved the process of the purchasing, production, selling and collection to be more efficiency compare to year 2013. And in year 2015, to compete with the others entrepreneur, the Company had reduced in the strictly approval of customer credit. The Company had implemented the credit risk insurance to reduce credit risk in case the Company can not collect the money from the customer.

4) Ability to repayment

The Company and its subsidiary had total liabilities of Baht 620.93 million, increased from the last year which had liabilities of Baht 485.98 million or increased Baht 134.95 million or 27.77% as result of the sales increased and operating results growth. The Company's capital structure acquired from short-term loans from financial institutions for working capital. From the past operations, the Company can repay the debt under conditions and capable enough to repay debt.

Short-term loans from financial institutions

		(Unit: Thousand Baht)					
		Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014	2015	2014
Short-term loans from							
financial institutions	5.14 - 5.47	4.73 - 5.30	386,000	265,279	376,000	265,279	
Total			386,000	265,279	376,000	265,279	

As at 31 December 2015, the Company and its subsidiary obtained credit facilities from several financial institutions totaling USD 6 million and Baht 641 million (2014: USD 6 million and Baht 641 million) (The Company only: USD 5 million and Baht 570 million 2014: USD 6 million and Baht 570 million). The credit facilities are secured by the mortgage of the Company's land and construction thereon and machinery, the pledge of fixed deposits at financial institutions and guaranteed by the Company.

FINANCIAL POLICY RATIO		Year 2015	Year 2014	Year 2013
Debt to Equity ratio	-	1.02	1.11	1.15
Interest coverage ratio	-	3.73	1.42	(3.94)
Debt service coverage ratio	-	1.25	(3.50)	(1.14)
Dividend payout ratio	(%)	-	-	-

The Company and its subsidiaries ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 1.02:1 (2014: 1.11:1) and the Company's was 0.96:1 (2014: 1.08:1).

Debt to Equity ratio does not vary in the last 3 year. The Company can maintain D/E ratio in the range of 1-1.5 debts per 1 equity. This ratio is suitable for the Company

Interest coverage ratio is 3.73, very high increased when compared to the last year at 1.42 that shows the Company had cash flow from operating activities over than interest expense 3.73 rounds. Therefore the Company has the ability to pay interest very high compared to the last year.

Debt service coverage ratio (cash basis) is 1.25 that shows the Company had cash flow from operating activities over than obligations such as Liabilities repayment, Assets investment expenditure including dividend payment.

14.5 Liabilities obligations and off balance sheet liabilities management.

The Company had commitments and contingent liabilities which disclose in notes to the financial statements article 26 of the financial statements 2015 as follows.

1) Capital commitments

As at 31 December 2015, the Company had capital commitments of approximately Baht 14.9 million, Euro 0.4 million and Pound Sterling 0.2 million, relating to the acquisition of machinery. (2014: Baht 1.1 million)

2) Raw material purchase commitments

As at 31 December 2015, the Company had raw material purchase commitments amounting to Baht 109.6 million. (2014: Baht 8.0 million)

3) Operating lease and service agreement commitments

The Company and its subsidiary have entered into several lease and service agreements in respect of the lease of office building space and motor vehicles. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

(Unit: Million Baht)

	As at 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	3.8	3.9	3.3	3.4
In over 1 and up to 5 years	4.7	8.4	4.1	7.4

4) Long-term service commitment

Prior to 24 February 2015, the Company and its subsidiary entered into a technical assistance agreement with an overseas parent company with respect to the management and the receipt of technical assistance. Under the conditions of the technical assistance agreement, the Company and its subsidiary is to pay annual management and technical assistance fee as stipulated in the agreement. Later on 24 February 2015, the change in Company is major shareholders structure as described in Note 1, resulting in the automatic cancellation of the mentioned agreement. The fees for the year 2015 amounted to approximately Baht 1.3 million (2014: Baht 15.8 million) (The Company only: Baht 1.2 million 2014: Baht 13.9 million).

After the cancellation of the technical assistance and management agreement, the Company entered into Licensing Agreement with Uponor Infra Ltd. for the products under WEHOLITE trademarked for a period of 5 years. The Licensing Agreement is for Licensing Fee and Royalty Fee. For the year ended 31 December 2015, the Licensing Fee and Royalty Fee was approximately Baht 3.5 million.

5) Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 69.9 million (2014: Baht 85.1 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 35.8 million (2014: Baht 35.7 million) to guarantee payment due to suppliers, Baht 7.0 million (2014: Baht 14.6 million) to guarantee contractual performance, Baht 22.9 million (2014: Baht 30.6 million) to guarantee contractual performance of its subsidiary and Baht 4.2 million (2014: Baht 4.2 million) to guarantee electricity use.

14.6 Factors that affect the operating results in future.

1) Competition will intensifying and more difficult to make a profit.

HDPE pipe has proved to be a decent and sustainable pipe for worldwide projects. Its excellent quality of high density polyethylene material is difficult to find among its substitute products. However, there's a business risk with the price war strategy of the low quality HDPE manufacturer in the domestic market who want to recklessly dump the price down and lower the quality of the HDPE products with low quality HDPE raw material and sometime use even non pipe grade raw material to make the pipe and fittings products for private and government segment which using of low quality HDPE pipe product affected the confidence of using high quality HDPE pipe of the Company as follows.

- Leaks or broken problem affect the inconvenience and unsafe in use of consumers.

- The agency that responsible for production and expand the water supply network have to waste budget to repair the damaged pipes and unrewarding for investment from the lifetime that is not durable long-standing
- Many HDPE quality standards pipe manufacturer affected from the price competition unfairly.

For counter that issue, we trying to do research and communicate with close customer both private and government to find out how to avoid the low quality product and be able to obtained the quality product which help develop their projects and improve their organization and country.

In addition, the business risk also involves the development of new pipe products. Each year HDPE pipe manufactures and resin manufactures have developed special kinds of HDPE pipe for certain applications, e.g. structure wall HDPE pipe, multilayer HDPE pipe, smooth inside surface HDPE pipe, and high temperature resistance HDPE pipe. Therefore each HDPE pipe manufacturer needs add new products in its product line in order to earn profits. The competition of normal solid wall HDPE pipe is too fierce and intense to get a good margin. However, the Company has the R & D department to develop and research new products, including develop the equipments to work properly at all times.

2) HDPE plastic resin price volatile by the oil price.

HDPE resin is the main ingredient in HDPE pipe production. Thus the movement of resin prices has a substantial effect on the cost. HDPE resin prices have been fluctuated in accordance with crude oil prices for long time. It is hard to predict and make decision for any manufacturer when to buy HDPE resin for stock. Therefore the Company manages the order of HDPE resin to comply with the pipe purchase order and delivery timing to customers.

Nevertheless, the new standard of HDPE resin for HDPE finish goods shall be effective in year 2014. This results to the constraints of supply resin sources as oversea manufacturers need time to develop the product and ensure for the production process that it will meet the certified standard quality of Thailand. However, the advantage of new standard is noticeable on the improvement of our product's quality and higher process yield.

Report of Audit Committee 2015

The Audit Committee of Wiik & Hoeglund Public Company Limited consists of 3 independent directors such as Asst.Prof.Dr. Pakdee Manaves is Chairman of Audit Committee, Mr.Theera Phetmalaigul and Mr.Tatchapong Thamputthipong are members of Audit Committee and Miss Chinanut Jariyarudeechai, Chief Financial Controller is Secretary of Audit Committee.

The Audit Committee performed its duties and responsibilities that defined in the Charter of Audit Committee and assigned by the Board of Directors which comply to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. In the year 2015 the Audit Committee held the meeting of all 5 times by meetings with the auditor, the internal auditor and the management that summarized as follows.

1. **Reviewed the quarterly financial statements and the annual financial statements 2015 .** The Audit Committee reviewed quarterly financial statements and the annual financial statements 2015 of the Company and its subsidiaries including related transactions, transactions that may lead to conflicts of interest with the management and internal auditor. In consideration of quarterly and the annual financial statements, the Company invited the auditor attend meetings 2 times. The Audit Committee questioned the auditor on accuracy and completeness, updating of significant transactions which have an impact on the financial statements, adequacy and appropriateness of accounting methods and the scope of audit, information disclosure accurately and an independent of auditor to ensure that the preparation of financial statements in accordance with legal requirements and accounting standards as generally accepted accounting principles. Reliable, timeliness as well as information disclosure in financial statements sufficiently to be useful to investors and users of financial statements.
2. **Reviewed the internal control and the internal audit.** The Audit Committee reviewed and revised the internal control system with the internal auditor including monitoring performance, audit results, suggestions and progress of implementation on a quarterly basis. Moreover, the Company assessed the adequacy of internal control system under the framework of international standard (The Committee of Sponsoring Organizations of the Treadway Commission: COSO) to achieve more confidence. Assessment results of Internal Control by the management, internal auditor and the Audit Committee commented that the internal control system of the Company adequate and reasonable.

3. Reviewed the corporate governance. The Audit Committee reviewed the performance of defined operational system. The Company's business operation morality and compliance with the Law on the Securities and Exchange, requirements of the Stock Exchange of Thailand as well as other laws related to the business operations of the Company. Especially, the connected transactions, transactions between the group companies to ensure that the Company follow the normal business practices sensibly. Reviewing the complaint and report process for corruption of the Company in order to comply with good corporate governance principles and the business philosophy of the Company as well as pushing for anti-corruption policy. The Audit Committee evaluated the performance of overall audit committee under the best practices of Audit Committee of the Stock Exchange of Thailand.

4. Appointment of auditor for the year 2015.

The Audit Committee considered and agreed to appoint EY Office Limited as the auditor of the Company and its subsidiaries for the year 2015 and proposed to the Board of Directors for consideration and proposed to the Annual General Meeting of Shareholders 2015 for approval the appointment of auditor and determined audit fee.

The Audit Committee performed its duties and responsibilities that defined in the Charter of Audit Committee which was approved by the Board of Directors. By using knowledge, skill, careful, thoughtful and an independent sufficiently for benefit of all stakeholders equally. The Audit Committee commented that the Company's financial reporting is accurate and reliable in accordance with generally accepted accounting standards. The Company has sufficiently risk management with internal control system and internal audit appropriate and effective. The operations in accordance with good corporate governance systems comply with laws requirements and obligations related to the business operations.



(Asst.Prof.Dr. Pakdee Manaves)

Chairman of the Audit Committee

February 29, 2016

Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of Wiik & Hoeglund Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr. Khitsada Lerdwana the Certified Public Accountant from EY Office Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of General Engineering Public Company Limited and its subsidiaries as at 31 December 2015 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Wiboon Sangwithayanon)

Director



(Miss Rewadee Whanchid)

Director

Independent Auditor's Report

To the Shareholders of Wiik & Hoeglund Public Company Limited

I have audited the accompanying consolidated financial statements of Wiik & Hoeglund Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Wiik & Hoeglund Public Company Limited for the same period.

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 free from material misstatement.

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 judgement, 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 financial statements referred to above present fairly, in all material respects, the financial position of Wiik & Hoeglund Public Company Limited and its subsidiaries and of Wiik & Hoeglund Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 5 to the financial statements regarding the change in accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for land. My opinion is not qualified in respect of this matter.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 29 February 2016

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	8	71,302,684	35,342,005	54,826,481	34,735,250
Trade and other receivables	9	369,705,961	229,913,761	342,344,143	231,579,152
Inventories	10	223,487,534	212,456,156	222,490,656	211,369,909
Advance payment to subcontractors		28,313,619	28,318,778	28,243,619	28,243,619
Other current assets		6,685,653	4,781,766	5,111,868	4,175,570
Total current assets		699,495,451	510,812,466	653,016,767	510,103,500
Non-current assets					
Restricted bank deposits	11	16,000,000	16,000,000	16,000,000	16,000,000
Investments in subsidiaries	12	-	-	20,000,000	-
Other long-term investment	13	21,245,632	21,245,632	21,245,632	21,245,632
Property, plant and equipment	14	451,225,061	342,744,086	446,723,824	337,326,698
Intangible assets		3,665,647	621,820	3,665,647	621,820
Deferred tax assets	21	13,402,878	10,037,990	13,086,820	9,710,544
Other non-current assets		24,324,311	20,514,650	17,756,168	15,094,093
Total non-current assets		529,863,529	411,164,178	538,478,091	399,998,787
Total assets		1,229,358,980	921,976,644	1,191,494,858	910,102,287

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	386,000,000	265,278,988	376,000,000	265,278,988
Trade and other payables	16	113,418,755	131,280,319	100,935,313	127,737,431
Current portion of liabilities under					
finance lease agreement		336,310	658,961	336,310	658,961
Advance received from customers		54,585,897	48,583,014	51,599,771	48,018,834
Other current liabilities		34,634,224	26,273,280	24,273,911	17,868,978
Total current liabilities		588,975,186	472,074,562	553,145,305	459,563,192
Non-current liabilities					
Liabilities under finance lease agreement,					
net of current portion		907,087	-	907,087	-
Provision for long-term employee benefits	17	9,883,079	13,806,257	8,388,637	12,269,031
Deferred tax liabilities	5,21	21,162,229	-	21,162,229	-
Other non-current liabilities		-	100,000	-	-
Total non-current liabilities		31,952,395	13,906,257	30,457,953	12,269,031
Total liabilities		620,927,581	485,980,819	583,603,258	471,832,223

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Shareholders' equity					
Share capital					
Registered					
664,892,534 ordinary shares of Baht 1 each	18	664,892,534	300,000,000	664,892,534	300,000,000
(2014: 300,000,000 ordinary shares of Baht 1 each)					
Issued and fully paid up					
299,938,000 ordinary shares of Baht 1 each	18	299,938,000	299,938,000	299,938,000	299,938,000
Share premium		127,160,000	127,160,000	127,160,000	127,160,000
Retained earnings (deficit)					
Appropriated - statutory reserve	19	25,387,773	25,387,773	25,387,773	25,387,773
Unappropriated (Deficit)		71,296,710	(19,040,448)	70,756,911	(14,215,709)
Other components of shareholders' equity		84,648,916	-	84,648,916	-
Equity attributable to owners of the Company		608,431,399	433,445,325	607,891,600	438,270,064
Non-controlling interests of the subsidiaries		-	2,550,500	-	-
Total shareholders' equity		608,431,399	435,995,825	607,891,600	438,270,064
Total liabilities and shareholders' equity		1,229,358,980	921,976,644	1,191,494,858	910,102,287

Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit or loss:					
Revenues					
Sales	22	1,099,470,845	881,626,032	1,100,870,808	882,985,985
Service income	22	45,577,873	63,004,994	2,871,012	5,213,107
Other income					
Dividend income	13	800,000	24,000,000	800,000	24,000,000
Others		17,743,381	43,143,842	18,102,757	41,955,300
Total revenues		1,163,592,099	1,011,774,868	1,122,644,577	954,154,392
Expenses					
Cost of sales		917,440,725	788,892,909	918,840,688	793,398,407
Cost of services		41,801,331	61,611,913	752,693	4,236,479
Selling expenses		60,818,984	66,435,667	66,238,984	66,435,667
Administrative expenses		48,926,905	84,170,099	44,939,636	76,712,782
Total expenses		1,068,987,945	1,001,110,588	1,030,772,001	940,783,335
Profit before finance cost and income tax expenses		94,604,154	10,664,280	91,872,576	13,371,057
Finance cost		(15,712,479)	(16,134,909)	(15,638,462)	(15,999,639)
Profit (loss) before income tax expenses		78,891,675	(5,470,629)	76,234,114	(2,628,582)
Income tax (expenses) income	21	4,423,966	(799,841)	4,448,722	(826,274)
Profit (loss) for the year		83,315,641	(6,270,470)	80,682,836	(3,454,856)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax		4,471,017	-	4,289,784	-
Changes in revaluation of assets - net of income tax	5	84,648,916	-	84,648,916	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		89,119,933	-	88,938,700	-
Other comprehensive income for the year		89,119,933	-	88,938,700	-
Total comprehensive income for the year		172,435,574	(6,270,470)	169,621,536	(3,454,856)
Earnings per share	23				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.28	(0.02)	0.27	(0.01)

Wiik & Hoeglund Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit (loss) before tax	78,891,675	(5,470,629)	76,234,114	(2,628,582)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	22,748,294	27,540,448	21,073,675	25,759,441
Doubtful accounts (reversal)	(697,571)	20,218,404	(697,571)	20,292,440
Bad debt	-	375,798	-	375,798
Reduction of inventories to net realisable value	11,772,311	11,113,852	11,772,311	11,113,852
Loss (gain) on disposal and write-off of property, plant and equipment	(3,660)	7,242	(176,801)	7,242
Loss on impairment of property, plant and equipment	1,716,953	-	1,694,034	-
Write-off withholding tax deducted at source	65,317	1,248,790	58,454	-
Long-term employee benefits expenses	1,770,425	1,973,131	1,586,668	1,804,005
Unrealised gain on exchange	(3,853,514)	(336,524)	(3,908,545)	(309,657)
Allowance for impairment loss of investment in subsidiary	-	-	650,237	-
Gain on the deregistration of subsidiary	-	-	(98,589)	-
Dividend income	(800,000)	(24,000,000)	(800,000)	(24,000,000)
Interest income	(350,779)	(410,532)	(331,889)	(408,098)
Interest expenses	15,712,479	16,134,909	15,638,462	15,999,639
Profit from operating activities before changes in operating assets and liabilities	126,971,930	48,394,889	122,694,560	48,006,080
Operating assets (increase) decrease				
Trade and other receivables	(139,252,536)	(24,790,418)	(110,225,327)	(23,837,335)
Inventories	(22,803,689)	(42,540,556)	(22,893,059)	(43,912,698)
Advance payment to subcontractors	5,159	88,650	-	-
Other current assets	(799,886)	9,070,820	(1,004,558)	8,018,522
Other non-current assets	(3,809,661)	(13,751,629)	(2,662,075)	(13,800,729)
Operating liabilities increase (decrease)				
Trade and other payables	(17,929,428)	14,677,819	(26,816,534)	17,321,669
Advance received from customers	6,002,883	(5,207,489)	3,580,937	(2,577,541)
Other current liabilities	8,860,131	10,439,920	6,944,582	8,987,814
Provision for long-term employee benefits	(104,832)	-	(104,832)	-
Other non-current liabilities	(100,000)	(248,000)	-	-
Cash used in operating activities	(42,959,929)	(3,865,994)	(30,486,306)	(1,794,218)
Cash received from refund withholding tax deducted at source	-	3,529,047	-	-
Cash paid for interest expenses	(16,211,665)	(16,230,998)	(16,178,111)	(16,095,729)
Cash paid for corporate income tax	(1,281,707)	(3,025,261)	(4,584)	(9,144)
Net cash used in operating activities	(60,453,301)	(19,593,206)	(46,669,001)	(17,899,091)

Wiik & Hoeglund Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Cash payment for acquisition of subsidiary	-	-	(20,650,237)	-
Cash receipt from the deregistration of subsidiary	-	-	98,589	-
Dividend received from other long-term investment	800,000	24,000,000	800,000	24,000,000
Acquisition of property, plant and equipment	(25,189,856)	(8,584,958)	(24,235,328)	(7,468,594)
Proceeds from sales of property, plant and equipment	781,448	-	781,448	-
Acquisition of intangible assets	(3,894,880)	(190,000)	(3,894,880)	(190,000)
Interest income	404,492	433,998	346,281	431,565
Net cash from (used in) investing activities	(27,098,796)	15,659,040	(46,754,127)	16,772,971
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	120,735,567	(44,735,567)	110,735,567	(44,735,567)
Payment of liabilities under finance lease agreements	(1,287,522)	(308,612)	(1,287,522)	(308,612)
Net cash from (used in) financing activities	119,448,045	(45,044,179)	109,448,045	(45,044,179)
Net increase (decrease) in cash and cash equivalents	31,895,948	(48,978,345)	16,024,917	(46,170,299)
Unrealised gain (loss) on exchange for cash and cash equivalents	4,064,731	(22,434)	4,066,314	(22,434)
Cash and cash equivalents at beginning of year	35,342,005	84,342,784	34,735,250	80,927,983
Cash and cash equivalents at end of year	71,302,684	35,342,005	54,826,481	34,735,250
	-	-	-	-
Supplemental disclosure of cashflow information				
Non-cash transactions				
Surplus on revaluation of land	105,811,145	-	105,811,145	-
Acquisition of motor vehicle under finance lease agreement	1,871,958	-	1,871,958	-



Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity		Total other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated (Deficit)	Difference resulting from change in attributable interest in the subsidiary	Surplus on revaluation of assets				
Balance as at 1 January 2014		299,938,000	127,160,000	25,387,773	(12,769,978)	-	-	-	439,715,795	2,550,500	442,266,295
Total comprehensive income for the year		-	-	-	(6,270,470)	-	-	-	(6,270,470)	-	(6,270,470)
Balance as at 31 December 2014		299,938,000	127,160,000	25,387,773	(19,040,448)	-	-	-	433,445,325	2,550,500	435,995,825
Balance as at 1 January 2015		299,938,000	127,160,000	25,387,773	(19,040,448)	-	-	-	433,445,325	2,550,500	435,995,825
Profit for the year		-	-	-	83,315,641	-	-	-	83,315,641	-	83,315,641
Other comprehensive income for the year		-	-	-	4,471,017	-	84,648,916	84,648,916	89,119,933	-	89,119,933
Total comprehensive income for the year		-	-	-	87,786,658	-	84,648,916	84,648,916	172,435,574	-	172,435,574
Difference resulting from change in attributable interest in the subsidiary	12	-	-	-	-	2,550,500	-	2,550,500	2,550,500	(2,550,500)	-
Equity attributable interest in the deregistration of subsidiary	12	-	-	-	2,550,500	(2,550,500)	-	(2,550,500)	-	-	-
Balance as at 31 December 2015		299,938,000	127,160,000	25,387,773	71,296,710	-	84,648,916	84,648,916	608,431,399	-	608,431,399



Wiik & Hoeglund Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings (deficit)		Other components of equity	
					Other comprehensive income	
					Surplus on revaluation of assets	
Balance as at 1 January 2014	299,938,000	127,160,000	25,387,773	(10,760,853)	-	441,724,920
Total comprehensive income for the year	-	-	-	(3,454,856)	-	(3,454,856)
Balance as at 31 December 2014	299,938,000	127,160,000	25,387,773	(14,215,709)	-	438,270,064
Balance as at 1 January 2015	299,938,000	127,160,000	25,387,773	(14,215,709)	-	438,270,064
Profit for the year	-	-	-	80,682,836	-	80,682,836
Other comprehensive income for the year	-	-	-	4,289,784	84,648,916	88,938,700
Total comprehensive income for the year	-	-	-	84,972,620	84,648,916	169,621,536
Balance as at 31 December 2015	299,938,000	127,160,000	25,387,773	70,756,911	84,648,916	607,891,600

Wiik & Hoeglund Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

Wiik & Hoeglund Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of High Density Polyethylene (HDPE) pipe and related certain fittings, Low Density Polyethylene (LDPE) pipe, Polypropylene (PP) pipe, Polybutylene (PB) pipe and Weholite Spiro pipe. The registered office of the Company is as follow:

Factory: 7/214 Moo 6 Amata City Industrial Estate, Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong 21140

Head Office: 90 Cyberworld Tower A 35th Floor, Ratchadapisek Road,
Huaykwang, Bangkok 10310

Prior to 24 February 2015, Uponor Infra Ltd., which is incorporated in Finland, was the Company's parent company and Uponor Corporation, which is listed on NASDAQ OMX in Helsinki, Finland, was the Company's ultimate parent company. On 24 February 2015, Uponor Infra Ltd., sold all of the Company's shares via the transfer of share scripts to a group of Thai business persons and a company incorporated in Thailand in the total of 197,928,800 shares or 65.99 percent of issued and paid-up shares. From 24 February 2015 onwards, Uponor Infra Ltd. and Uponor Corporation had no longer been the parent company and the ultimate parent company of the group companies respectively.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Wiik & Hoeglund Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
<u>Investments in subsidiaries</u>				
(held by the Company)				
Wiik Water Company Limited (Formerly known as “WH Pipe (Thailand) Limited”)	Installation services	Thailand	100.00	49.00
WH Holding Company Limited (Deregistration)	Holding Company	Thailand	-	49.00

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

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiary have 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 and its subsidiary' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance 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 and its subsidiary' management believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.6 Property, plant and equipment/Depreciation

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

Lands are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Land improvements	-	5 years
Building and improvements	-	5 - 40 years
Machinery and equipment	-	5 - 15 years
Furniture, fixtures and office equipment	-	5 years
Motor vehicles	-	5 years
Leasehold improvements	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.7 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any provision for impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years
Licence for the products under WEHOLITE trademark	5 years

4.8 Related party transactions

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

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

4.9 Long-term leases

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

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

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by their 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 professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.13 Provisions

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

4.14 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income or loss. Premiums or

discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Effect of the change in accounting policy

During the current year, the Company changed its accounting policy for property, plant and equipment from a cost basis, to apply a revaluation basis for its land, since the management believed that this would be more appropriate under the current financial and economic conditions.

The effect of the change in the accounting policy is to increasing the Company's property plant and equipment by approximately Baht 106 million and increase revaluation surplus by approximately Baht 85 million, net of deferred tax liabilities of

approximately Baht 21 million. However, these adjustments had no effect to profit or loss.

6. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates as described in Note 14.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

As described in Note 1, from 24 February 2015 onwards, Uponor Infra Ltd. and Uponor Corporation had no longer been the parent company and the ultimate parent company of the group of companies. The followings are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

Name of entities	Country of incorporation	Nature of relationships
Wiik Water Company Limited (Formerly known as "WH Pipe (Thailand) Limited")	Thailand	Subsidiary of the Company
WH Holding Company Limited (Deregistration)	Thailand	Subsidiary of the Company

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	Transfer Pricing Policy
	2015	2014	2015	2014
Transactions with ultimate parent company (Note 1)				
Insurance expense	-	1	-	1
				Agreed price

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2015	2014	2015	2014	

Transactions with parent company (Note 1)

Management and technical assistance fee	1	16	1	14	Contract price
Sales and service incomes	-	123	-	123	Cost plus margin 10 - 20 percent

Transactions with subsidiary company

(eliminated from the consolidated
financial statements)

Sales	-	-	1	1	Market price
Welding and other service charge	-	-	8	6	Market price
Administrative expense	-	-	2	-	Agreed price

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade and other receivables - related party (Note 9)				
Trade receivables				
Subsidiary	-	-	175	33,999
Total trade receivables - related party	-	-	175	33,999
Other receivables				
Subsidiary	-	-	-	30
Total other receivables - related party	-	-	-	30
Total trade and other receivables - related party	-	-	175	34,029
Trade and other payables - related parties (Note 16)				
Trade payables				
Subsidiary	-	-	209	92
Total trade payable - related party	-	-	209	92
Other payables				
Ultimate parent company (Note 1)	-	114	-	-
Parent company (Note 1)	-	4,127	-	3,236
Subsidiary	-	-	494	-
Total other payables - related parties	-	4,241	494	3,236
Total trade and other payables - related parties	-	4,241	703	3,328

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had short-term employee benefits and post-employment benefits expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2015	2014
Short-term employee benefits	25,786	26,823
Post-employment benefits	769	964
Total	26,555	27,787

Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its subsidiary, as described in Note 26.5 to the financial statements.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	80	80	60	60
Bank deposits	71,223	35,262	54,766	34,675
Total	71,303	35,342	54,826	34,735

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.05 and 0.38 percent per annum (2014: between 0.10 and 0.50 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2015	2014
<u>Trade receivables - related party (Note 7)</u>		
Aged on the basis of due dates		
Not yet due	-	-
Past due		
Up to 3 months	-	-
6 - 12 months	-	-
Over 12 months	-	-
Total trade receivables - related party	-	-
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	320,867	175,474
Past due		
Up to 3 months	39,778	18,616
3 - 6 months	1,754	3,125
6 - 12 months	1,791	-
Over 12 months	26,911	27,609
Total	391,101	224,824
Less: Allowance for doubtful debts	(26,911)	(27,609)
Total trade receivables - unrelated parties - net	364,190	197,215
Retention receivables as per contract	1,274	27,897
Total	365,464	225,112
Total trade receivables - net	365,464	225,112
<u>Other receivables</u>		
Advances - related party (Note 7)	-	-
Other receivables - unrelated party	9	-
Unbilled work performed	4,233	4,802
Total other receivables	4,242	4,802
Total trade and other receivables - net	369,706	229,914

Part of the above overdue receivables aged over 90 days are secured by assignment to get payment from the customer, bank guarantees or guaranteed by the customer's directors and the Company is able to collect interest on overdue balances of certain delinquent receivables. Accordingly, the management believes that the allowance is adequate to cover the possible losses that may arise from the uncollectibility of the existing receivables.

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	155,526	143,660	(33,963)	(22,260)	121,563	121,400
Work in process	12,459	9,058	-	-	12,459	9,058
Raw materials	84,692	76,229	(179)	(110)	84,513	76,119
Spare parts and factory supplies	4,953	5,879	-	-	4,953	5,879
Total	257,630	234,826	(34,142)	(22,370)	223,488	212,456

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	155,526	143,660	(33,963)	(22,260)	121,563	121,400
Work in process	12,459	9,058	-	-	12,459	9,058
Raw materials	84,692	76,229	(179)	(110)	84,513	76,119
Spare parts and factory supplies	3,956	4,793	-	-	3,956	4,793
Total	256,633	233,740	(34,142)	(22,370)	222,491	211,370

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 12 million (The Company only: Baht 12 million) to reflect the net realisable value. This was included in cost of sales.

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
WEEK Water Co., Ltd.								
(Formerly known as "WH Pipe (Thailand) Limited")	18,253	10,000	100.00	49.00	27,515	6,865	-	-
WH Holding Co., Ltd.	-	5,000	-	49.00	-	2,629	-	-
Total					27,515	9,494	-	-
Less: Allowance for impairment loss					(7,515)	(9,494)		
Total investments in subsidiaries - net					20,000	-		

In addition to the change in the structure of the major shareholdings on 24 February 2015, as described in Note 1, the Company's shareholdings in its subsidiaries were changed on the same date, with the Company receiving 25,498 preferred shares of WH Holding Company Limited via a share transfer from a company incorporated in Thailand at no cost. The Company therefore recorded this transaction as "Difference resulting from change in attributable interest in subsidiary" under equity attributable to owners of the Company. Later on 25 March 2015, the Company bought 50,998 preferred shares of WH Pipe (Thailand) Limited from WH Holding Company Limited at a price of Baht 12.75 per share, or for a total of Baht 650,225. As a result of these changes, the Company holds 100 percent interests in WH Holding Company Limited and WH Pipe (Thailand) Limited.

On 24 April 2015, the Extraordinary General Meeting of the shareholders of WH Holding Company Limited passed a resolution to dissolve the company, and it filed its deregistration with the Ministry of Commerce on 1 May 2015. On 10 July 2015, WH Holding Company Limited completed the liquidation process.

On 29 May 2015, the Extraordinary General Meeting of the shareholders of WH Pipe (Thailand) Limited passed resolutions approving an increase in the Company's registered capital from Baht 10 million (49,000 ordinary shares of Baht 100 each and 51,000 preference shares of Baht 100 each) to Baht 30 million (249,000 ordinary shares of Baht 100 each and 51,000 preference shares of Baht 100 each). The Company made additional payment for the shares of such company in proportion to its shareholding, amounting to Baht 20 million, in June 2015. The subsidiary registered the increase in its registered capital and paid-in capital and registered the change of its name from "WH Pipe (Thailand) Limited" to "Wiik Water Company Limited" with the Ministry of Commerce on 5 June 2015.

On 19 June 2015, the Extraordinary General Meeting of the shareholders of Wiik Water Company Limited passed resolutions approving a decrease in its registered capital, from Baht 30,000,000 to Baht 18,252,800, through the reduction of 66,472 ordinary shares and 51,000 preference shares with a par value of Baht 100 each, in order to write-off retained losses and registered the decrease in its registered capital with the Ministry of Commerce on 24 July 2015.

13. Other Long-term Investment

Details of other long-term investment as presented in consolidated and separate financial statements are as follows:

(Unit: Thousand Baht)

Consolidated and Separate financial statements								
Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015 (%)	2014 (%)	2015	2014	2015	2014
Siam City Leasing and Factoring Public Co., Ltd.	300,000	300,000	5.33	5.33	21,246	21,246	800	24,000
K-Tech Construction Public Co., Ltd.	3,915,213	879,934	-	-	30	30	-	-
Total					21,276	21,276	800	24,000
Less: Allowance for impairment loss					(30)	(30)		
Total other long-term investments - net					21,246	21,246		

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis	Cost basis							
		land	Building and	Leasehold	Machinery	Motor	Furniture, fixtures	Assets under	
	Land	improvement	improvements	improvement	and equipment	vehicles	and office equipment	installation	Total
Cost/Revaluation									
1 January 2014	135,130	5,539	230,627	5,123	466,657	18,125	22,762	-	883,963
Additions	-	1,080	-	-	6,495	6	1,004	-	8,585
Disposals and write-off	-	-	-	-	-	-	(4,987)	-	(4,987)
31 December 2014	135,130	6,619	230,627	5,123	473,152	18,131	18,779	-	887,561
Additions	-	120	737	-	14,637	1,883	1,494	8,191	27,062
Disposals and write-off	-	-	-	-	(29,105)	(4,494)	(2,790)	-	(36,389)
Revaluations	105,811	-	-	-	-	-	-	-	105,811
31 December 2015	240,941	6,739	231,364	5,123	458,684	15,520	17,483	8,191	984,045
Accumulated depreciation									
1 January 2014	-	4,629	102,954	4,541	377,393	12,486	20,479	-	522,482
Depreciation for the year	-	1,005	8,376	294	14,937	1,708	995	-	27,315
Depreciation on disposals and write-off	-	-	-	-	-	-	(4,980)	-	(4,980)
31 December 2014	-	5,634	111,330	4,835	392,330	14,194	16,494	-	544,817
Depreciation for the year	-	230	4,270	127	14,785	1,563	923	-	21,898
Depreciation on disposals and write-off	-	-	-	-	(28,367)	(4,494)	(2,751)	-	(35,612)
31 December 2015	-	5,864	115,600	4,962	378,748	11,263	14,666	-	531,103
Allowance for diminution in value									
1 January 2015	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	1,708	1	8	-	1,717
31 December 2015	-	-	-	-	1,708	1	8	-	1,717
Net book value									
31 December 2014	135,130	985	119,297	288	80,822	3,937	2,285	-	342,744
31 December 2015	240,941	875	115,764	161	78,228	4,256	2,809	8,191	451,225
Depreciation for the year									
2014 (Baht 26 million included in manufacturing cost, and the balance in selling and administrative expenses)									27,315
2015 (Baht 21 million included in manufacturing cost, and the balance in selling and administrative expenses)									21,898



(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis						
	Land	land improvement	Building and improvements	Leasehold improvement	Machinery and equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation	Total
Cost/Revaluation									
1 January 2014	135,130	5,539	230,627	4,615	441,364	10,067	22,100	-	849,442
Additions	-	1,080	-	-	5,403	6	980	-	7,469
Disposals and write-off	-	-	-	-	-	-	(4,987)	-	(4,987)
31 December 2014	135,130	6,619	230,627	4,615	446,767	10,073	18,093	-	851,924
Additions	-	120	737	-	13,687	1,883	1,489	8,191	26,107
Disposals and write-off	-	-	-	-	(27,732)	(4,494)	(2,723)	-	(34,949)
Revaluations	105,811	-	-	-	-	-	-	-	105,811
31 December 2015	240,941	6,739	231,364	4,615	432,722	7,462	16,859	8,191	948,893
Accumulated depreciation									
1 January 2014	-	4,629	102,954	4,034	353,109	9,215	20,102	-	494,043
Depreciation for the year	-	1,005	8,376	294	14,464	492	903	-	25,534
Depreciation on disposals and write-off	-	-	-	-	-	-	(4,980)	-	(4,980)
31 December 2014	-	5,634	111,330	4,328	367,573	9,707	16,025	-	514,597
Depreciation for the year	-	230	4,270	127	14,258	506	832	-	20,223
Depreciation on disposals and write-off	-	-	-	-	(27,142)	(4,494)	(2,709)	-	(34,345)
31 December 2015	-	5,864	115,600	4,455	354,689	5,719	14,148	-	500,475
Allowance for diminution in value									
1 January 2015	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	1,687	-	7	-	1,694
31 December 2015	-	-	-	-	1,687	-	7	-	1,694
Net book value									
31 December 2014	135,130	985	119,297	287	79,194	366	2,068	-	337,327
31 December 2015	240,941	875	115,764	160	76,346	1,743	2,704	8,191	446,724
Depreciation for the year									
2014 (Baht 24 million included in manufacturing cost, and the balance in selling and administrative expenses)									25,534
2015 (Baht 19 million included in manufacturing cost, and the balance in selling and administrative expenses)									20,223

The Company arranged for an independent professional valuer to appraise the value of certain assets in 2015 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.

As at 31 December 2015, the Company had vehicles under finance lease agreements with net book values amounting to Baht 2 million (2014: Baht 1 million).

As at 31 December 2015, the Company and its subsidiaries certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 296 million (2014: Baht 340 million) (The Company only: Baht 277 million 2014: Baht 314 million).

The Company has mortgaged its land and the buildings thereon and machine as collateral against credit facilities received from financial institutions as discussed in Note 15 to the financial statements.

15. Short-term loans from financial institutions

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	2015	2014	2015	2014	2015	2014
Short-term loans from						
financial institutions	5.14 - 5.47	4.73 - 5.30	386,000	265,279	376,000	265,279
Total			386,000	265,279	376,000	265,279

As at 31 December 2015, the Company and its subsidiary obtained credit facilities from several financial institutions totaling USD 6 million and Baht 641 million (2014: USD 6 million and Baht 641 million) (The Company only: USD 5 million and Baht 570 million 2014: USD 6 million and Baht 570 million). The credit facilities are secured by the mortgage of the Company's land and construction thereon and machinery, the pledge of fixed deposits at financial institutions and guaranteed by the Company.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade payables - related party (Note 7)	-	-	209	92
Trade payables - unrelated parties	96,046	117,994	85,061	116,677
Accrued management and technical assistance fee to related party (Note 1,7)	-	4,127	-	3,236
Other payables - related party (Note 1,7)	-	114	494	-
Other payables - unrelated parties	17,373	9,045	15,171	7,732
Total trade and other payables	113,419	131,280	100,935	127,737

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	13,806	11,833	12,269	10,465
Included in profit or loss:				
Current service cost	1,579	1,538	1,428	1,423
Interest cost	191	435	159	381
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	(3,592)	-	(3,411)	-
Financial assumptions changes	610	-	548	-
Experience adjustments	(2,606)	-	(2,499)	-
Benefits paid during the year	(105)	-	(105)	-
Provision for long-term employee benefits at end of year	9,883	13,806	8,389	12,269

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cost of sales	691	789	599	620
Selling and administrative expenses	1,079	1,184	988	1,184
Total expenses recognised in profit or loss	1,770	1,973	1,587	1,804

The Company and its subsidiaries expect to pay Baht 1.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 1.1 million) (2014: Baht 0.1 million, separate financial statements: Baht 0.1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 7.22 - 7.78 years (Separate financial statements: 7.22 years) (2014: 5.8 - 8.1 years, separate financial statements: 8.1 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.34% - 2.47%	4.0%	2.34%	4.0%
Future salary increase rate	4.0%	5.0% - 8.0%	4.0%	5.0% - 8.0%
Staff turnover rate	0.0% - 50.0%	0.0% - 25.0%	0.0% - 50.0%	0.0% - 25.0%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.7)	0.7	(0.6)	0.6
Salary increase rate	0.8	(0.7)	0.6	(0.6)
Turnover rate	(0.7)	0.1	(0.6)	0.1

18. Share capital/Warrant

On 3 June 2015, the Extraordinary General Meeting of the Company's Shareholders passed the following resolutions.

1. Approved a decrease in the Company's registered capital from Baht 300,000,000 to Baht 299,938,000 by canceling the 62,000 unissued ordinary share with a par value of Baht 1 each. The Company registered the decrease in its registered capital with the Ministry of Commerce on 4 June 2015.
2. Approved the issuance and allocation of not exceeding 99,979,334 units warrants to buy ordinary shares of the Company No.1 ("WIik-W1") ("Warrant"), free of charge to the existing shareholders in a ratio of 1 warrant for every 3 existing ordinary shares. The warrants are to have an exercise price Baht 5 per share and a term of up to 3 years from the date they are issued and offered (The first exercise date is on 30 December 2015 and the last exercise date is on 15 June 2018).
3. Approved the allocation of not exceeding 119,975,200 new ordinary shares with a par value of Baht 1 per share through a the General Mandate. The allocation details are as follows:
 - 3.1 The allotment of not exceeding 89,981,400 ordinary shares to existing shareholders entitled to participate in a Rights Offering, in proportion to their shareholding, or
 - 3.2 The allotment of not exceeding 29,993,800 ordinary shares to specific investors under a Private Placement scheme.

After the allotment of new ordinary shares in accordance with 3.1 and/or 3.2 the paid-up share capital of the Company is to increase be a total of not exceeding of 89,981,400 shares or not more than 30% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase. In the event that there is a allotment of newly issued shares to specific investors under a Private Placement scheme as detail in 3.2, the Company's paid-up shares shall increase not exceeding of 29,993,800 shares or not more than 10% of paid-up capital as of the date that the Company's Board of Directors approved the capital increase.

4. Approved the allocation of not exceeding 145,000,000 new ordinary shares with a par value of Baht 1 per share to offer to specific investors.

5. Approved the increase of the Company's registered capital from Baht 299,938,000 to be Baht 664,892,534 through the issue of 364,954,534 new ordinary shares with a par value of Baht 1 each, (1) with 99,979,334 shares to be reserved for the exercise of the warrants to buy the ordinary shares of the Company No.1 ("WIik-W1"), (2) with 119,975,200 shares to be reserved support the allocation of the newly issued ordinary shares offered via General Mandate and (3) with 145,000,000 shares to be reserved for the offering of newly issued ordinary shares offered via Private Placement. The Company registered the increase in its registered capital with the Ministry of Commerce on 8 June 2015.

The trading of the warrants to buy ordinary shares of the Company No.1 ("WIik-W1") on the Stock Exchange of Thailand was approved on 30 June 2015.

As at 31 December 2015, the outstanding warrants to buy ordinary shares of the Company No.1 ("WIik-W1") which did not exercise 99,963,136 units

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	105,260	104,677	90,752	86,877
Depreciation and amortisation	22,748	27,540	21,074	25,759
Rental expenses from operating lease agreements	9,670	12,606	5,435	3,925
Raw materials and consumables used	752,155	646,858	752,155	646,858
Changes in inventories of finished goods and work in progress	(15,267)	(10,816)	(15,267)	(12,476)

21. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	59	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,483)	800	(4,449)	826
Income tax expense (income) reported in the statement of comprehensive income	(4,424)	800	(4,449)	826

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax on actuarial gain	1,118	-	1,073	-
Deferred tax on gain from revaluation of assets	21,162	-	21,162	-
Total	22,280	-	22,235	-

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit (loss) before tax	78,892	(5,471)	76,234	(2,629)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	15,778	(1,094)	15,247	(526)
Utilisation of previously unrecognised deferred tax assets	(557)	-	-	-
Reversal (set up) of temporary differences on deferred tax for the year	(2,676)	2,298	(2,676)	2,298
Utilisation of unrecognised tax losses for the year	(362)	(879)	(362)	(879)
Tax losses for the year	-	967	-	-
Effects of:				
Promotional privileges (Note 22)	(16,788)	16,464	(16,728)	17,093
Dividends received are excluded from taxable profit	(160)	(4,800)	(160)	(4,800)
Non-deductible expenses	341	357	230	153
Additional expense deductions allowed	-	(12,513)	-	(12,513)
Total	(16,607)	(492)	(16,658)	(67)
Income tax expenses (income) reported in the statement of comprehensive income	(4,424)	800	(4,449)	826

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	13	20	-	20
Allowance for diminution in value of inventories	3,414	2,237	3,414	2,237
Allowance for asset impairment	343	-	339	-
Provision for long-term employee benefits	1,977	2,761	1,678	2,454
Other provision	-	20	-	-
Unused tax loss	7,656	5,000	7,656	5,000
Total	13,403	10,038	13,087	9,711
Deferred tax liabilities				

Revaluation surplus of land	21,162	-	21,162	-
Total	21,162	-	21,162	-

As at 31 December 2015, the Company and its subsidiaries have unused tax losses totaling Baht 170 million (2014: Baht 315 million) (The Company only: Baht 170 million 2014: Baht 309 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe there are uncertainties in the future whether to recognise tax losses as deferred tax assets.

The unused tax losses amounting to Baht 170 million (The Company only: Baht 170 million) will expire by 2019.

22. Promotional privileges

The Company has received promotional privileges from the Board of Investment. Subject to certain conditions, the significant privileges are as follow:

Details	The promotion certificate No.	
	7005(2)/๒๒./2546	1910(2)/2547
1. Promotional privileges for the manufacture of	Plastic or moulding with plastic (PE, PP and PB pipe and fittings)	Plastic or moulding with plastic (PE pipe and fittings)
2. Promotional privileges		
2.1 Exemption of corporate income tax for net earnings from promotional activities of not exceeding 100% of investment, exclusive of land and working capital, and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	8 years from the date the promoted operations commenced generating revenues (For corporate income tax which not exceed Baht 191,092,277)	8 years from the date the promoted operations commenced generating (For corporate income tax which not exceed Baht 36,923,700)
2.2 A fifty percent reduction of the normal rate of corporate income tax on net earnings derived from the promoted activity for a period of five years after the expiration of the above corporate income tax exemption period.	Eligible	Eligible
2.3 Two times deduction of transportation, electricity and water supply for corporate income tax purpose for a period of ten years commencing as from the date of earning operating income	Eligible (expired)	Eligible
2.4 A twenty five percent deduction on investment in installation or construction of facilities, apart from normal depreciation deduction	Eligible	Eligible
3. Date of first earning operating income	12 November 2004	Not yet started

The Company's operating revenues for the years ended 31 December 2015 and 2014, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total
	2015	2014	2015	2014	2015 2014
Sales and service income					
Domestic sales and service income	842,946	587,286	24,693	9,888	867,639 597,174
Export sales and service income	226,256	269,474	9,847	21,551	236,103 291,025
Total sales and service income	1,069,202	856,760	34,540	31,439	1,103,742 888,199

23. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

There is no calculation of diluted earnings per share for consolidated and separate financial statements for the year ended 31 December 2015 since the exercise price of warrant exceeded the fair value of the Company's ordinary shares.

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Company and its subsidiaries is producing plastics pipes and fittings and the subsidiaries providing related piping system design, welding and installation services and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits or loss and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. Export sales and services during the years ended 31 December 2015 represented approximately 21 percent (2014: 31 percent) of total sales and services.

Major customers

For the year 2015, the Company and its subsidiaries have revenue from two major customers in amount of Baht 147 million and Baht 130 million, arising from sales by the producing plastic pipes and fittings and providing related piping system design, welding and installation services. (For the year 2014, the Company and its subsidiaries have revenue from two major customers in amount of Baht 123 million and Baht 101 million, arising from sales by the producing plastic pipes and fittings and providing related piping system design, welding and installation services.)

25. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its subsidiaries and their employees contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 3 million (2014: Baht 3 million) (The Company only: Baht 2 million 2014: Baht 2 million) to the fund.

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 31 December 2015, the Company had capital commitments of approximately Baht 14.9 million, Euro 0.4 million and Pound Sterling 0.2 million, relating to the acquisition of machinery. (2014: Baht 1.1 million)

26.2 Raw material purchase commitments

As at 31 December 2015, the Company had raw material purchase commitments amounting to Baht 109.6 million. (2014: Baht 8.0 million)

26.3 Operating lease and service agreement commitments

The Company and its subsidiary have entered into several lease and service agreements in respect of the lease of office building space and motor vehicles. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

	(Unit: Million Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Payable:				
In up to 1 year	3.8	3.9	3.3	3.4
In over 1 and up to 5 years	4.7	8.4	4.1	7.4

26.4 Long-term service commitment

Prior to 24 February 2015, the Company and its subsidiary entered into a technical assistance agreement with an overseas parent company with respect to the management and the receipt of technical assistance. Under the conditions of the technical assistance agreement, the Company and its subsidiary is to pay annual management and technical assistance fee as stipulated in the agreement. Later on 24 February 2015, the change in Company is major shareholders structure as described in Note 1, resulting in the automatic cancellation of the mentioned agreement. The fees for the year 2015 amounted to approximately Baht 1.3 million (2014: Baht 15.8 million) (The Company only: Baht 1.2 million 2014: Baht 13.9 million).

After the cancellation of the technical assistance and management agreement, the Company entered into Licensing Agreement with Uponor Infra Ltd. for the products under WEHOLITE trademarked for a period of 5 years. The Licensing Agreement is for Licensing Fee and Royalty Fee. For the year ended 31 December 2015, the Licensing Fee and Royalty Fee was approximately Baht 3.5 million.

26.5 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 69.9 million (2014: Baht 85.1 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 35.8 million (2014: Baht 35.7 million) to guarantee payment due to suppliers, Baht 7.0 million (2014: Baht 14.6 million) to guarantee contractual performance, Baht 22.9 million (2014: Baht 30.6 million) to guarantee contractual performance of its subsidiary and Baht 4.2 million (2014: Baht 4.2 million) to guarantee electricity use.

27. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiary had the assets and liabilities that were measured at fair value as level 2, as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Financial assets measured at fair value		
Derivatives		
Foreign currency forward contracts	90	68
Property, plant and equipment	105,811	105,811

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, deposits at bank with restrictions, other long-term investment, short-term loans, trade and other payables and liabilities under finance lease agreement. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries also have a policy to obtain bank guarantees from its customers to secure the partial amounts of receivable balances and have exercised the letters of guarantee to reduce the overdue receivable balances and has implemented the credit risk insurance since July 2014 to reduce more credit risk. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks and short-term loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December												
Consolidated financial statements												
	Fixed interest rates				Floating		Non-interest		Total		Effective	
	Within 1 year		1 - 5 years		interest rate		bearing				interest rate	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(% per annum)											
<u>Financial Assets</u>												
Cash and cash equivalents	-	-	-	-	54	35	17	-	71	35	0.05 to 0.38	0.10 to 0.50
Trade and other receivables	-	-	-	-	-	-	370	230	370	230	-	-
Deposits at bank with restrictions	-	-	-	-	16	16	-	-	16	16	0.88 to 1.13	1.13 to 1.60
Other long-term investment	-	-	-	-	-	-	21	21	21	21	-	-
	-	-	-	-	70	51	408	251	478	302		
<u>Financial liabilities</u>												
Short-term loans	386	265	-	-	-	-	-	-	386	265	5.14 to 5.47	4.73 to 5.30
Trade and other payables	-	-	-	-	-	-	113	131	113	131	-	-
Liabilities under finance lease agreements	-	1	1	-	-	-	-	-	1	1	4.66	6.27
	386	266	1	-	-	-	113	131	500	397		



(Unit: Million Baht)

As at 31 December

Separate financial statements

	Fixed interest rates				Floating		Non-interest		Total		Effective	
	Within 1 year		1 - 5 years		interest rate		bearing		Total		interest rate	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014

Foreign currency risk

The Company's exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Euro	0.1	0.1	-	0.1	39.0780	40.0530
US dollar	1.5	3.3	0.4	-	36.0886	32.8128
Peso Philippines	-	35.6	-	-	-	0.7243

Separate financial statements						
Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Euro	0.1	0.1	-	0.1	39.0780	40.0530
US dollar	1.5	3.3	0.1	-	36.0886	32.8128
Peso Philippines	-	35.6	-	-	-	0.7243

Foreign exchange contracts outstanding are summarised below.

Consolidated financial statements			
As at 31 December 2015			
Foreign currency	Bought amount	Contractual exchange rate bought	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.4	35.6720 - 36.2417	18 March 2016 to 11 April 2016

Separate financial statements			
As at 31 December 2015			
Foreign currency	Bought amount	Contractual exchange rate bought	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	35.6720	11 April 2016
Consolidated and Separate financial statements			
As at 31 December 2014			
Foreign currency	Sold amount	Contractual exchange rate sold	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.5	32.2314 - 32.6694	27 February 2015 to 1 April 2015

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or loans bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

29. Capital management

The primary objective of the Company and its subsidiaries' capital management are to ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 1.02:1 (2014: 1.11:1) and the Company's was 0.96:1 (2014: 1.08:1).

30. Reclassification

The certain amounts in the financial statements for the year ended 31 December 2014 have been reclassified to conform to the current year's classification.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Sales	881,626	923,069	882,986	924,429
Service income	63,005	63,055	-	-
Other income	43,144	4,107	41,955	2,969
Administrative expenses	84,170	86,627	76,713	79,169

The reclassifications had no effect to previously reported loss or shareholders' equity.

31. Events after the reporting period

On 29 February 2016, the Board of Directors' meeting of the Company passed the resolutions;

- 1) To propose for approval by the Annual General Meeting of the Company's shareholders of the appropriation of Baht 3.32 million of the 2015 net profit to the statutory reserve and the payment of a dividend of Baht 0.11 per share, or a total of Baht 41.24 million.
- 2) To approve the allotment and offering of new common shares amount of 75,000,000 shares at the price of Baht 3 per share with a par value of Baht 1each, totaling Baht 225 million offered to the private placement of two investors which set to be paid within 11 March 2016.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2016.