

ANNUAL REPORT 2015

TYC●NS

บริษัท ไทยคุน เวิลด์ไวด์ กรุ๊ป (ประเทศไทย) จำกัด (มหาชน)
Tycoons Worldwide Group (Thailand) Public Co.,Ltd.







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1. Policy and business operating overview

Background

Tycoons Worldwide Group (Thailand) Public Co., Ltd.(TYCN) was established on September 9, 1996. TYCN is 79.47% owned subsidiary of Tycoons Group International Co., Ltd.(TGI), incorporated in Cayman Islands by Tycoons Group Enterprise Co., Ltd (TGE), located in Taiwan. TYCN became the public company on July 9, 2003 and become a listed company on December 11, 2003. TYCN's main business is to manufacture and sell four main products including wire rod, annealed wire, screw and bolt. TYCN commenced to complete the construction of a world-class midstream to downstream vertically integrated production, regarded as the only one in Thailand and one of a few producers in the world. At present, the TYCN's production capacity of wire rod, annealed wire, screw and bolt is 360,000 tons/year, 144,000 tons/year, 36,000 tons/year and 36,000 ton/year, with the plant location in Rayong.

In year 2011, Tycoons Group International Co., Ltd has set aside 60,000,000 shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd (about 9.94% of total outstanding common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd) to issue 30,000,000 units of Taiwan Depository Receipt (TDR) in Taiwan Stock Exchange and has been listed on Sep. 29, 2011. Therefore, the shareholding that Tycoons Group International Co., Ltd holds Tycoons Worldwide Group (Thailand) Public Co., Ltd decreased from 79.47% to 70.31%

1.1 General operating policy

Vertical integration, focus on cost down, catch customers requirements for products indeed, and constantly innovative ideas, raise the bar for ourselves.

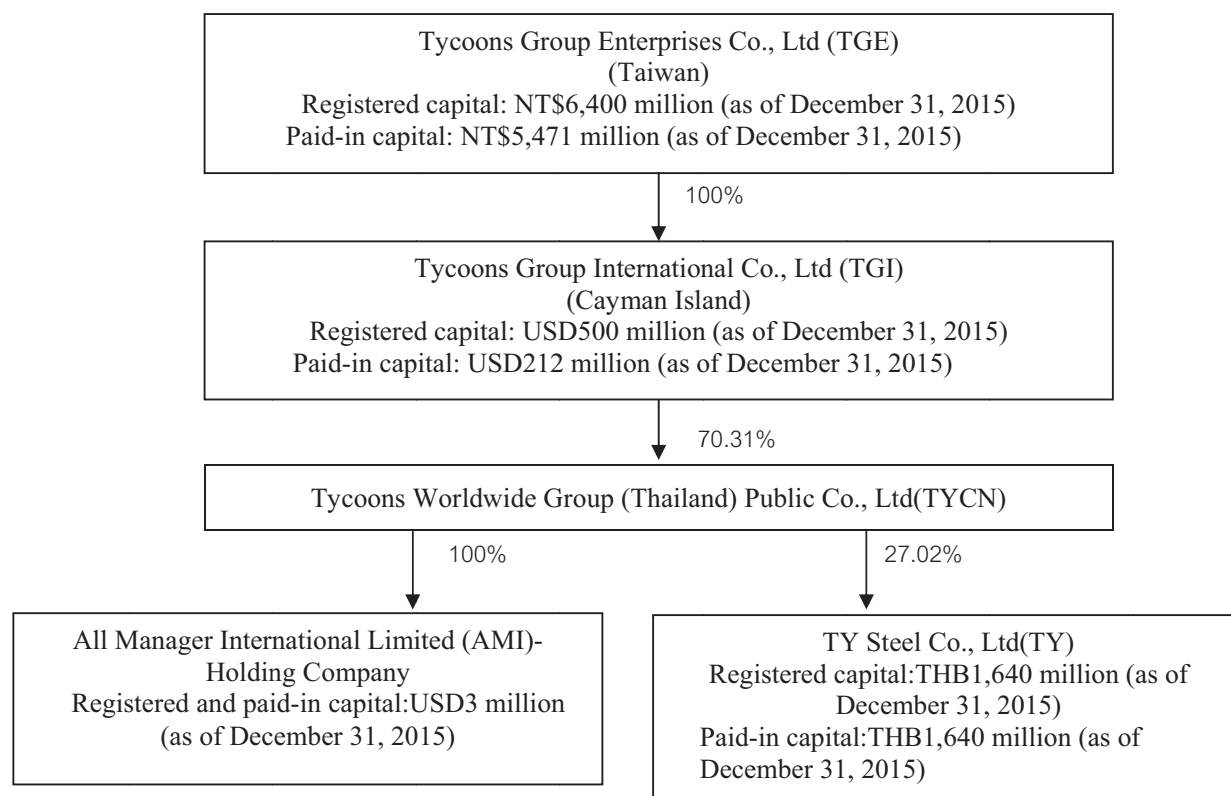
1.1.1 Operational objectives

1. Follow our vertical integrated policy, we set a goal, we will branched into billet production, the most upstream of steel-making industry.
2. We continue to maintain our position of leadership in producing wire rods and offering related service in Thailand.
3. We will continuously improve our products' quality, upgrade our production and operation efficiency, and focus on cost down.

1.2 Significant change and development

In year 2011, major shareholder Tycoons Group International Co., Ltd has set aside 60,000,000 shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd (about 9.94% of total outstanding common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd) to issue 30,000,000 units of Taiwan Depository Receipt (TDR) in Taiwan Stock Exchange and has been listed on Sep.29, 2011. Therefore, the shareholding that Tycoons Group International Co., Ltd holds Tycoons Worldwide Group (Thailand) Public Co., Ltd decreased from 79.47% to 70.31%.

1.3 Structure of the group



TGE was approved to be incorporated by the Ministry of Economic Affairs under the company law of the Republic of China on November 20, 1980. Its total registered capital as of December 31, 2014 was NT\$ 6,400 million, paid-in capital was about NT\$5,471million. Currently, TGE's main business is to produce annealed wire using wire rod, raw material imported from TYCN. TGE also directly sells wire rods and annealed wire to customers in the Taiwanese market. TGE currently has the production facility in Taiwan for production of annealed wire, bolt and the only heat treatment facility in Taiwan for the screws. TGE also took the view that there was further potential for upward integration in its industry. Thus, after consideration, TGE established TYCN in Thailand as its production base for upward integrated products (wire rods as well as annealed wires and screw). TGE chose Thailand as a production base because Thailand is extremely competitive in terms of logistics and manufacturing cost. TGE's investment in TYCN is done through the TGI to take advantage of advantageous tax treatment. TGE's primary market is limited to Taiwan to avoid so-called cannibalization within its group of companies. In accordance with company policy, management and operation of TGE and TYCN are clearly separated, and the two management teams are independent each other, in order that each company is acting in its own best interests.

TY Steel Co., Ltd. (hereinafter called "TY") was established on September 14, 2011. TY is 27.02% and 72.98% owned by TYCN and TGI separately which was incorporated in Thailand. TY had a registered capital of 1,640,000,000 baht and paid up capital of 1,640,000,000 baht. TY's principal business is to produce and sell billet.

1.4 Relationship with the business group of major shareholder

Currently, TYCN's largest customer for sales of merchandise, including wire rod and annealed wire, is Tycoons Group Enterprise (TGE), TYCN's indirect majority shareholder via Tycoons Group International Co., Ltd.(TGI), (TGE holds a stake of up to 100% in TGI and TYCN is a 70.31% owned subsidiary of TGI). TYCN's sales to TGE accounted for 21.43% of TYCN's total sales in 2015. If TGE does not continue to purchase merchandise from TYCN or reduces the quantity of goods that it purchases from TYCN, this could affect TYCN. However, because TYCN was established specifically to serve as a production base for TGE, the company believes that it is unlikely that TGE will significantly reduce its purchase volume from TYCN. The company also believes that the historical business relationship between the two companies as well the fact that TGE has also acted as agent for TYCN in Taiwan somewhat reduces this risk. Furthermore, TYCN believes that selling through TGE creates mutual marketing benefits for both companies. TYCN does have the flexibility to seek other markets for its products or sell directly to Taiwan, depending on which is most beneficial to it. Therefore, the business relationship between TGE and TYCN will be able to maintain mutually beneficial way.

In accordance with company policy, management and operation of TGE and TYCN are clearly separated, and the two management teams are independent each other, in order that each company is acting in its own best interests.

2. Nature of the business

Revenue structure

Product	2015		2014		2013	
	MB	%	MB	%	MB	%
Domestic Sales						
1. Wire rod	2,763.45	38.80	2,489.94	29.81	3,242.94	35.27
2. Annealed wire	76.17	1.07	84.60	1.01	180.34	1.96
3. Screw	2.19	0.03	1.64	0.02	-	-
4. Bolt	-	-	-	-	-	-
5 Others	172.08	2.41	586.37	7.02	40.11	0.43
Total domestic Sales	3,013.89	42.31	3,162.55	37.86	3,463.39	37.66
International Sales						
1. Wire rod	558.19	7.84	1,051.18	12.58	1,961.66	21.33
2. Annealed wire	1,457.10	20.45	1,912.93	22.90	1,478.66	16.08
3. Screw	720.80	10.12	866.14	10.37	902.07	9.81
4. Bolt	1,373.13	19.28	1,357.27	16.25	1,389.10	15.11
5 Others	-	-	3.54	0.04	0.82	0.01
Total International Sales	4,109.22	57.69	5,191.06	62.14	5,732.31	62.34
Total Sale	7,123.11	100	8,353.16	100	9,195.70	100

TYCN was granted the promotional privileges from the Board of Investment (BOI) under a promotion certificate issued on October 11, 1996 to manufacture steel wire rod and screw under category 2.15 manufacture of steel wire, round bar or steel billet and category 4.7 manufacture of metal wire or wire products and a promotion certificate issued on April 9, 2003 to manufacture annealed wire (>6mm) and bolt under category 4.7 manufacture of metal wire or wire products.

2.2 Marketing and competitive

2.2.1 Marketing

1. Domestic market

Wire rods: The majority of target customers are manufacturers who buy wire rods as the raw materials to produce the downstream-related products such as PC wire, PC strands, wire mesh, screws, nails, automobile parts, etc. TYCN plans on expanding its sales force in anticipation of the continued growth in wire rods.

Annealed wires: Like wire rods, the principal customers are manufacturers producing screws, speaker tips, bolts, automobile parts, etc.

TYCN is the largest screw manufacturer in Thailand and the Company believes that it is one of a few screw manufacturers in the world vertically integrated from production of wire rods to production of screws. TYCN is one of the leaders in the wire rod market. One factor supporting this position is the company's high product quality. Additionally, TYCN offers certain products that other competitors are not able to offer. Current, production of wire rod in Thailand is considered to be too low to meet demand. As a result, the wire rod market in Thailand is presently a net importer of wire rods.

In all, the domestic sales accounted for 42.31% of the company's total sales in 2015 compared to 37.63 ~ 37.86% during the year 2013-2014.

2. International market

Similar to domestic market, wire rods and annealed wires are sold to manufacturers of different end user applications. Currently, TYCN's sales of products through TGE accounted for around 21.43% of total sales in 2015, besides, the company expand to the Southeast Asian and India market. With respect to screws, the main customer is the USA market where Taiwan is the largest exporter. TYCN's primarily market in America, Europe and Asia, accounting for 100% of total screws sales in 2015. In respect to bolts, the market primary in America and Europe in 2015.

For Wire Rod and Annealed Wire TYCN's most crucial client is TGE, who purchases wire rods and annealed wires for its internal use. TGE also sells these two products to the other Taiwanese manufacturers since TGE has been in the market for years and has built up a broad customer base. TYCN also makes use of direct sale to other market, such as India, Southeast Asia and Australia.

With regard to screws and bolts TYCN emphasizes the America market as it is most significant market. Screws and bolts imported from Taiwan are very well known and recognized by the America market.

In all, the international sales accounted for 57.69% total sales in 2015 compared to 62.14 ~ 62.34% during the years 2013-2014.

2.2.2 Competition

1. Local competition

In the wire rod industry in Thailand, most steel producers produce low carbon content wire rod for construction purpose, which is considered lower quality compared with the majority of TYCN's product. TYCN's principal product is high-end wire rod, or CHQ, and it also produces low alloy and high-carbon wire rods. Though other Thai steel producers are recovering and are active in the market, they tend to mainly focus on the low carbon content wire rods, which are more suitable for the construction industry, rather than the high-end, high carbon-content product. Further, Thai producers also tend to use scrap metal to melt in the furnace as opposed to pig iron, which is typically used for higher quality billet.

TYCN is considered to be the only screw manufacturer in Thailand, and one of the few in the world, with upstream integration (producing wire rod as well). TYCN's four major products are wire rod as well as three downstream products: annealed wire, screws and bolts. The company's screw and bolt production capacity ranks highest amongst local peers. Nonetheless, the company has no policy to locally sell screw because of cannibalization incurred with others, who are the wire rod purchasers to produce the screw.

2. International competition

Since exports account for 57.69% of TYCN's total sales, TYCN's competitors include regional companies such as companies from Japan, Korea, China and Taiwan. For the sake of comparison, a discussion of competitors, broken down by product, is as follows:

1). Wire rod and annealed wire: The products sold abroad are mostly high quality products. The main market includes Taiwan, in which TGE acts as an agent for the company (rather than TYCN selling directly), which facilitates brand recognition in Taiwan. TYCN's main competitors in this market are China Steel, Yieh Hsing, Quintain Steel, Feng Hsin Iron & Steel. Certain other importers, including Kobe Steel, NKK Bars & Shapes and Nippon Steel from Japan, Poscol from Korea and Baoshan Iron, Shanhai Baostreet Group, Benxi Iron & Steel and Maanshan Iron & Steel from China, among others, are also competitors in this market. In terms of the intensity of competition, mostly price is quoted by China Steel, the largest state enterprise. As a result, other competitors composing local producers and importers focus on the quality-oriented product as well as the product designed to be well correspond to specific customers' need rather than the price war, which is advantageous to TYCN. Specifically, TYCN's wire rod can be described as the high-tensile wire rod, which suits for the production of fastener products. Moreover, long established network with Taiwanese company can help the TYCN's product easily penetrate the market accordingly.

2) Screws and bolts: The primary sales market for such screws and bolt is the US and Europe, the largest consuming market of all, with moderately competitive environment. Taiwan accounts for a significant portion of sales of such screws and bolts to the US and Europe in part due to their products reliability. TYCN can benefit from this relationship. TYCN's main competitors in sales to this market include companies from Taiwan, Japan, Korea and China.

3. Risk factors

3.1 Risk relating to the uncertainty in price of products and raw materials

Billet is the most important material of the Company's product, wire rod. Therefore, the price of billet and wire rod will significantly influence our revenue, cost of good sold and net income. The main sources of billet are Brazil, Russia, South Africa, Europe and China. Among these countries, China's policy and condition is consideration of the others. The suppliers in China often think over the market price and demanding so far as basis for production, rather than consider the matter of long term trend and to steady market price. As a result, price of material fluctuated massively. The price fluctuation of raw material will affect the cost of our company; on the other hand, the price of product also depends on market demand. How to disperse sources of material will seriously affect the cost and profit of the Company.

In order to reduce the risk of price variation of billet and wire rod, and then influence the sale, cost and profit of the Company, we could adjust the combination of products at any point to choose a highest profit of combination. With flexibility production could raise the ability of the Company to face risk of price variation. On top of that, the Company also keep good relationship with suppliers all over the world, with diversity sources the Company could have better condition of purchasing during the period of price volatile. The Company with parent company Tycoons Group International Co., Ltd. Invested in TY Steel Co., Ltd., established in Thailand to produce raw material-billet, shareholding is 27.02% and 72.98% respectively, in order to ensure the stable source of raw material-billet and reduce billet cost.

3.2 Risk relating to the America market

As highlighted by the fact that the export of screws to the *America* represented 1.25%, 0.89% and 1.39% of total sale in 2013, 2014 and 2015 respectively, (and represented 14.53%, 13.88% and 19.69% of total sales of screws for the year 2013, 2014 and 2015), the *America* market is therefore a very important market for screw sales. However, TYCN is exposed to the loss of such market, or decline in demand from *America* market. Nevertheless, US is the major market in the world, with a very high level of demand generally, and most of the screws imported by the *America* are imported from Taiwanese-affiliate companies (of which TYCN is one of the top companies). *America* market has a long business history Taiwanese screw and fastener products which the company believes further mitigates this risk of reliance on *America* market and the company also expand to Russia, Uzbekistan, Poland, Romania and other Asia market.

3.3 Risk incurred from the new entry of the competitors

Despite the Company has vertical integrate production line with ability to produce high quality wire rod, the capacity of wire rod is also maintaining the first few rankings in Thai market, but it does not ensure the Company will keep the competitiveness at present. The Company feel that except for potential new entry, the real competitors are the steel producers from Korea, Japan and China, rather than local producers in Thailand. Moreover, these producers have plants in Thailand gradually and enjoy tariff privileges. In spite of these steel producers have established plants in AFTA countries, however, if they want to build an vertical integrate production line from middle to downstream like TYCN, they need to put a great deal of capital. Besides, the Company will keep increasing competitiveness ourselves by strengthen research development ability and quality control.

3.4 Foreign Exchange Risk

The demanding of raw material of the Company as well as other steel producers, raw material has to be imported and paid by US dollars. Recently the economical policy of America and material arbitrage make US dollars volatile, therefore, the Company have to face the risk of foreign exchange. Due to our Company 's market is all over the world, export sales account for over 58% of total sales of the Company, moreover, 90% of export sales are quoted by US dollars. Therefore, most parts of foreign assets exchange risks could be counteracted with foreign liabilities, and this is so-called natural hedge. Meanwhile, the company also makes derivative transaction by signing forward exchange contacts with bank in order to adjust the net exposure position risks.

3.5 Risk of high proportion of the sales transaction through the majority shareholder TGE

Currently, TYCN's largest customer for sales of merchandise, including wire rod and annealed wire, is Tycoons Group Enterprise (TGE), TYCN's indirect majority shareholder via Tycoons Group International Co., Ltd.(TGI), (TGE holds a stake of up to 100% in TGI and TYCN is a 70.31% owned subsidiary of TGI). TYCN's sales to TGE accounted for 21.43% of TYCN's total sales in 2015. If TGE does not continue to purchase merchandise from TYCN or reduces the quantity of goods that it purchases from TYCN, this could affect TYCN. However, because TYCN was established specifically to serve as a production base for TGE, the company believes that it is unlikely that TGE will significantly reduce its purchase volume from TYCN. The company also believes that the historical business relationship between the two companies as well the fact that TGE has also acted as agent for TYCN in Taiwan somewhat reduces this risk. Furthermore, TYCN believes that selling through TGE creates mutual marketing benefits for both companies. TYCN does have the flexibility to seek other markets for its products or sell directly to Taiwan, depending on which is most beneficial to it. Therefore, the business relationship between TGE and TYCN will be able to maintain mutually beneficial way.

4. General information and other significant information

4.1 General information

4.1.1 Name of the company: Tycoons Worldwide Group (Thailand) Public Company Limited (TYCN).

Type of business: To manufacture and distribute wire rod,(include deformed bar) annealed wire, screw and bolt (include thread rod).

Location: 99 Moo1, Tumbon Nikompattana Amphur Nikompattana, Rayong 21180 Thailand.

Registered share capital: 596,748,900 common shares, 5,967,489,000 baht.

Issued and paid-up share capital: 596,748,900 common shares, par value 10 baht, paid-up Capital 5,967,489,000 baht.

Company registration: 0107546000172

Telephone No. : (033)-658-558, (038)-636975

Facsimile No. : (038)-636-977

Home Page: <http://www.tycons.com>

4.1.2 Name of subsidiary and associated company :

(1) All Manage International Limited with 100 % owned by TYCN

Registered address: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

Registered and paid-up share capital : 1,875 ordinary shares of no par value each, paid-up Capital USD 3,000,000.

Type of business: Holding Company

The certificate of incorporation number : 1491005

(2) TY Steel Co., Ltd. with 27.02% owned by TYCN

Registered address: 99/8 Moo1, Tumbon Nikompattana, Amphur Nikompattana, Rayong 21180 Thailand

Registered share and capital: 164,000,000 common shares, par value 10 baht, 1,640,000,000 baht

Issued share and paid-up capital: 164,000,000 common shares, 1,640,000,000 baht

Type of business: produce and sell billet

Company registration: 0215554004031

4.1.3 Taiwan Depository Receipt (TDR)

Tycoons Group International Co., Ltd, a main shareholder of Tycoons Worldwide Group (Thailand) Public Co., Ltd., has set aside 60,000,000 common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd to issue 30,000,000 units of Taiwan Depository Receipt (TDR) in Taiwan Stock Exchange. Each TDR unit represents two common shares of Tycoons Worldwide Group (Thailand) Public Co., Ltd. and has been listed in Taiwan Stock Exchange on 29 Sep. 2011. The depository bank is First Commercial Bank, as Citibank is custodian.

4.2 Reference

- 4.2.1 Auditor :** EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110, Thailand.
Tel:66(2)2640777 Fax:66(2)2640789-90
- 4.2.3 Register :** Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building ,7th
Floor, Ratchadapisek Road, Klongtoey,
Bangkok 10110, Thailand.
Tel:66(2)2292800 Fax:66(2)3591262

5. Shareholders

Names of the ten largest shareholders of the company on March 18, 2015

Name	Number of shares (shares)	Percentage (%)
TYCOONS GROUP INTERNATIONAL CO., LTD.	419,588,592.00	69.53
CITIBANK NOMINEES SINGAPORE PTE LTD-FIRST COMMERCIAL BANK-TDR	60,000,000.00	9.94
บริษัท ไทยเอ็นวีดีอาร์ จำกัด	10,484,380.00	1.74
MORGAN STANLEY & CO. INTERNATIONAL PLC	10,000,000.00	1.66
บริษัทไทยคูน เวิลด์ไวด์ กรุ๊ป (ประเทศไทย)	6,755,000.00	1.12
MISS YAO, CHIN-HSIANG	3,431,387.00	0.57
นายวิศ โพธิ์อบ	3,247,000.00	0.54
นายสมศักดิ์ เพชรศิริพันธุ์	2,200,000.00	0.36
นางลินจง พิจิตรพงศ์ชัย	2,500,000.00	0.41
นายสม ปริยวัต	2,200,000.00	0.36
Other	83,097,541.00	13.77
Total	603,503,900	100

Investor can check update information of shareholders from the company's website before annual general meeting.

6. Dividend payment policies

- The dividend payment policy of the company is that dividends will be paid at a rate of no less than 40 percent of the Company's net profit after corporate income tax each year. However, many factors must be took into consideration before deciding to pay a dividend, including operation results and financial status, the company's liquidity, business expansion and other factors related to management of the company. In order to pay a dividend, such payment must be agreed upon at a shareholders meeting with consent of the company's board of directors.

If there is any profit after the final accounts of such financial year, the company may allocate the profits in the following orders, provided that the company shall first apply such profits to pay off its tax payment then compensate for its accumulated losses:

- (1) Set five percent of the remaining profits as reserve fund.
 - (2) Upon properly reserving the fund for reserve fund, set one percent of the remainder of the profits as directors' bonus.
 - (3) Upon properly reserving the fund for reserve fund, the employees' bonus shall be set in the range between two to five percent of the remainder of the profits.
 - (4) After the funds for items 1 to 3 are properly reserved, at least forty percent of the remainder of the profits plus the accumulated and undivided profits of previous year shall be set as dividends (deducting the distributed interim dividends). The dividends to be distributed in the form of cash shall not be less than fifty percent of the distributable dividends. No distribution shall be allowed if divided per share is less than THB 0.2.
2. The dividend was paid: the company omitted annual dividend for 2012, 2013 and 2014.
 3. The payment rate compared to the net profit: the company omitted annual dividend for 2012 2013 and 2014.

7. Management structure

The management structure of the company is composed of the Board of Directors, the audit committee and the management team, details of which are as follows:

7.1 Board of Director

The Board of Directors as at Dec 31, 2015

No.	Name-Last Name	Position
1	Mr. Huang, Wen-Sung	Chairman of Board
2	Ms. Lu, Yen-Chuan	Vice Chairman of Board
3	Mr. Huang Ping-Lun	Director
4	Mr. Yang, Po-Lung	Director
5	Mr. Surabhon Kwunchaithunya	Independent director and Chairman of the Audit Committee
6	Mr. Jirawat Huang	Independent director and Audit Committee
7	Mr. Phiphat Wangphichit	Independent director and Audit Committee

Independent director

1) All Independent Director Members has requisite qualification in accordance with relevant SEC and SET rules and guidelines, (specifically, that such members has one accounting or finance backgrounds is Mr. Surabhon Kwunchaithunya).

2) All Independent Director Members have no relationships (e.g., parents, spouses, children, uncles and aunts) between the candidates and the management or majority shareholders of company or its affiliates.

- 3) All Independent Director members have no relationships with Company/ parent company/ affiliated and associated companies or juristic persons with potential conflicts of interest at present and during the past two years, as follows:
- Executive directors, staff, employees or advisers who earn salaries from Company.
 - Professional service provider.
 - Material business relationships with Company that may affect their independence.

Details of Attendance and service of the Board of Directors

Name	Number of attendances / Total of meeting		Number of years the directors have served
	2015	2014	2015 (years)
1 Mr.Huang, Wen-Sung	2/4	2/4	12.5
2. Ms.Lu, Yen-Chuan	3/4	3/4	12.5
3 Mr.Huang, Ping-Lun	3/4	4/4	9.5
4 Mr.Yang, Po-Lung	4/4	3/4	1.8
5 Mr.Surabhon Kwunchaithunya	4/4	4/4	12.5
6 Mr.Jirawat Huang	4/4	4/4	12.5
7 Mr.Phiphat Wangphichit	3/4	4/4	12.5

Directors authorized to sign on behalf of the company

The authorized directors who may sign to bind the company are two of Mr.Hung, Wen-Sung, Ms.Lu, Yen-Chuan, Mr. Yang, Po-Lung and Mr.Huang Ping-Lun, who must jointly sign, together with the affixation of the official company stamp.

The Executive Board as at Dec 31 , 2015

No.	Name-Last Name	Position
1	Mr.Huang, Wen-Sung	Chairman of Board
2	Ms.Lu, Yen-Chuan	Vice Chairman of Board
3	Mr. Huang, Ping-Lun	Director
4	Mr. Yang, Po-Lung	Director

The Audit Committee as at Dec 31,2015

No.	Name-Last Name	Position
1	Mr.Surabhon Kwunchaithunya	Chairman of the Audit Committee
2	Mr.Jirawat Huang	Audit Committee
3	Mr.Phiphat Wangphichit	Audit Committee

Name of the secretary of the audit committee is Ms. Li Pi – Chen

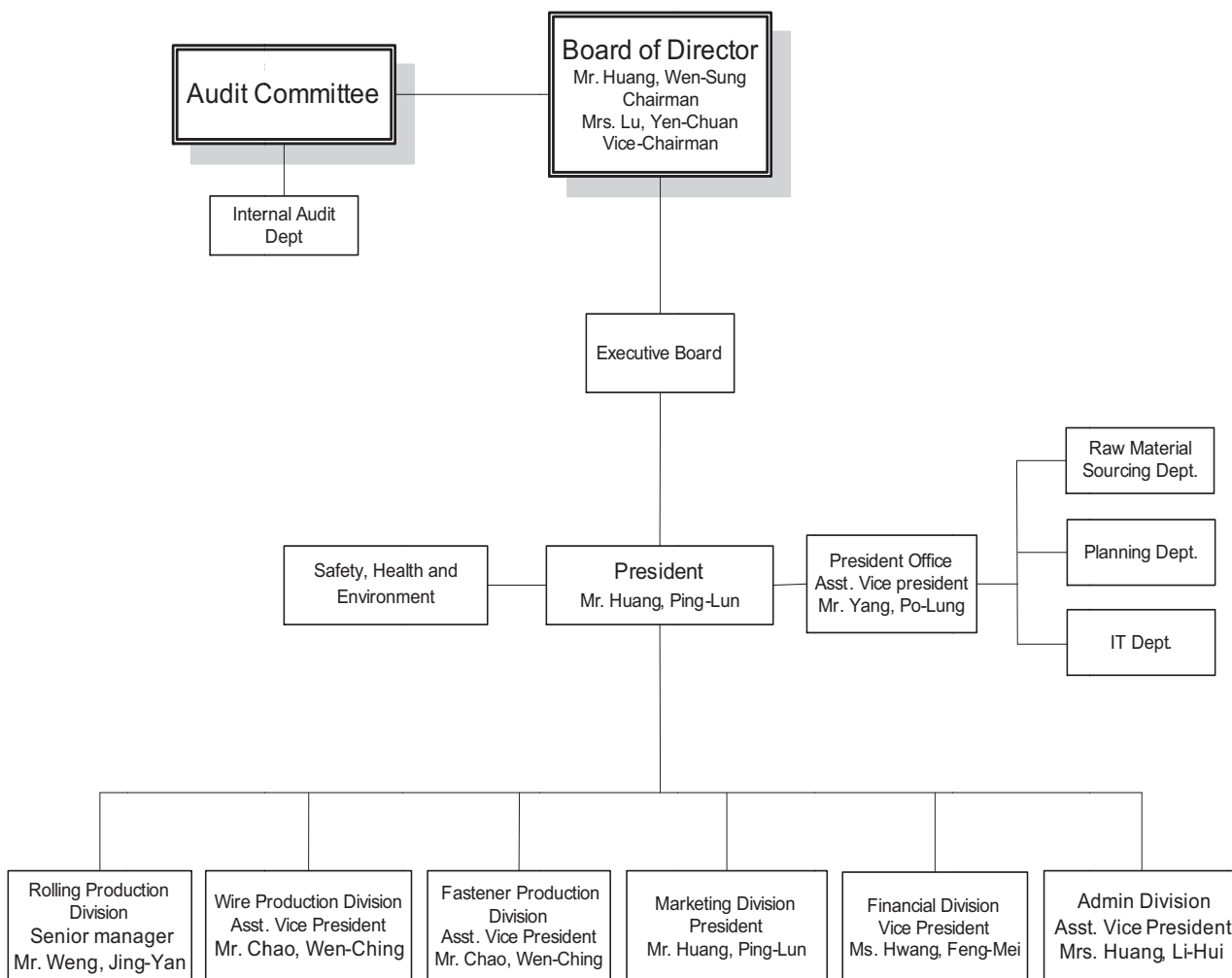
Details of Attendance and service of the Board of Audit Committee

No.	Name-Last Name	Number of attendances / Total of meeting	
		2015	2014
1	Mr.Surabhon Kwunchaithunya	4/4	4/4
2	Mr.Jirawat Huang	4/4	4/4
3	Mr.Phiphat Wangphichit	3/4	4/4

7.2 ManagementNames of the management team as at Dec 31, 2015

No.	Name-Last Name	Position
1	Mr.Huang, Wen-Sung	Chairman
2	Ms.Lu, Yen-Chuan	Vice Chairman
3	Mr. Huang, Ping-Lun	President
4	Ms. Hwang, Feng-Mei	Vice President
5	Mr. Huang, Li-Hui	Asst. Vice President
6	Mr. Yang, Po-Lung	Asst. Vice President
7	Mr. Chao, Wen-Ching	Asst. Vice President

Organization chart.



CV of Executive and Management team 2015

Director and Management team

Name – Surname Position (Appointing date)	Age (Year)	Educational Background/ Training Background	Shareholding structure (%)	Relation among family within the Company	Working Experience	
					Period	Position & Working office
1. Mr. Huang, Wen-Sung Chairman / Director (12/08/2003)	60	Business Professional High School	-	-	2003 – Current 2003 – Current 2003 – Current 2005 - Current 2008 – Current 2011 - Current	Chairman / Tycoons Group enterprise Co., Ltd. Chairman / Tycoons Group International Co., Ltd. Chairman / Tycoons Worldwide Group (Thailand) Plc Director / Baw Heng Steel (Vietnam) Co., Ltd. Director / ALL Manage International Limited Director / TY Steel Co., Ltd.
2. Ms. Lu, Yen-Chuan Director / Vice Chairman (12/08/2003)	61	Electrical Calculation Dept., Ming- Juan Commercial Junior College Director's Accreditation Program (DAP) Class 57/2006 Thai Institute Of Directors (IOD)	-	-	2003 – Current 2009 – Current 2006 – 2009 2003 – 2006 2005 – Current	Director / Tycoons Group Enterprise Co., Ltd. Director, Vice Chairman / Director, President / Director, Executive Vice President /Tycoons Worldwide Group (Thailand) Plc. Director / Baw Heng Steel (Vietnam) Co., Ltd
3.Mr. Huang, Ping-Lun Director (27/03/2006) President (11/05/2012)	35	Business Management Seattle University Director's Accreditation Program (DAP) Class 57/2006 Thai Institute Of Directors (IOD)	0.02	Son of Mr.Huang Wen-Sung	2006 – 2010 2010 – 2012 2012 – Current 2011 - Current	Director, Senior Sale Manager / Director, Assistant Vice President / Director, President / Tycoons Worldwide Group (Thailand) Plc. Director / TY Steel Co., Ltd.
4.Mr. Surabhon Kwunchaithunya Independent Director / Chairman of Audit Committee (12/08/2003)	64	MBA, University of Washington BS. In Industrial Engineering / BS. In Electrical Engineering, University of Washington - Directors Certification Program (DCP), Class 44/2004 (IOD) - Directors Accreditation Program (DAP), Class 14/2004 (IOD) Role of the Chairman Program (RCP) Class 32/2013 (IOD) - Corporate Governance For Capital Market (CGI), Class 8/2015 (IOD)	-	-	2003 – Current 2006 – Current 2014 - Current 2010 - Current 2012 - Current 2010 – 2012	Independent Director , Chairman of Audit Committee / Tycoons Worldwide Group (Thailand) Plc. Director and Vice Executive Chairman / Country Group Securities Plc. Vice Chairman / Country Group Holdings Public Company Limited Director, Executive Director, Acting Chairman of Risk Management Committee and Corporate Governance Committee Member, MFC Asset Management Public Company Limited Director / Thai Chamber of Commerce & Industry Director / The Stock Exchange of Thailand

Name – Surname Position (Appointing date)	Age (Year)	Educational Background/ Training Background	Shareholding structure (%)	Relation among family within the Company	Working Experience	
					Period	Position & Working office
		- Certificate, Capital Market Academy, Leadership Program, Class No. 11 (SET) - Securitization By Fannie Mae of USA - Finance and Banking By HSBC (Hong Kong)			2010 – 2012 2010 – 2012 2010 – 2012	Chairman, Risk Management Committee, The Stock Exchange of Thailand Director, Thailand Futures Exchange PCL Member, Disciplinary Committee, The Stock Exchange of Thailand
5.Mr. Jirawat Huang Independent Director / Audit Committee (12/08/2003)	60	Chin Yun Industry College (Taiwan) Director's Accreditation Program (DAP) Class 47/2004 Thai Institute Of Directors (IOD)	-	-	2003 – Current 2003 – Current	Manager Director / Lee Chemical Products Co.,Ltd. Independent Director , Audit Committee / Tycoons Worldwide Group (Thailand) Plc.
6. Mr. Phiphat Wangphichit Independent Director / Audit Committee (12/08/2003)	78	Agriculture Pintong agriculture Collage (Taiwan) Director's Accreditation Program (DAP) Class 47/2004, which was organized by Thai Institute Of Directors (IOD)	-	-	2003 – Current 2003 – Current 2003 – Current 2003 – Current	Managing Director / United Industrial Gas Co.,Ltd Managing Director / Canking Engineering (Thailand)Co., Ltd Managing Director / Chachoengsao Oxygen Co.,Ltd. Independent Director , Audit Committee / Tycoons Worldwide Group (Thailand) Plc.
7. Ms. Hwang, Feng- Mei Vice President (01/12/2015)	50	National Central University Business Administration Dept.	-	-	2000 – 2010 2011 - 2015 2015- Current	Senior manager of Financial Division in Tycoons Worldwide Group (Thailand) Plc. Asst. Vice President of Financial Division in Tycoons Worldwide Group (Thailand) Plc Vice President of Financial Division in Tycoons Worldwide Group (Thailand) Plc
8. Ms. Huang, Li- Hui Asst. Vice President (01/12/2011)	56	National Central University Business Administration Dept	0.1	-	2001 – 2010 2011- Current	Senior manager of IT Dept. Tycoons Worldwide Group (Thailand) Plc Assistant Vice President of Admin Division in Tycoons Worldwide Group (Thailand) Plc
9. Mr. Yang, Po-Lung Assistant Vice President (01/11/2013) Director (24/02/2014) Company Secretary (24/02/2014)	57	Accounting Department. Dan-Jiang University Director's Accreditation Program (DAP) Class 57/2006 Thai Institute Of Directors (IOD)	-	-	2000 – 2011 2003 – 2011 2013 - Current	Assistant Vice President / Tycoons Worldwide Group (Thailand) Plc Director / Tycoons Worldwide Group (Thailand) Plc Director/Assistant Vice President /Tycoons Worldwide Group (Thailand) Plc

Name – Surname Position (Appointing date)	Age (Year)	Educational Background/ Training Background	Shareholding structure (%)	Relation among family within the Company	Working Experience	
					Period	Position & Working office
10. Mr. Chao, Wen-Ching	40	Department of Mechanical and Automation Engineering Kao Yuan University	-	-	2011 – 2013	Manager Screw Department / Tycoons Worldwide Group (Thailand) Plc
					2013 - Current	Manager Screw, Annealing Wire Department / Assistant Vice President / Tycoons Worldwide Group (Thailand) Plc

7.3 Company Secretary

Name Mr. Yang, Po-Lung **Age** 57 years **Nationality** Taiwan

Education : Accounting Dept./Dan-Jiang University

Company's Position : Director / Assistant Vice President

Working Experience

2000 – 2011 Assistant Vice President / Tycoons Worldwide Group (Thailand) Plc.

2003 – 2011 Director / Tycoons Worldwide Group (Thailand) Plc.

2013 – Current Director/ Assistant Vice President / Tycoons Worldwide Group (Thailand) Plc.

Scope of work and responsibilities of Company Secretary

1. preparing and keeping the following documents:
 - (a) a register of directors;
 - (b) a notice calling director meeting, a minutes of meeting of the board of directors and an annual report of the company;
 - (c) a notice calling shareholder meeting and a minutes of shareholders' meeting;
2. keeping a report on interest filed by a director or an executive;
3. performing any other acts as specified in the notification of the Capital Market Supervisory Board.

7.4 Remuneration for director and management

1. Cash Remuneration

Director's and Management remuneration at Dec 31, 2015-2014 as follow.

Type of remuneration	Director's remuneration persons(Baht)		Executives' remuneration persons(Baht)	
	2015(7)	2014(7)	2015(7)	2014(7)
Salary	1,080,000	1,080,000	11,841,785	13,485,371
Bonus	-	-	651,400	473,800
Premium	-	-	-	-
Profit-sharing	-	-	-	-
Other welfare	-	-	-	-
Total	1,080,000	1,080,000	12,493,185	13,959,171

Director's and Management remuneration (Salary& Bonus) in year 2015 and 2014 as above:

The directors' remuneration of the Company has not been approved by Remuneration Committee due to the Company didn't set the Committee up. However, the directors' remuneration has already been compared to other similar industries and taken account of other issues such as business expansion and growing up of profit. Eventually, it is approved by Board of directors with careful consideration and approved by shareholders through shareholders 'meeting.

Name	Position	Salary & Bonus	
		2015	2014
1. Mr.Huang, Wen-Sung	Chairman of Board	240,000	240,000
2. Ms.Lu, Yen-Chuan	Vice Chairman of Board	120,000	120,000
3. Mr.Huang, Ping-Lun	Director	120,000	120,000
4. Mr. Ou Yang, Lung	Director	-	20,000
5. Mr. Yang, Po-Lung	Director	120,000	100,000
6.Mr.Surabhon Kwunchaithunya	Independent director and Chairman of the Audit Committee	240,000	240,000
7. Mr.Jirawat Huang	Independent director and Audit Committee	120,000	120,000
7. Mr.Phiphat Wangphichit	Independent director and Audit Committee	120,000	120,000
Total		1,080,000	1,080,000

2. Other remunerations
-None-

8. Corporate governance

8.1 Policy of corporate governance

Policy of corporate governance of the Company please refer to our website (www.tycons.com) corporate governance of Investor Relations page.

Report of actions taken in response the corporate governance

1. Rights of Shareholders

The Company values the right of shareholders by convening the shareholders meeting annually as requested by the law. For year 2015, The Company has held the meeting on April 24, 2015 and 6 directors attended the meeting.

The Company has assigned Thailand Securities Depository Company Limited (TSD), the registrar of The Company security, to distribute all the meeting notice to all shareholders 14 days prior to the meeting (April 9, 2015).

The Company has allowed the shareholders to authorize representatives to attend the shareholders' meeting on their behalf, and if the shareholders cannot find one, The Company also proposes an independent director to take the task. In 2015, Independent director was Mr.Surabhon Kwunchaithunya.

The Company encouraged the shareholders to express their opinions and ask questions during the 2014 annual shareholders' meeting, in which the directors are responsible for answering the questions. For this particular meeting The Company allow the shareholders to propose the agenda of the meeting on December 23, 2014 to January 22, 2015.

The Company has posted the meeting invitation on the website, www.tycons.com, 30 days prior to 2015 annual shareholders' meeting and posted the minutes of meeting 3 days after the meeting.

2. Equitable Treatment of Shareholders

The Company keeps updating its status quarterly through SET website in time as requested.

The policy to allow the shareholders to propose the director candidate prior to the meeting on December 23, 2014 to January 22, 2015.

The Board of Directors does not allow directors, managements and related parties of employees to trade The Company's securities one month prior to the announcement of the company financial statement. In 2015, the given parties have strictly complied with the policy.

The Board of Directors has required its members to disclose any of their information related to the related parties and conflict of interest to the board, so that, for the best of the company's benefit, the board can consider company business activity and take a prompt action that might be affected by that information. In 2015, there was no any of information related to the related parties and conflict of interest to the board.

3. Treatment of stakeholders

The Company has been formulated the policy of corporate social responsibility(refer to item 9 corporate social responsibility), we comprehend the importance of helping and supporting society, community, and maintaining environment continuously; Tycoons also takes consideration of likely influence to stakeholders, such as creditor, stockholders 、 employees, the community where we belongs, customers, suppliers, government, societies and nations; we formulate the direction that allowed employees can participate our corporate social responsibility policy together.

4. Disclosure and Transparency

The Board of Directors discloses the financial information, business activities, and other business performance accurately, completely, efficiently, and timely that reflects the actual financial status, complies with the Generally Accepted Accounting Principles (GAAP), and is audited by independent auditor. In addition, the audit committee which is composed of independent directors with no involvement with the company management will also help review the give information.

The Company places the timely and accurately disclosure of financial and other information that may affect the share price at priority through SET website. Moreover, the company has also established Investor Relations Office. For investors and those who are interested in obtaining the company's information, they may contact Investor Relation Officer at Tel: 033-658-558 or fax: 038-636-822 or iro@tycons.com.

In 2015, IR officer has provided information to parities such as shareholders and analysts in many occasions such as quarterly performance and invest projects.

Director's remuneration; The Board of Directors has disclosed clearly the directors' remuneration policies which is in response to the contributions and responsibilities of each directors and the remuneration is approved by shareholders through shareholders' meeting.

Managements' remuneration: The Board of Directors has developed the management remuneration policy that is fair and attractive enough for qualified people to take the position and perform at high standard.

5. Responsibilities of the Board

The Board of Directors has played a role in setting the company's goal, task, and budget, and moreover oversaw the company operation according to its goal. The Board of Directors has also made comments on the internal control/audit system to manage the risk and maximize the company's profitability.

Risk Management

The Board of Directors has adopted a risk management system for all material and controllable risk and included the reporting and evaluating system in response the current situation. In 2015, the Board of Directors has considered political risk, which now does not affect the company directly. As for economic risk in exchange rate, the company has employed forward contract to minimize the risk. All managements are responsible for risk management. In assessing the risk, the chance of occurring and the impact it might create was examined, then prevention measures was proposed. The Company's internal audit has been performed audit in relation to risk and then reported to the committee, so that the committee could report to the Board of Directors in time.

Code of Ethics

The Board of Directors established the policy that encourage all employees to behave honesty and properly and accountable to stakeholders, and shareholders at all time. This will, in turn, become the organization culture that values social responsible.

Independence and Impartiality of Directors

The Board of Directors has performed its duty and exercised its discretion independently from the managements and major shareholders. Each director has the duty and is independence to ask questions, express opinions, make objection or vote as he/she sees fit in relation to all matters affecting the interests of the company, shareholders or stakeholders.

Qualifications of Directors

The Board of Directors consisted of various qualities including age, profession, and knowledge which are beneficial for the company operation and can bring about fresh perspective. Directors had adequate time to perform their duties to the fullest extent with high ethical standard. In 2015, none of the directors of the Company served as director of other listed company more than 5 companies

Qualifications of Independent Directors

The Board of Directors has set the qualifications of independent directors according to the Stock Exchange of Thailand's requirements. In 2015, Mr. Surabhon Kwunchaithunya, a highly experience person in accounting and financial field, was elected as independent director whose qualification is in line with the requirement.

Composition of the Board of Directors

The Board of Directs has determined the number of the directors in the board according to the size of the company. The board now consists of four executive directors and three independent directors totaled up seven directors. In that, independent directors account for one third of the members.

The Chairman of the Board / the Managing Director

The Board of Directors determined that the MD and the Chairman of the Board are different individuals, and their authorities and duties are clearly separated to ensure balance between management and corporate governance. In 2015, the Company's Chairman of the Board is Mr. Huang, Wen-Sung and the MD is Mr. Huang, Ping-Lun.

Terms of Directorship

The term of directorship is three years. Each year, one third of the directors will complete their terms. In 2015, the followings directors retire by rotation and re-elect to return to the office.

1. Mr. Huang, Wen-Sung	Chairman of the Board
2. Mr. Huang, Ping-Lun	Director
3. Mr. Surabhon Kwunchaithunya	Independent Director (Chairman of Audit Committee)

Board of Directors' Meeting

The Board of Directors sets the meeting schedule of entire year in advance. The meeting is usually convened quarterly unless irregular meeting is needed. The chairman or designated director ensures that all directors receive all relevant documents prior to the meeting so that they have sufficient time to study all the issues before attending the meeting or casting their votes. The given documents must be clear, analytical and sufficient of recommendation.

There were 4 times meetings held in 2015. Please see the attendance record of directors.

Name	Position	Time of Attendance
1. Mr. Huang, Wen-Sung	Chairman of Board	2/4
2. Ms. Lu, Yen-Chuan	Director	3/4
3. Mr. Huang, Ping-Lun	Director	3/4
4. Mr. Yang, Po-Lung	Director	4/4
5. Mr. Surabhon Kwanchaithunya	Independent Director	4/4
6. Mr. Jirawat Huang	Independent Director	4/4
7. Mr. Phiphat Wangphichit	Independent Director	3/4

Scope and Responsibility of the Board

The Board of Directors has set a clear scope of responsibility of the board of directors (refer to page 22-25), which is followed strictly by the board in 2015.

Internal Control/Audit System

The company has developed the internal control system to monitor and audit the area including finance and operation to ensure that they comply with the law and regulations. It would provide the balancing mechanism for the company to protect the shareholders' investment and the company asset. The company established internal auditing unit to audit and ensure that all departments are operated in accordance with the regulations, and moreover to assess the efficiency of the auditing work. The board of directors ensured that the internal auditing unit is independent and can serve as balancing mechanism. In 2015, the internal auditor has presented the report on the efficiency of the control system to the board of audit committee and board of directors for review.

- 8.2** The scope of work and responsibilities of the Board of Directors, Audit Committee and Executive Board, Managing Director in accordance with Public Limited Company Act and related Acts are as follows:

The Board of Directors

1. To perform its duty in the most professional manner to comply with all laws, the company's objectives, articles of association and shareholder's resolutions as well as to preserve the company's benefit and interests.
2. To determine the company's direction and control all business operations in accordance with the related government entities' rules and regulations. To assure the disclosure of information to shareholders and related entities as well as perform transparency management to achieve optimal benefits to the company.
3. To ensure that business is operated efficiently and in compliance with all regulatory bodies such as the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
4. To ensure that the company has effective internal control systems and an internal audit unit that works closely with the audit committee.
5. The Board of Directors may establish an executive board and a management team or delegate control to other persons to manage the company under the Board of Directors' supervision. The delegation must be accompanied by responsibilities and limitation of the control and must not be delegated to persons in circumstances that would lead to conflicts of interest with the company and its subsidiaries.
6. To have the intention to run the business continuously and conduct themselves with honesty and integrity and to be interested in the business in which they hold the directorship.
7. To be consistently responsive to the shareholders and protect their interests as well as providing to them fair, complete and transparent disclosure.
8. Consider the approval of business plans, annual budgets and sales/acquisitions of the asset exceeding 50 MB, joint ventures in expanding its business and approval of any other loans besides the working capital loans, which are solely authorized by the Executive Board.

All aforementioned responsibilities can be enforced and approved by the Board of Director except for the following items, which require shareholders' approval.

- 1) In compliance with the law, requiring a shareholders' resolution in regard to transfers or disposals of an entity, increases in paid-up capital, merger etc;
- 2) Connected transactions as set out in SET regulations;
Apart from the resolution of a shareholder meeting, a vote of not less than three quarters of the total number of votes of shareholders who attend the meeting and have the right to vote is required to approve the following events:
- 3) The sale or transfer of the whole or important parts of the business of the company to other persons;
- 4) The purchase or acceptance of transfer of the business of other companies or private companies by the company;

- 5) The making, amending or terminating of contracts with respect to the granting of a lease of the whole or important parts of the business of the company, the assignment of the management of the business of the company to any other persons or the amalgamation of the business with other persons with the purpose of profit and loss sharing;
- 6) The amending of the articles of association and memorandum of association;
- 7) The increase and reduction in company capital;
- 8) The merger or termination of the company; and
- 9) Any other relevant issue stipulated by law.

The Audit Committee

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. To review the Company's financial process to ensure that it is accurate and adequate
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information
 - (1) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (2) an opinion on the adequacy of the Company's internal control system,
 - (3) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (4) an opinion on the suitability of an auditor,
 - (5) an opinion on the transactions that may lead to conflicts of interests,
 - (6) the number of the audit committee meetings, and the attendance of such meetings by each committee member,

- (7) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - (8) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

The Executive Board

1. Prescribe the policy, direction, strategy and structure of major management work for the business operation of the company to respond to and support the economic and competitive situation as prescribed and declared to the shareholders and to propose the same for approval of the Board of Directors.
2. Prescribe business plan, budget and management power of the company and propose the same for approval of the Board of Directors.
3. Inspect, follow up the policy and management guidelines in various aspects to determine whether it is properly implemented to benefit the business operation of the company.
4. Inspect and follow up the results of business operations to determine whether it is in accordance with the approved business plan.
5. Consider, as a preliminary matter, large investment projects of the company below 50 MB (if greater than 50 MB, it will be forwarded to the Board of Directors).
6. Perform other duties as being assigned by the Board of Directors from time to time.
7. In case of such matter is already prescribed in the business plan or budget duly approved by the Board of Directors, the Executive Board shall be entitled to take any action regardless of the amount of money involved.
8. In any matters other than those specified in clause 7, the Executive Board is empowered to approve items concerning working capital loans (any other loan will be forwarded to Board of Directors for consideration).
9. Approval on opening an account with any financial institution.

The Managing Director

1. To be a chairman of all management.
2. To approve all operational plans of every department.
3. To manage and run the business according to the normal practices of the company. With respect to any significant matters, including adhoc matters, adversely affecting the company's reputation and financial status regarding the company's business, the managing director will consult the Board of Directors for their consideration.
4. Follow up the company's business operations to conform them to the company plan and assigned policy.
5. To approve requests from any department over which he has authority.

6. To preliminarily consider and propose investment plans or new businesses together with sales/acquisitions of asset in an amount exceeding Bt 50 million before submitting such matters to the Board for approval through Executive Board.
7. To propose the annual expense budget to be forwarded to the Board of Directors.
8. To consider merit of, appoint, transfer, punishing, discharging and recruiting managers.
9. To run the business following the policies set out by the Board of Directors.
10. To carry out such duties in good faith and with care to preserve the interests of the company.
11. To authorize the foregoing except the approval of connected transaction as per definition of the office of the Securities and Exchange Commission (SEC).
12. The managing director shall propose any borrowing or lending transactions, solicitation of facilities from financial institutions and granting of guarantees on behalf of any parties, to the Executive Board and/or Board of Directors to obtain approval. Working capital loans from financial institutions, however, shall be forwarded to Executive Board exclusively.

8.3 Election of the directors and the management

Selection of persons to be appointed as directors of the company does not involve the process of nominating committee whatsoever. Nevertheless, the company has laid down guidelines on the appointment of board of directors as follows:

1. Board of directors shall carry out its duties according to the laws, the objectives and the Articles of Association of the company, including the resolutions of the meetings of shareholders.
2. At every general shareholder's meeting, one-third of the directors shall vacate their office. In case the number of outgoing directors cannot be divisible by three, the number closet to one-third shall be applied.
3. The directors who resign at the first and second year, respectively, will be decided by draw. Thereafter, the directors required to resign will be those that have served the longest, but after resignation will be able to be re-appointed the following year.
4. The general shareholder's meeting may pass a resolution that any director be vacated from office before completing his term, which resolution must be passed by votes of not less than three-fourths of the number of shareholders with the right to vote and attending the meeting and whose shares altogether constitute not less than one-half of the number of shares held by shareholders attending the meeting and have the right to vote.
5. One shareholder is entitled to one vote per share.
6. Each shareholder must use all of his votes under (5) to vote for the election of one to be directors. Shareholders must cast all of their votes for one nominee, and may not divide their votes.
7. The candidates obtaining the highest numbers of votes shall be appointed directors, until all vacancies are filled. Should be a tie vote, the chairman of the Board of Directors will make the determination.

The appointment of president of the Company must be approved the Board of directors, and management of the Company directly appointed by the president.

8.4 Supervision operations of its subsidiaries and associates

The Company investment in subsidiaries or associated company must be approved by the Board of directors and authorized the Chairman/directors on behalf of the Company as the Chairman/directors of the subsidiaries and associated company by the proportion of shareholding.

8.5 Supervision of internal information

- 8.5.1 The company has a policy on supervision of usage of internal company information by its executives and staff for their own benefit. The executives and staff who come to possess internal company information are not permitted to buy or sell the securities of the company 1 month prior to the company announcing its results of operations (financial statements).
- 8.5.2 Significant information that may affect the price of securities. The company announces its results of operations within 45 days from the end of a financial quarter and 60 days after the end of the accounting year.
- 8.5.3 The company also requires that its executives prepare and submit to the Office of Securities and Exchange Commission reports on holdings of shares by them, their spouses and underage children, in listed companies in respect of which they are executives (according to the Securities and Exchange Act B.E. 2535 Section 59 and pursuant to Section 275 which stipulates that any director, manager, person who holds a management position or auditor who contravenes or fails to comply with Section 59 shall be liable to a fine not exceeding five hundred thousand Baht and a further fine not exceeding ten thousand Baht for every day during which non-compliance continues).

8.6 Audit remuneration

1). Audit Fee

The company and its subsidiary financial Statement 2015 annual audited fee and quarterly reviewed fee amount 2,050,000 Baht (include impairment test review fee of 300,000 baht property, plant and equipment) and the financial Statement 2014 annual audited fee and quarterly reviewed fee amount 1,650,000 Baht.

2). Non-Audit Fee

Impairment testing review of property, plant and equipment in 2014 will be paid in 2015 amount 300,000 Bath.

9. Corporate Social Responsibilities: CSR

9.1 Policy of corporate social responsibilities

The Company has been formulated the policy of corporate social responsibility and approved by board of directors on November 13, 2014, we comprehend the importance of helping and supporting society, community, and maintaining environment continuously; Tycoons also takes consideration of likely influence to stakeholders, such as stockholders, employees, the community where we belongs, customers, suppliers, government, societies and nations; we formulate the direction that allowed employees can participate our corporate social responsibility policy together, there are the following eight points:

1. Equitable Business:

Tycoons complies with laws and regulations, and when we are in the process of manufacturing, we producing the products with safe, reliable, well packaged, good performance and in accordance with standards. To our customers, we abides by the contracts, competes fairly, do product advertising honestly and sincerely, takes response action immediately while clients complains happened, and provides products information completely and correctly. To our suppliers, we select suppliers fairly. We must follow contracts' arrangements which already committed trading conditions and fulfilled the contracts to complete the transactions. Moreover, we treat suppliers in a impartial manner and create a mutual beneficial situation aggressively. According to corporate governance, we disclose financial information, business situations and organization structure, and respect for intellectual property rights.

2. Principles for countering bribery and against corruption:

We formulate the policy that prohibit company's directors, management levels and staffs conducted or accepted various forms of bribe and corruption, either directly or indirectly, and make sure in accordance with policy to execute and review.

3. Respecting human rights:

We respect the rights of employees and other stakeholders, we have no discrimination with races, colors, religions, genders, nationalities, ages, disability or other situations that been considered as human rights. Our company will esteem human rights appropriately and spread around the corporate operation, to eliminate unfair, discrimination, harass and infringe on various rights.

4. Do justice to employees:

The most important thing in corporate operation is employees, therefore, we should improving employees' job satisfaction and treat every employees in fair, helping their development and obtaining remuneration and appropriate welfare, providing safe and healthy work environment to our employee. The caring responsibilities should include offer necessary facilities of health and emergency first aid, eliminate enforced labor in any forms, repeal child labor, eliminate the discrimination of hired and profession, provide equal opportunities of employment is the company's main responsibilities and regard as the social responsibilities.

5. Take responsible to consumers:

Provide service with high quality, offer safe, useful and applicable products, provide information in correct, on time, and the system of supervision with intact and well-structured, which have characteristics with check and track, it can disclose sufficient information about important issue of company.

6. Environmental protection:

For the sustainable development of the company and the survival of mankind, we fulfill our environmental responsibilities in pollution prevention and environment protection, the Company set up the environmental management system with effective implementation, obey environmental law and enforce to practice, reduce pollution for continuative improvement and pollution prevention of environmental by concerning technique, save resources and valuable resources, enforce prevention of all possible accidents and stop the expanding of accident.

7. Participate community or society developing:

The Company realize level of education, culture, quality of life, safe and sanitation of community, and considering enterprise's operation will influence environment, we will actively participate government and community's activities, contributing to economic welfare of community and social development, encouraging our employees join community's public service activities.

8. Implement innovation about responsibilities for social 、 environmental and stakeholders, and disseminate innovation:

Tycoons will seeking newer, better and timely management and production mode constantly in our operation, improve and implement well corporate governance, create profit to stockholders as feedback, respect the rights of other stakeholders, maintain and improve safety and health of employees, cultivate mutual trust between enterprise and society where we operated in, participation in social care, maintain and improve facilities to saving energy 、 reduce wastewater 、 litter 、 exhaust emissions, reduce pollution, protection of environmental sustainability.

9.2 Implement of corporate social responsibilities**1. Equitable Business:**

Our products quality are followed international standard to manufacture, and we acquired certification of ISO9001 quality management systems in 2001 in order to provide safe, effective and applicable products. In year 2015 while our company agree to and sign various kinds of contracts with external parties, we all followed the principle of integrity and mutual benefit, negotiated reasonable contents of contracts, fulfilled commitments of contracts positive. We establish evaluation system for customers and firms for outsourcing, when we signed contracts with others, the rights and obligations for both sides will write down exhaustive. We disclose financial information, business situations and organization structure according to corporate governance.

2. Principles for countering bribery and against corruption:

Our policy for countering bribery and against corruption has been stipulated and approved by board of directors on November 13, 2014. Please refer to our web site (www.tycons.com) corporate governance of investor relations page.

The company's internal audit department had no received any complaints about breach of this policy in year 2015.

3. Respecting human rights:

We respect the rights of employees and other stakeholders, we have no discrimination with races, colors, religions, genders, nationalities, ages, disability or other situations that been considered as human rights. Our company will esteem human rights appropriately and spread around the corporate operation, to eliminate unfair, discrimination, harass and infringe on various rights. In year 2015, the company executed in accordance with the stated as above.

4. Do justice to employees

We signed official contract of employment with all employees, accordance with employment laws, we gave appropriate remuneration and welfare to employees, we prepared education and training awareness budget every year, and we dedicated to cultivate staff's abilities and upgrade their value. We also set up infirmary and nurses and host physical examination every year to look after employees' safety and health. We do not force labor to violate labor laws, we do not hired child labor, provide equal opportunities of employment, we have no discrimination of genders and races, we treat employees in fair. In year 2015, the company executed in accordance with the stated as above.

5. Take responsible to consumers:

In year 2015, our products quality are followed international standard to manufacture, we acquired certification of ISO-9001 quality management systems in 2001, and we provide products with safe, effective and applicable. We adopt oracle ERP system and supervise the information of process of production. We can check and trace the efficient of product's quality.

6.Environmental protection:

In year 2015, the company's environmental management is followed in accordance with international standard. The Company acquired the ISO - 14001 certification (Environmental Management Systems) in year 2001, The Company take care of the environment and properly treat the wastewater and sewage of manufacturing process by waste water treatment plant, through the treatment system and effluent the water will be tested to ascertain that it meets with the official standards. The waste gas is exhausted after the wet scrubber treatment. Industrial waste is entrusted qualified waste transporter and disposer to disposal. Our job is to reduce the energy use, the generation of waste and pollution during the process of manufacturing.

7.Implement innovation about responsibilities for social 、 environmental and stakeholders, and disseminate innovation:

Each year, the company will report to board of director to review our well corporate governance policy and implementation status, we keep communicate with stakeholders and respect the rights they owned, improve the safety of employees hearing protection, dissemination of community public service activities and encourage employees to participate, improve the blow and draw system of pool deck of pickling, sustainable development to protect the environment. In year 2015, the company executed in accordance with the stated as above.

9.3 Beneficial activities to the community and environment

The Company realize level of education, culture, quality of life, safe and sanitation of community, and considering enterprise's operation will influence environment, we will actively participate government and community's activities, contributing to economic welfare of community and social development, encouraging our employees join community's public service activities.

We, our company participated community public service activities in year 2015, such as

- 1) Sponsorship for canteen renovation to Nikompattana 2 School, Rayong.
- 2) Afforesting on “His Royal Highness Crown Prince Maha Vajiralongkorn’s birthday on July 28th, 2015 at mount of Jomhair , Makhamkoo , Nikompattana, Rayong
- 3) Walk & Run activity for “ Her Majesty Queen Sirikit “ , Mother of homeland 4th anniversary. The propose of this activity is to encourage all Thai people age to attend their exercise and to celebrate for Her Majesty Queen Sirikit.
- 4) Sponsorship for “ Royal Sufficiency Economy Project “ for school learning center and sustainable development .
- 5) Sponsorship for school stationary and equipment with lunch meal for rehabilitation of disability person.
- 6) Offerings for communities Unity Thod Kathin Ceremony at “ Dokkrai Temple”.



Afforesting



Sponsorship for “ Royal Sufficiency Economy Project “ for school learning center and sustainable development.



Offerings for communities Unity Thod Kathin Ceremony

10 . Internal control and risk management

10.1 At the company's Board of Director meeting No.1/2016 on February 26, 2016 which was attended by the three independent directors and the audit committee members, the board review the opinion of board of the audit committee and evaluated the internal controls of the company by asking certain information of management. The board reviewed the company's internal controls in five key areas:

- (1) Organization and environment;
- (2) Risk management;
- (3) Management control;
- (4) Information technology and communication measures; and
- (5) Follow-up systems.

After such review, the board members were of the opinion that the company had adequate controls in place. The company has policies in place to regulate business transactions with major shareholders, directors and executive management so as to avoid conflicts of interest and to preserve its best interests. Further, the audit committee was of the opinion that the internal control system regarding connected transactions with interested parties (i.e. majority shareholders, directors, management and related persons aforementioned) is sufficient, which opinion was approved by the Board of Directors

10.2 The report of the audit committee of year 2015 as follows:

The audit committee jointly reviewed the 2015 annual consolidated financial statements with the certified public accountant for presentation to the board of directors for acknowledgement; discussed with relevant parties at meetings; reviewed compliance to the provisions and laws; and deliberated on information disclosure of related items in conformity with provisions of the Securities Exchange of Thailand.

The audit committee reviewed the consolidated financial statements and has an opinion that the company prepared financial statements in accordance with generally accepted accounting standards; adequately disclosed information; maintained regulating and supervisory system; internal audit and risk management system is satisfactory with no significant discrepancies are observed.

10.3 Chief of internal auditor of the Company

- (1) Name of chief of internal auditor: Ms. Lin Pi-Chen
- (2) Opinion of Board of audit committee to the qualifications of chief of internal auditor
Board of audit committee considered the qualifications of education 、 experience of the chief of internal auditor who can perform internal audit positions effectively.
- (3) Appointment, transfer and dismissal of the chief of internal auditor must be approved by the Board of audit committee.

11. Connected transactions

11.1 During the year 2015 and 2014, the company has entered into connected transaction with persons/parties, which may create conflict of interest as follows:

Person who may have conflict of interest Relationship Transaction			Amount of connected transaction (MB)		<i>Pricing policy / Necessity and Appropriateness / Remarks</i>
			2015	2014	
1.Tycoons Group Enterprise (TGE)	Holding 100% Shares of Parent company	Revenue from sale Total Purchase of raw material and supplies	1,527 295	2,495 448	<p>The audit committee reviewed and commented as follows:</p> <p>(1) Sales-for wire rod and annealed wire and screw the market in Taiwan is substantially large relative to Thai market, thus motivating TYCN selling to TGE in Taiwan. Some of wire rod and annealed wire sold to TGE will be used internally whilst most of it will be on sold to Taiwanese customers. The logic behind selling through TGE is due to TGE's long-term relationships and profile with Taiwanese customers. This arrangement mean that it is not necessary for TYCN to build up its own recognition with Taiwanese customers or need to invest in marketing in Taiwanese market.</p> <p>(2) Materials, supplies and fixed assets.-The audit committee reviewed and commented that purchase item from the parent company is considered to be normal trading, in which TGE provides the minority raw material(apart from main raw material consisting of billet). Specifically, the chemical component cannot be acquired locally, thus necessitating TYCN to purchase in large quantities from TGE. It is recognized that Taiwan is the leader in machinery production for the screws and annealed wire, therefore machinery parts will are sourced in Taiwan via TGE. As a result, imports of both items from TGE is considered to be reasonable.</p> <p>(3) Credit terms for the related party was set to be 30 -180 days, because of the transportation, inventory and re-sale period of TGE to end-customers.</p> <p>(4) The pricing policy for inter company purchase and sale transactions with its related parties normal are at market price.</p>
2.Tycoons Group International (TGI)	Parent company	Total Purchase of raw material and supplies	376	1,014	
3.TY Steel Company Limited	27.02% owned of TYCN	Total Purchase of raw material Sales	1,592 172	722 584	
4.Jing Hai Hardware Co., Ltd.	19.75% owned of parent company	Sales	32	34	
5.Join Force International Limited	30% owned of parent company	Sales	230	356	

11.2 Measures/Procedures of approving connected transactions

The Board of Directors had approved the principle of related party transactions in accordance with the laws and regulations. For normal trading transaction such as inter-company sales and purchases, the Board of Directors will review the general company policies and the specific agreement to determine whether the transaction is proposed to be conducted on a fair basis. If approved, the transaction is permitted to proceed on such terms. The audit committee must attend the Board of Directors meeting and approve the proposed arrangement in order to protect the best interest of the company. For such other significant transactions such as the sales/acquisitions of assets and loans between related companies, details of such transaction must be forwarded to the meeting of board of directors of the company for approval, which meeting must also be attended by the audit committee. Such transactions must also be in compliance with laws on securities and the regulations, announcements, orders and notifications of the SET and SEC.

11.3 Policy or trend of connected transactions

Should there be future connected transaction between the company and its parent company or subsidiaries apart from those normal trades that might involve parties with conflicts of interest, the company will seek the opinion of the audit committee regarding the necessity of and accountability for such proposed transaction. In the event that the audit committee does not have the requisite expertise to evaluate the transaction, the company will seek the opinions of independent experts or its auditors. The board of directors will take into consideration such opinions. The company will also include any such transactions in the notes to its financial statements, which are audited by the company's auditors.

In making future connected transactions, the company's directors will also comply with the laws on securities and the regulations, announcements, orders and notifications of the SET and SEC, as well as the regulations regarding disclosure of connected transactions and acquisitions and dispositions of significant assets of a listed company.

12. Significant of financial statement

12.1 Financial statements

('million THB)

Balance Sheet	Consolidated			Separate		
Transactions	2015	2014	2013	2015	2014	2013
<u>CURRENT ASSETS</u>						
Cash and cash equivalents	315.51	193.22	167.27	315.51	193.22	167.27
Trade and other receivables, net	300.69	847.50	380.84	300.69	847.50	380.84
Inventories - net	1,217.06	2,112.65	2,457.41	1,217.06	2,112.65	2,457.41
Other current assets	69.51	135.85	87.06	69.51	135.85	87.06
<i>Total Current Assets</i>	<i>1,902.77</i>	<i>3,289.22</i>	<i>3,092.58</i>	<i>1,902.77</i>	<i>3,289.22</i>	<i>3,092.58</i>
<u>NON CURRENT ASSETS</u>						
Restricted bank deposit	71.50	174.24	174.24	71.50	174.24	174.24
Investment in a subsidiary	-	-	-	-	61.37	61.37
Investment in an associated	350.61	395.43	373.12	443.09	443.10	417.99
Other long-term investment	-	62.70	62.42	-	-	-
Property, plant and equipment-net	4,782.47	5,024.96	5,184.78	4,782.47	5,024.96	5,184.78
Intangible assets, net	0.66	0.63	0.50	0.66	0.63	0.50
Deferred tax assets	82.52	84.41	113.00	82.52	84.41	113.00
Other non-current assets	8.11	29.57	13.56	8.11	29.57	13.56
<i>Total Non-current Assets</i>	<i>5,295.87</i>	<i>5,771.94</i>	<i>5,921.62</i>	<i>5,388.35</i>	<i>5,818.28</i>	<i>5,965.44</i>
Total assets	7,198.64	9,061.16	9,014.20	7,291.12	9,107.50	9,058.02
<u>CURRENT LIABILITIES</u>						
Short-term loan from financial institutions	1,395.72	1,821.11	1,805.32	1,395.72	1,821.11	1,805.32
Trade payable	393.95	1,034.87	1,119.95	393.95	1,034.87	1,119.95
Current portion of long-term loans	59.00	231.85	226.12	59.00	231.85	226.12
Current portion of hire purchase creditors	1.98	3.10	2.98	1.98	3.10	2.98
Other current liabilities	57.05	88.20	77.19	57.05	88.20	77.19
<i>Total current liabilities</i>	<i>1,907.70</i>	<i>3,179.13</i>	<i>3,231.56</i>	<i>1,907.70</i>	<i>3,179.13</i>	<i>3,231.56</i>
<u>NON-CURRENT LIABILITIES</u>						
Hire purchase creditors	1.52	2.80	4.86	1.52	2.80	4.86
Long-term loan	197.00	349.93	281.77	197.00	349.93	281.77
Provision of long-term employee benefits	18.99	16.85	14.82	18.99	16.85	14.82
<i>Total Non-current liabilities</i>	<i>217.51</i>	<i>369.58</i>	<i>301.45</i>	<i>217.51</i>	<i>369.58</i>	<i>301.44</i>
Total liabilities	2,125.21	3,548.71	3,533.00	2,125.21	3,548.71	3,533.00
<u>SHAREHOLDERS' EQUITY</u>						
Authorized 596,748,900 common shares, Bath 10 par value	5,967.49	6,035.04	6,035.04	5,967.49	6,035.04	6,035.04
Issued 596,748,900 common shares, fully paid	5,967.49	6,035.04	6,035.04	5,967.49	6,035.04	6,035.04
Premium common shares	-	-	-	-	-	-
Premium on treasury stock	20.02	-	-	20.02	-	-
Translation adjustment	7.27	1.32	1.04	-	-	-
Retained Earnings	-921.35	-476.38	-507.36	-821.60	-428.71	-462.49
Treasury ordinary shares	-	-47.53	-47.53	-	-47.53	-47.53
<i>Total shareholders' equity</i>	<i>5,073.43</i>	<i>5,512.45</i>	<i>5,481.19</i>	<i>5,165.91</i>	<i>5,558.79</i>	<i>5,525.02</i>
Total liabilities and shareholders' equity	7,198.64	9,061.16	9,014.20	7,291.12	9,107.50	9,058.02

12.2 Income statement and Cash flow

('million THB)

Income statement and Cash flow	Consolidated			Separate		
Transaction	2015	2014	2013	2015	2014	2013
Revenue from sales-net	7,123.11	8,353.61	9,195.70	7,123.11	8,353.61	9,195.70
Other income	47.28	98.08	-99.61	22.09	98.08	-99.61
Total revenues	7,170.39	8,451.69	9,096.09	7,145.20	8,451.69	9,096.09
Cost of sales	6,983.93	8,026.96	9,108.16	6,983.93	8,026.96	9,108.16
Selling and administrative expenses	316.07	321.80	369.89	316.07	321.80	369.89
Other expense	169.61	-32.52	34.15	162.33	-32.52	34.15
Total expenses	7,469.61	8,316.24	9,512.20	7,462.33	8,316.24	9,512.20
Profit before share of loss & finance cost	-299.22	135.45	-416.11	-317.13	135.45	-416.11
Share of loss from investment in an associated	70.00	2.80	31.09	-	-	-
Finance Cost	73.86	71.91	82.87	73.86	71.91	82.87
Profit (loss)before income tax expenses	-443.08	60.75	-530.07	-390.99	63.55	-498.98
Income tax income (expenses)	-1.89	-28.83	-49.28	-1.89	-28.83	-49.28
Loss for the period	-444.97	31.92	-579.35	-392.88	34.72	-548.26
Basic earning (loss) per share	-0.75	0.05	-0.97	-0.66	0.06	-0.92
The weighted average number of common shares	596.75	596.75	596.75	596.75	596.75	596.75
Net cash flow from operating	939.82	130.21	1,011.12	939.82	130.21	1,011.12
Net cash flow from investing	11.64	-118.06	-404.06	11.64	-118.06	-404.06
Net cash flow from financing	-829.18	13.80	-1,109.25	-829.18	13.80	-1,109.25
Increase in translation adjustment	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	122.28	25.95	-502.19	122.28	25.95	-502.19

12.3 Financial ratios

Ratios	Consolidated			Separate		
	2015	2014	2013	2015	2014	2013
<u>Liquidity</u>						
Current ratio (times)	1.00	1.03	0.96	1.00	1.03	0.96
Quick ratio (times)	0.32	0.33	0.17	0.32	0.33	0.17
Accounts receivable turnover (times)	12.41	13.60	24.23	12.41	13.60	24.23
A/R collection period (days)	29.01	26.47	14.86	29.01	26.47	14.86
Inventory turnover (times)	4.19	3.51	3.06	4.19	3.51	3.06
Days sales outstanding (days)	85.82	102.48	117.78	85.82	102.48	117.78
Accounts payable turnover (times)	9.78	7.45	7.74	9.78	7.45	7.74
Payment period (days)	36.83	48.32	46.50	36.83	48.32	46.50
Cash Cycle (days)	78.01	80.63	86.14	78.01	80.63	86.14
<u>Profitability</u>						
Gross profit margin (%)	1.95	3.91	0.95	1.95	3.91	0.95
Cost of goods sold to sales (%)	98.05	96.09	99.05	98.05	96.09	99.05
Operating profit margin (%)	-2.48	0.06	-3.07	-2.48	0.06	-3.07
Net income margin (%)	-6.25	0.38	-6.30	-5.52	0.42	-5.96
Return on equity (%)	-8.41	0.58	-10.04	-7.33	0.63	-9.45
Earning Per Share (Weighted Average)	-0.75	0.05	-0.97	-0.66	0.06	-0.92
Book Value Per Share (BVPS)	8.50	9.24	9.19	8.66	9.32	9.26
<u>Efficiency</u>						
Return on total assets (%)	-5.49	0.35	-5.87	-4.79	0.38	-5.54
Return on fixed assets (%)	-9.07	0.63	-10.92	-8.01	0.68	-10.33
Total asset turnover (times)	0.88	0.92	0.93	0.87	0.92	0.93
<u>Financial policy</u>						
Debt to equity ratio (times)	0.42	0.64	0.64	0.41	0.64	0.64
Dividend payout ratio (%)	-	-	-	-	-	-
<u>Growth rate (%)</u>						
Assets	-20.56	0.52	-15.99	-19.94	0.55	-15.73
Liabilities	-40.11	0.44	-24.44	-40.11	0.44	-24.44
Net Sale	-14.73	-9.16	-2.50	-14.73	-9.16	-2.50
Cost of goods sold	-12.99	-11.87	-3.73	-12.99	-11.87	-3.73
Selling and general administrative expenses	-1.78	-13.00	2.63	-1.78	-13.00	2.63
Net income	-1,493.96	105.51	-44.58	-1,231.61	106.33	-36.86
Gross profit	-57.39	273.16	391.82	-57.39	273.16	391.82

13. Management discussion and analysis (MD&A)

13.1 Overall past performance

In 2015, sales revenue was 7,123 MB decreased by 14.73% compared to 8,354MB in 2014. This in total sales is attributable as to 42.31% to domestic and as to 57.69% in international sales. Since the steel industry was still recession, steel market demand declined, led to sales volume decreased and in China, steel overcapacity, oversupply, a large number of export, led to sale price of steel products in global declined. The net loss of 2015 was 445MB increased by 1,493.96% compared to net income 32MB of 2014, it's because the gross profit cannot increase effectively and recognized impairment loss on investment in other long-term investment and impairment loss on fixed assets, share of loss from investment in associate and finance cost etc., led to net loss increased.

In year 2014, net sales decreased by 9.16% from 9,196 to 8,354 MB. This in total Sales is attributable as to 37.86% to domestic and as to 62.14% in international sales. Since the steel industry was still recession, the selling price of steel products was declined and sales volume decreased. The net income of 2014 was 32MB increased by 105.53% compared to net loss 579MB of 2013, it's because the steel industry was still recession, raw materials of steel price fell, but the reduce extent of product cost was larger than sell price reduce and adjust product sales mix, led to gross profit increase, and gain on exchange, compensation revenue from supplier for complaint, all of the above led to net income increase.

TYCN is the largest producer (in terms of production volume (tons)) of wire rods and screws in Thailand. Its superior product is its high carbon, high-quality wire rods. TYCN is also exclusively competitive in low carbon wire rods, specifically, CHQ (Cold Heading Quality). The company believes that it is able to produce higher-quality products than its competitors due to its high-quality production process, beginning with the careful selection of superb quality of billet, grinding procedure, all the way through to the finished products.

13.2 Performance by product group

(1) Revenue from sales

Sales revenue of 2015 was 7,123MB decreased by 14.73% compared to 8,354MB of 2014, it was the steel industry still recession, steel market demand declined, led to sales volume decreased and in China, steel overcapacity, oversupply, a large number of export, led to sale price of steel products in global declined compared to 2014. Sales revenue of 2014 was 8,354MB decreased by 9.16% compared to 9,196 MB of 2013, because the steel industry was still recession, selling price of steel products was declined and sales volume deceased..

Further details of sales revenue structure can be summarized as follows:

Sales from wire rods in 2015 was 3,322MB, a 6% decreased from 2014, and in 2014 was 3,541MB, decreased by 32% compared to 2013.

Sales from annealed wire in 2015 was 1,533MB, decreased by 23% compared to 2014, and in 2014 was 1,977MB, a 20% increased from 2013.

Sales from screws in 2015 was 723 MB, decreased by 17% compared to 2014., and in 2014 was 868 MB, decrease by 4% compared to 2013.

Sales from bolts in 2015 was 1,373MB, increased by 1% compared to 2014, and in 2014 was 1,357 MB, decreased by 2% compared to 2013.

(2) Expenses

Cost of sales

Cost of sales is primarily composed of conversion cost and raw materials, of which billet is the main component. In year 2015, costs of sales were 6,984 MB, decreased by 12.99% compared to year 2014. This was mainly because of the sales volume decreased and raw materials cost decline.

Selling and administrative expenses (SG&A)

In year 2015, selling and administrative expenses were 316MB, a 1.78% decrease from year 2014, as a result of the SG&A as a percentage of sales was 4.44%, and 3.85% in 2015 and 2014 respectively. The major components of SG&A are depreciation, salary and wages as well as transportation costs, which vary directly with sales volume. In 2015 SG&A were decreased resulted from transportation costs of selling expenses decrease.

(3) Profit

Gross profit

In 2015, gross profit was 139MB, gross profit margin rate of 2015 was 1.95% decreased from 3.91% of 2014 resulted from sell price reduce and sales volume decreased. In 2014 gross margin rate increased from 0.95% of 2013 to 3.91% of 2014, resulted from the reduce extent of product cost was larger than sell price reduce and adjust product sales mix..

Operating profit

Operating profit in 2015 was -177 MB, the rate decreased from 0.06% of 2014 to -2.48% of 2015, resulted from gross profit cannot increase effectively. As for 2014, the rate was 0.06% increased from -3.07% of 2013, resulted from gross profit greater than selling and administrative expenses.

Net income

Net income in 2015 was -445MB, net income rate decreased from 0.38% of 2014 to -6.25% of 2015. The net income -445MB of 2015 mainly resulted from the gross profit cannot increase effectively and recognized impairment loss on investment in other long-term investment and impairment loss on fixed assets, share of loss from investment in associate and finance cost etc., led to net loss increased. Net income in 2014 was 32MB, net income rate increased from -6.3% of 2013 to 0.37% of 2014. The net income 32MB of 2014 mainly resulted from the steel industry was still recession,

raw materials of steel price fell, but the reduce extent of product cost was larger than sell price reduce, and adjust product sales mix, led to gross profit increase, and gain on exchange, compensation revenue from supplier for complaint, all of the above led to net income increase.

13.3 Financial status

(1) Assets

Composition

As of December 31 2015, TYCN's had total assets 7,198MB, decreased by 20.56% with amount 1,863MB compared to 2014. The major items accounting for this assets decrease were trade and other receivables, inventory, valued added tax refunded, restricted bank deposits and property, plant and equipment.

As of December 31 2014, TYCN's had total assets 9,061MB, increased by 0.52% with amount 47MB compared to 2013. The major items accounting for this assets increase was trade and other receivables and valued added tax refunded.

Current assets of 2015 was 1,903MB decreased by 42.14% with amount 1,386MB compared to 2014. This is mainly due to decrease of trade and other receivable and inventory.

Non-current assets of 2015 was 5,296MB, decrease by 8.30% with amount 479 MB compared to 2014, the reason was the depreciation expense of fixed assets increase and restricted bank deposits decrease.

Quality of assets

a) Assets

At each reporting date, the Company performs impairment reviews in respect of the long-term investment, properly, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized 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.

b) Accounts receivable

As of December 31, 2015 accounts receivable amounted to 384 MB, which could be broken down into A/R of unrelated parties 252MB and A/R of related party 132MB and. A/R amounted to 933MB in 2014 which could be broken down into A/R of unrelated parties 488MB and A/R from related party 445MB. The normal credit term granted by the Company for related parties is 30-180 days while credit term for other parties varies from 10 - 75 days. New clients as well as customers whose payments are overdue will be subject to make a payment equal to a certain percentage of the purchase amount before shipment.

Further details regarding the aging of accounts receivable are as set out below:

	Unit: MB	
	Dec 31, 2015	Dec 31, 2014
Inter- company A/R	132	445
A/R –unrelated parties	252	488
Total A/R	384	933
Aging of A/R-unrelated parties		
Less than and up to 3 months	166	400
Over 3 months up to 6 months	-	-
Over 6 months up to 12 months	-	4
Over 12 months	86	84
Sub-total	252	488
Less Allowance for doubtful A/C	(86)	(88)

Accounts Receivable turnover has been decreased from 13.60 times of year 2014 to 12.41 times of year 2015. It's because the extent of sales decrease more than average accounts receivable decrease, resulted in A/R collection period declined 2.54 days from 26.47 days of year 2014 to 29.01 days of year 2015.

(2) Liquidity

Cash flow

TYCN had a net increase in cash and cash equivalents at year-end 2015 of 122MB. Cash and cash equivalents at the end of 2015 amounted 315MB the change in cash flow amount was due to:

Net cash flow from operating	940 MB
Net cash flow from investing	11 MB
Net cash flow from financing	-829 MB
Net increase in cash	122 MB

Net cash flow from operating activities was increased 940MB, mostly due to trade and other receivables, inventory , other current assets and trade and other payables decrease.

Net cash flow from investing increased by 11MB mainly because of decrease in restricted bank deposits.

Net cash flow from financing activities decreased by 829 MB mainly because of short-term and long-term loans from financial institutions decrease and payment of interest expenses.

Liquidity ratios

The company's current ratio has been increasing standing at 1.00 and 1.03 in the years 2015 and 2014 respectively, because of working capital decreased in 2015.

Effects from the maturity of current liabilities on the liquidity

In 2015, short-term loans from financial institutions and trade and other payables as well as current portion of long-term loans have accounted for a large proportion of current liabilities. These first three items are payable within one year. As mentioned before, however, these loans were used to purchase raw materials for normal business operations. As a result, the company believes that the short-term maturity of such current liabilities should not adversely affect the company's liquidity.

Accounts payable turnover has been increased from 7.45 times of year 2014 to 9.78 times of year 2015. It's because of period of repaid accounts payable got shorter, therefore, the payment period decrease 11.49 days from 48.32 days of year 2014 to 36.83 days of year 2015.

(3) Capital expenditure

Capital expenditures amounted to 94MB and 112MB for the year 2015 and 2014, respectively.

(4) Sources of funds

Funds structure

The debt to equity ratio was 0.42 and 0.64 between the years 2015 and 2014. The debt to assets ratio was 0.30 and 0.39 between 2015 and 2014. This indicated that TYCN had only a small amount of risk and a healthy financial structure..

Shareholders' equity

As of December 31, 2015, shareholders' equity was 5,073 MB, a decrease of 7.96% or 439MB from year 2014. This was due to net loss in 2015.

Liabilities

At the end of 2015, TYCN's liabilities amounted to 2,125 MB, which is equivalent to 29.53 % of liabilities and shareholder's equity, and company's long-term Liabilities and equity was 5,270 MB, or 110% of net fixed assets. This indicates that TYCN had a healthy financial structure.

(5) Factors potentially affecting company's performance in the future

TYCN tries to minimize of its exposure to economic downturns by concentrating on producing high-end products such as high carbon wire rods, of which TYCN is the largest manufacturer in Thailand. Additionally, TYCN has intentionally diversified its product lines into 4 groups: wire rods, annealed wires, screws and bolts. Even in the event of strong competition in the future, TYCN believes that it is in a good competitive position because of the high quality of its products compared to that of its competitors as well as its competitive marketing strategies. TYCN expects to expand its sales of screws and bolts globally, particularly to European countries. Finally, the company believes that its integrated production of wire rods, annealed wire, screws and bolts will create economies of scale and provide TYCN with a competitive advantage.

13.4 Financial Statements

If investors want to learn more information about issuing company, please review the registration statements for the year (56-1) on the website www.sec.co.th.

Independent Auditor's Report

To the Shareholders of Tycoons Worldwide Group (Thailand) Public Company Limited

I have audited the accompanying consolidated financial statements of Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary, 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 Tycoons Worldwide Group (Thailand) 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 Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary, and of Tycoons Worldwide Group (Thailand) 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.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 26 February 2016

2016-02-26
2016-02-26
2016-02-26

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

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	7	315,513,476	193,225,520	315,509,354	193,221,755
Trade and other receivables	8	300,688,384	847,495,869	300,688,384	847,495,869
Inventories	9	1,217,057,460	2,112,650,253	1,217,057,460	2,112,650,253
Advance payments for goods and services	10	7,897,801	19,415,970	7,897,801	19,415,970
Valued added tax refundable		51,803,865	108,730,637	51,803,865	108,730,637
Other current assets		9,812,465	7,706,098	9,812,465	7,706,098
Total current assets		1,902,773,451	3,289,224,347	1,902,769,329	3,289,220,582
Non-current assets					
Restricted bank deposits	11	71,500,000	174,239,673	71,500,000	174,239,673
Investment in subsidiary	12	-	-	-	61,372,575
Investment in associate	13	350,612,194	395,426,477	443,097,970	443,097,970
Other long-term investment	14	-	62,702,585	-	-
Property, plant and equipment	15	4,782,473,104	5,024,959,209	4,782,473,104	5,024,959,209
Intangible assets		655,148	633,893	655,148	633,893
Deferred tax assets	23	82,517,066	84,407,549	82,517,066	84,407,549
Other non-current assets		8,107,246	29,567,180	8,107,246	29,567,180
Total non-current assets		5,295,864,758	5,771,936,566	5,388,350,534	5,818,278,049
Total assets		7,198,638,209	9,061,160,913	7,291,119,863	9,107,498,631

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<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	16	1,395,713,782	1,821,110,830	1,395,713,782	1,821,110,830
Trade and other payables	17	393,949,691	1,034,871,985	393,949,691	1,034,871,985
Current portion of long-term loans from financial institutions	18	59,000,000	231,850,565	59,000,000	231,850,565
Current portion of liabilities under finance lease agreements		1,982,834	3,099,012	1,982,834	3,099,012
Advance received from customers		53,636,184	84,667,926	53,636,184	84,667,926
Other current liabilities		3,417,159	3,525,507	3,417,159	3,525,507
Total current liabilities		1,907,699,650	3,179,125,825	1,907,699,650	3,179,125,825
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	18	197,000,000	349,925,282	197,000,000	349,925,282
Liabilities under finance lease agreements - net of current portion		1,523,919	2,804,909	1,523,919	2,804,909
Provision for long-term employee benefits	19	18,988,772	16,850,063	18,988,772	16,850,063
Total non-current liabilities		217,512,691	369,580,254	217,512,691	369,580,254
Total liabilities		2,125,212,341	3,548,706,079	2,125,212,341	3,548,706,079

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

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	20				
Registered					
596,748,900 ordinary shares of Baht 10 each					
(2014: 603,503,900 ordinary shares of					
Baht 10 each)		5,967,489,000	6,035,039,000	5,967,489,000	6,035,039,000
Issued and fully paid					
596,748,900 ordinary shares of Baht 10 each					
(2014: 603,503,900 ordinary shares of					
Baht 10 each)		5,967,489,000	6,035,039,000	5,967,489,000	6,035,039,000
Treasury shares	20	-	(47,531,810)	-	(47,531,810)
Premium on treasury shares	20	20,018,190	-	20,018,190	-
Retained earnings					
Appropriated					
Statutory reserve	21	16,832,439	16,832,439	16,832,439	16,832,439
Treasury share reserve	20	-	47,531,810	-	47,531,810
Deficits		(938,189,399)	(540,746,430)	(838,432,107)	(493,078,887)
Exchange differences on translation of					
financial statements in foreign currency		7,275,638	1,329,825	-	-
Total shareholders' equity		5,073,425,868	5,512,454,834	5,165,907,522	5,558,792,552
Total liabilities and shareholders' equity		7,198,638,209	9,061,160,913	7,291,119,863	9,107,498,631
		-	-	-	-

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

Directors

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenues					
Sales		7,123,114,014	8,353,612,843	7,123,114,014	8,353,612,843
Gains on exchange		-	36,692,425	-	36,692,425
Interest income		2,572,199	5,414,038	2,572,199	5,414,038
Gains on deemed disposal of investment in associate	13	25,183,044	-	-	-
Other income		19,519,521	55,970,947	19,519,521	55,970,947
Total revenues		7,170,388,778	8,451,690,253	7,145,205,734	8,451,690,253
Expenses					
Cost of sales		6,983,929,535	8,026,961,446	6,983,929,535	8,026,961,446
Decrease of inventory to net realisable value (reversal)		18,089,905	(26,461,796)	18,089,905	(26,461,796)
		7,002,019,440	8,000,499,650	7,002,019,440	8,000,499,650
Selling expenses		166,070,075	174,155,452	166,070,075	174,155,452
Administrative expenses		149,998,102	147,646,127	149,998,102	147,646,127
Reversal of losses from raw material purchase contracts		-	(6,064,605)	-	(6,064,605)
Impairment loss on investment in subsidiary	12	-	-	61,372,575	-
Impairment loss on investment in other long-term investment	14	68,648,041	-	-	-
Impairment loss on fixed assets	15	56,202,794	-	56,202,794	-
Losses on disposal and write-off of equipment		17,951,493	-	17,951,493	-
Losses on exchange		8,721,446	-	8,721,446	-
Total expenses		7,469,611,391	8,316,236,624	7,462,335,925	8,316,236,624
Profit (loss) before share of loss from investment in associate, finance cost and income tax expenses		(299,222,613)	135,453,629	(317,130,191)	135,453,629
Share of loss from investment in associate	13	(69,997,327)	(2,797,456)	-	-
Profit (loss) before finance cost and income tax expenses		(369,219,940)	132,656,173	(317,130,191)	135,453,629
Finance cost		(73,864,356)	(71,906,215)	(73,864,356)	(71,906,215)
Profit (loss) before income tax expenses		(443,084,296)	60,749,958	(390,994,547)	63,547,414
Income tax expenses	23	(1,890,483)	(28,828,218)	(1,890,483)	(28,828,218)
Profit (loss) for the year		(444,974,779)	31,921,740	(392,885,030)	34,719,196
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		5,945,813	284,207	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses, net of income tax		-	(943,070)	-	(943,070)
Other comprehensive income for the year		5,945,813	(658,863)	-	(943,070)
Total comprehensive income for the year		(439,028,966)	31,262,877	(392,885,030)	33,776,126

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Statement of comprehensive income (Continued)

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit (loss) attributable to:					
Equity holders of the Company		(444,974,779)	31,921,740	(392,885,030)	34,719,196
Total comprehensive income attributable to:					
Equity holders of the Company		(439,028,966)	31,262,877	(392,885,030)	33,776,126
Earnings per share					
Basic earning (loss) per share					
Profit (loss) attributable to equity holders of the Company	24	(0.75)	0.05	(0.66)	0.06

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements							
							Other	Total
							comprehensive income	
	Issued and	Treasury shares	Premium on	Retained earnings			Exchange differences	
	paid-up			Statutory	Treasury shares		on translation of	shareholders'
	share capital		treasury shares	reserve	reserve	Deficits	financial statements	equity
							in foreign currency	
Balance as at 1 January 2014	6,035,039,000	(47,531,810)	-	16,832,439	47,531,810	(571,725,100)	1,045,618	5,481,191,957
Profit for the year	-	-	-	-	-	31,921,740	-	31,921,740
Other comprehensive income for the year	-	-	-	-	-	(943,070)	284,207	(658,863)
Total comprehensive income for the year	-	-	-	-	-	30,978,670	284,207	31,262,877
Balance as at 31 December 2014	<u>6,035,039,000</u>	<u>(47,531,810)</u>	<u>-</u>	<u>16,832,439</u>	<u>47,531,810</u>	<u>(540,746,430)</u>	<u>1,329,825</u>	<u>5,512,454,834</u>
								-
Balance as at 1 January 2015	6,035,039,000	(47,531,810)	-	16,832,439	47,531,810	(540,746,430)	1,329,825	5,512,454,834
Treasury shares cancellation (Note 20)	(67,550,000)	47,531,810	20,018,190	-	(47,531,810)	47,531,810	-	-
Loss for the year	-	-	-	-	-	(444,974,779)	-	(444,974,779)
Other comprehensive income for the year	-	-	-	-	-	-	5,945,813	5,945,813
Total comprehensive income for the year	-	-	-	-	-	(444,974,779)	5,945,813	(439,028,966)
Balance as at 31 December 2015	<u>5,967,489,000</u>	<u>-</u>	<u>20,018,190</u>	<u>16,832,439</u>	<u>-</u>	<u>(938,189,399)</u>	<u>7,275,638</u>	<u>5,073,425,868</u>
								-

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements						
	Issued and		Premium on	Retained earnings		Total	
	paid-up		treasury shares	Statutory	Treasury shares	shareholders'	
	share capital	Treasury shares		reserve	reserve	deficits	equity
Balance as at 1 January 2014	6,035,039,000	(47,531,810)	-	16,832,439	47,531,810	(526,855,013)	5,525,016,426
Profit for the year	-	-	-	-	-	34,719,196	34,719,196
Other comprehensive income for the year	-	-	-	-	-	(943,070)	(943,070)
Total comprehensive income for the year	-	-	-	-	-	33,776,126	33,776,126
Balance as at 31 December 2014	6,035,039,000	(47,531,810)	-	16,832,439	47,531,810	(493,078,887)	5,558,792,552
							-
Balance as at 1 January 2015	6,035,039,000	(47,531,810)	-	16,832,439	47,531,810	(493,078,887)	5,558,792,552
Treasury shares cancellation (Note 20)	(67,550,000)	47,531,810	20,018,190	-	(47,531,810)	47,531,810	-
Loss for the year	-	-	-	-	-	(392,885,030)	(392,885,030)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(392,885,030)	(392,885,030)
Balance as at 31 December 2015	5,967,489,000	-	20,018,190	16,832,439	-	(838,432,107)	5,165,907,522

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit (loss) before tax	(443,084,296)	60,749,958	(390,994,547)	63,547,414
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	272,077,182	253,305,287	272,077,182	253,305,287
Amortisation	18,718,416	16,390,731	18,718,416	16,390,731
Allowance for doubtful accounts (reversal)	(2,429,815)	2,163,313	(2,429,815)	2,163,313
Decrease of inventory to net realisable value (reversal)	18,089,905	(26,461,796)	18,089,905	(26,461,796)
Reversal of losses from raw material purchase contracts	-	(6,064,605)	-	(6,064,605)
Losses (gains) on disposal and write-off of equipment	17,951,490	(607,100)	17,951,490	(607,100)
Impairment loss on investment in subsidiary	-	-	61,372,575	-
Impairment loss on investment in other long-term investment	68,648,041	-	-	-
Impairment loss on fixed assets	56,202,794	-	56,202,794	-
Share of loss from investment in associate	69,997,327	2,797,456	-	-
Gain on deemed disposal of investment in associate	(25,183,044)	-	-	-
Unrealised gains on fair value of derivatives	(5,667,616)	(4,913,016)	(5,667,616)	(4,913,016)
Provision for long-term employee benefits	2,138,709	1,091,920	2,138,709	1,091,920
Unrealised losses on exchange	6,068,437	40,090,376	6,068,437	40,090,376
Interest income	(2,572,199)	(5,414,038)	(2,572,199)	(5,414,038)
Interest expenses	<u>66,634,498</u>	<u>65,504,094</u>	<u>66,634,498</u>	<u>65,504,094</u>
Profit from operating activities before changes in operating assets and liabilities	117,589,829	398,632,580	117,589,829	398,632,580
Operating assets (increase) decrease				
Trade and other receivables	550,082,479	(468,254,006)	550,082,479	(468,254,006)
Inventories	877,502,888	371,227,380	877,502,888	371,227,380
Other current assets	72,006,190	(43,881,831)	72,006,190	(43,881,831)
Other non-current assets	3,590,952	(25,359,284)	3,590,952	(25,359,284)
Operating liabilities increase (decrease)				
Trade and other payables	(649,809,590)	(119,224,946)	(649,809,590)	(119,224,946)
Other current liabilities	<u>(31,140,090)</u>	<u>17,067,563</u>	<u>(31,140,090)</u>	<u>17,067,563</u>
Net cash flows from operating activities	<u>939,822,658</u>	<u>130,207,456</u>	<u>939,822,658</u>	<u>130,207,456</u>

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Increase in restricted bank deposits	102,739,673	-	102,739,673	-
Cash paid for investment in associate	-	(25,106,000)	-	(25,106,000)
Acquisition of plant and equipment	(93,913,509)	(111,574,503)	(93,913,509)	(111,574,503)
Interest income	2,675,300	5,696,960	2,675,300	5,696,960
Proceeds from sales of equipment	140,000	12,927,378	140,000	12,927,378
Net cash flows from (used in) investing activities	<u>11,641,464</u>	<u>(118,056,165)</u>	<u>11,641,464</u>	<u>(118,056,165)</u>
Cash flows from financing activities				
Payment of interest expenses	(67,183,816)	(66,464,009)	(67,183,816)	(66,464,009)
Increase (decrease) of short-term loans from financial institutions	(432,216,654)	310,323,954	(432,216,654)	310,323,954
Repayment of long-term loans	(325,775,847)	(226,121,633)	(325,775,847)	(226,121,633)
Repayment of liabilities under finance lease agreements	(4,000,206)	(3,936,895)	(4,000,206)	(3,936,895)
Net cash flows from (used in) financing activities	<u>(829,176,523)</u>	<u>13,801,417</u>	<u>(829,176,523)</u>	<u>13,801,417</u>
Increase in translation adjustments	<u>357</u>	<u>17</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>122,287,956</u>	<u>25,952,725</u>	<u>122,287,599</u>	<u>25,952,708</u>
Cash and cash equivalents at beginning of year	<u>193,225,520</u>	<u>167,272,795</u>	<u>193,221,755</u>	<u>167,269,047</u>
Cash and cash equivalents at end of year	<u><u>315,513,476</u></u>	<u><u>193,225,520</u></u>	<u><u>315,509,354</u></u>	<u><u>193,221,755</u></u>
	-	-	-	-
Supplementary cash flow information:				
Non-cash transactions:				
Purchases of vehicles through finance lease agreements	1,214,000	1,638,000	1,214,000	1,638,000
Increase in equipment from construction payable	9,628,541	-	9,628,541	-
Transfer part of short-term loan from financial institution to long-term loan	-	300,000,000	-	300,000,000

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

Tycoons Worldwide Group (Thailand) Public Company Limited and its subsidiary
Notes to consolidated financial statements
For the year ended 31 December 2015

1. General information

Tycoons Worldwide Group (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Tycoons Group International Co., Ltd. which was incorporated in Cayman. The parent company of the group is Tycoons Group Enterprise Co., Ltd which was incorporated in Taiwan. The Company is principally engaged in the manufacture and distribution of steel wire rods, steel annealing wire, steel screw and wire products. The registered address is at 99 Moo 1, Tambol Nikompattana, Amphur Nikompattana, Rayong.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 Tycoons Worldwide Group (Thailand) Public Company Limited (“the Company”) and All Manage International Limited (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u>	<u>2014</u>
			Percent	Percent
All Manage International Limited	Holding company	British Virgin Islands	100	100

- b) The Company is deemed to have control over an investee or subsidiary 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) Subsidiary is 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 subsidiary are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiary and associate 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’s and its subsidiary’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiary have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiary's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company's and its subsidiary's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiary, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the Company's and its subsidiary's 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's and its subsidiary's management believes 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.

Interest income

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

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 (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, chemicals, 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 classified as other long-term investment, are stated at cost net of allowance for impairment loss.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Property, plant and equipment/Depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives, except for machinery and equipment for main production, which are depreciated based on estimated units of production:

Land improvement	30 years	straight-line
Building and attached facilities	13-30 years	straight-line
Motor vehicles	5 years	straight-line
Furniture and office equipment	3-10 years	straight-line

Minor machinery and equipment for production	5 years and 13 years	straight-line
Main machinery and equipment for production	Estimated units of production at a total of 0.4-15.0 million tons	

Depreciation is included in determining income.

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

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

4.7 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.

4.8 Long-term leases

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

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.

4.9 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 currency 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, with the

exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At the end of reporting period, the Company 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.

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats 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.

4.12 Provisions

Provisions are recognised when the Company has 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.

4.13 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 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 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 record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 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.

Currency option contracts

Currency option agreements are contracts between two parties whereby the seller grants the buyer a future option to buy (call option) or to sell (put option) foreign currency at an exchange rate stipulated in the agreement. The Company enters into such agreements in order to manage foreign exchange risk.

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

5. Significant accounting judgments and estimates

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

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.

Decrease of inventories to net realisable value

In determining an decrease of inventories to net realisable value, the management makes judgment and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of their selling price, cost and expenses directly relating to events occurring after the end of the period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and their current condition.

Impairment of other long-term investment

The Company treats other long-term investment as impaired when the management judges that there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment and 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.

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.

6. Related party transactions

The followings are relationships with related parties.

Name of entities	Country of incorporation	Nature of relationships
All Manage International Limited	British Virgin Islands	Subsidiary company
TY Steel Co., Ltd.	Thailand	Associated company
Tycoons Group Enterprise Co., Ltd.	Taiwan	Ultimate parent company
Tycoons Group International Co., Ltd.	Cayman	Parent company
Baw - Heng Steel (Vietnam) Co., Ltd.	Vietnam	Subsidiary of parent company
Huanghua Jujin Hardware Products Co., Ltd.	China	Subsidiary of parent company
Huanghua Jujin Import & Export Trading Co., Ltd.	China	Subsidiary of parent company
Joint Force International Co., Ltd.	Hong Kong	Associated of parent company
Jin Hai Hardware Co., Ltd.	Thailand	15.63% holding by parent company
Tycoons Steel International Co., Ltd.	Cayman	5.77% holding by a subsidiary

During the years, the Company 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		Pricing policy
	<u>2015</u>	<u>2014</u>	
Transactions with ultimate parent company			
Sales	1,527	2,495	With reference to market price
Purchases of raw materials	295	448	With reference to market price
Transactions with parent company			
Purchases of raw materials	376	1,014	With reference to market price
Transactions with associated company			
Sales	172	584	With reference to market price
Purchases of raw materials	1,592	722	With reference to market price
Transactions with related companies			
Sales	262	390	With reference to market 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/Separate financial statements	
	<u>2015</u>	<u>2014</u>
<u>Trade receivables - related parties</u> (Note 8)		
Ultimate parent company	77,074	159,582
Associated company	27,008	285,897
Related company (related by common shareholder)	27,715	114,975
Total trade receivables - related parties	<u>131,797</u>	<u>560,454</u>
<u>Other receivable - related party</u> (Note 8)		
Associated company	<u>889</u>	<u>515</u>
Total other receivable - related party	<u>889</u>	<u>515</u>

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
<u>Trade payables - related parties</u> (Note 17)		
Ultimate parent company	16,465	61,342
Parent company	73,599	173,513
Associated company	84,504	483,474
Total trade payables - related parties	<u>174,568</u>	<u>718,329</u>
<u>Other payable - related party</u> (Note 17)		
Ultimate parent company	282	5,946
Total other payable - related party	<u>282</u>	<u>5,946</u>

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiary had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Short-term employee benefits	13	14
Total	<u>13</u>	<u>14</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	317	266	317	266
Bank deposits	315,196	192,960	315,192	192,956
Total	<u>315,513</u>	<u>193,226</u>	<u>315,509</u>	<u>193,222</u>

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.01 and 1.30 percent per annum (2014: between 0.050 and 0.625 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2015</u>	<u>2014</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	131,768	551,967
Past due		
Up to 3 months	29	8,487
Total trade receivables - related parties	<u>131,797</u>	<u>560,454</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	103,494	179,177
Past due		
Up to 3 months	62,454	105,646
3 - 6 months	760	-
6 - 12 months	-	3,555
Over 12 months	85,663	84,370
Total	<u>252,371</u>	<u>372,748</u>
Less: Allowance for doubtful accounts	<u>(85,682)</u>	<u>(88,112)</u>
Total trade receivables - unrelated parties, net	<u>166,689</u>	<u>284,636</u>
Total trade receivables - net	<u>298,486</u>	<u>845,090</u>
<u>Other receivables</u>		
Other receivables - related party	889	515
Other receivables - unrelated parties	1,060	1,534
Interest receivable	253	357
Total other receivables	<u>2,202</u>	<u>2,406</u>
Total trade and other receivables - net	<u>300,688</u>	<u>847,496</u>

The normal credit term granted by the Company for related parties varies from 30 - 180 days while credit term for other parties varies from 10 - 75 days.

9. Inventories

(Unit: Thousand Baht)

	Consolidated / Separate financial statements					
	Cost		Decrease to net realisable value		Inventories-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Raw materials	389,322	720,043	(21,137)	(5,177)	368,185	714,866
Work in process	193,420	249,010	(6,704)	(2,964)	186,716	246,046
Finished goods	278,800	569,027	(16,113)	(15,127)	262,687	553,900
Spare parts, factory supplies and scrap	367,398	478,975	(2,779)	(5,375)	364,619	473,600
Goods in transit	34,850	124,238	-	-	34,850	124,238
Total	<u>1,263,790</u>	<u>2,141,293</u>	<u>(46,733)</u>	<u>(28,643)</u>	<u>1,217,057</u>	<u>2,112,650</u>

During the current year, the Company reduced cost of inventories by Baht 104 million (2014: Baht 20 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 86 million (2014: Baht 46 million), and reduced the amount of inventories recognised as expenses during the year.

10. Advance payments for goods and services

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	<u>2015</u>	<u>2014</u>
Advance payments for goods and services	277,975	266,108
Less: Allowance for doubtful debts	(270,077)	(246,692)
Advance payments for goods and services - net	<u>7,898</u>	<u>19,416</u>

In 2008, the Company entered into forward raw material purchase contracts with two overseas companies, and made advance payments to these companies amounting to USD 28 million (approximately Baht 932 million). The Company received some of the raw materials, leaving advance payments of USD 17.23 million (approximately Baht 572 million) for raw materials that had yet to be received. However, due to the impact of the economic crisis, the Company requested postponement of the delivery of remaining raw materials.

Consequently in 2009, the Company notified its suppliers to deliver the remaining raw materials per the contract, and that if they were not able to make delivery on schedule without notification of the reason for this to the Company, the Company would terminate the contracts and request the return of advance payments based on the current market price for the outstanding raw materials. However, the Company did not receive any contact from the suppliers regarding delivery of the raw materials, and so wrote off Baht 282 million of the advance payments for goods, representing the excess of the value of the raw materials at the contract prices over their value at the market price as at the end of November 2009. The Company is pursuing collection of the remaining USD 8.7 million (approximately Baht 219 million) of advance payment from the two companies. The Company has set aside full allowance for doubtful debt because it expects the remaining amounts will not be recoverable.

During the year 2010, a counterparty paid CNY 8.16 million (approximately USD 1.18 million or approximately Baht 39 million) through the Company's overseas related company and the Company reversed allowance for doubtful debt in the same amount.

Currently, the Company is in the process of pursuing the remaining debt and taking legal action against the counterparty.

11. Restricted bank deposits

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

12. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)								
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Paid-up capital		Cost	
			2015 (%)	2014 (%)	2015	2014	2015	2014
All Manage International Limited	Holding company	British Virgin Islands	100	100	USD 3 million	USD 3 million	97,395	97,395
Less: Allowance for impairment loss on investment							(97,395)	(36,022)
Investment in subsidiary - net							-	61,373

13. Investment in associate

13.1 Details of an associate:

Company's name	Nature of business	Country of incorporation	Shareholding percentage	(Unit: Thousand Baht)				
				Consolidated financial statements		Separate financial statements		
				Carrying amounts based on equity method		Cost		
				<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
			(%)	(%)				
TY Steel Company Limited	Production of billet	Thailand	27.02	35.73	350,612	395,426	443,098	443,098
Total					<u>350,612</u>	<u>395,426</u>	<u>443,098</u>	<u>443,098</u>

The Company has placed the shares of this associated company with banks as security for a syndicated loan granted to the associated company by overseas banks.

13.2 Share of loss

During the years, the Company has recognised its share of loss from investment in associate in the consolidated financial statements as follows:

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss from investment in associate during the year	
	<u>2015</u>	<u>2014</u>
TY Steel Company Limited	(69,997)	(2,797)
Total	<u>(69,997)</u>	<u>(2,797)</u>

On 23 September 2015, TY Steel Co., Ltd. (associated company) registered the increase of its share capital from Baht 1,240 million (124,000,000 shares, at par value Baht 10 per share) to be Baht 1,640 million (164,000,000 shares, at par value Baht 10 per share) with the Ministry of Commerce. The Company do not additionally invested in the additional ordinary shares of the associated company. As a result, its shareholding in this associate decreased from 35.73 percent to 27.02 percent. The Company recorded a gain on the deemed disposal of the investment in the associate, amounting to approximately Baht 25 million, in profit or loss in the consolidated financial statements for the year 2015, under the caption of "Gain on deemed disposal of investment in associate".

13.3 Summarised financial information of associate

Summarised information about financial position of TY Steel Company Limited

	(Unit: Million Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Current assets	628	1,407
Non-current assets	3,657	3,340
Current liabilities	1,734	2,273
Non-current liabilities	1,254	1,367
Net assets	1,297	1,107
Shareholding percentage	27.02%	35.73%
Share of net assets	351	395
Carrying amounts of associates based on equity method	351	395

Summarised information about comprehensive income of TY Steel Company Limited

	(Unit: Million Baht)	
	For the year ended 31 December	
	<u>2015</u>	<u>2014</u>
Revenue	210	1
Loss	(209)	(38)
Other comprehensive income	-	-
Total comprehensive income	(209)	(38)

14. Other long-term investment

Other long-term investment is 3 million shares investment in Tycoons Steel International Co., Ltd., (TSI) incorporated in the Cayman Islands, held by the Company's subsidiary totaling USD 3 million. The investment represented 6 percent of the registered capital of this company, which invested in Guang Lian Steel (Vietnam) Co., Ltd., in order to operate a steel refinery project in Vietnam.

During the first quarter of 2015, the Board of Directors Meeting of Tycoons Steel International Co., Ltd. passed a resolution to increase its registered share capital from USD 50 million to USD 52 million through the issuance of 2 million ordinary shares with a par value of USD 1 each. The Company's subsidiary did not invest in such new shares. As a result, the subsidiary's shareholding in Tycoons Steel International Co., Ltd. decreased from 6 percent to 5.77 percent.

During the year of 2015, because Guang Lian Steel (Vietnam) Co., Ltd. proposed to the Vietnamese government that the plant-construction project be suspended, and the net asset value of this company was lower than the cost of investment, the net book value of Tycoons Steel International Co., Ltd. decreased. The management of the subsidiary therefore decided to fully set aside additional allowance for impairment loss on the investment in Tycoons Steel International Co., Ltd., to increase the allowance from USD 1.1 million (approximately Baht 39 million) to USD 3.0 million (approximately Baht 108 million).

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated/Separate financial statements						Total
	Land and land improvement	Building and attached facilities	Machinery and equipment	Vehicles	Furniture and office equipment	Assets under installation and construction	
Cost							
1 January 2014	622,032	1,834,531	5,937,067	296,861	64,511	12,223	8,767,225
Additions	-	4,735	45,130	7,554	2,986	52,808	113,213
Disposals/write-off	-	(2,035)	(48,366)	(16,249)	(56)	-	(66,706)
Transfers in (out)	-	9,900	15,437	9	-	(33,528)	(8,182)
31 December 2014	622,032	1,847,131	5,949,268	288,175	67,441	31,503	8,805,550
Additions	-	1,453	27,104	9,342	2,755	64,102	104,756
Disposals/write-off	-	(2,028)	(38,652)	(3,584)	(113)	-	(44,377)
Transfers in (out)	-	1,993	69,085	8,785	1,977	(82,710)	(870)
31 December 2015	622,032	1,848,549	6,006,805	302,718	72,060	12,895	8,865,059
Accumulated depreciation							
1 January 2014	58,042	854,086	2,292,793	241,874	53,218	-	3,500,013
Depreciation for the year	5,080	60,999	166,367	16,844	4,016	-	253,306
Depreciation on disposals/write-off	-	(974)	(16,524)	(15,901)	(15)	-	(33,414)
31 December 2014	63,122	914,111	2,442,636	242,817	57,219	-	3,719,905
Depreciation for the year	5,080	61,314	183,821	17,410	4,453	-	272,078
Depreciation on disposals/write-off	-	(1,088)	(21,799)	(3,287)	(112)	-	(26,289)
31 December 2015	68,202	974,337	2,604,658	256,940	61,560	-	3,965,697
Allowance for impairment loss							
1 January 2014	-	-	82,434	-	-	-	82,434
Decrease during the year	-	-	(21,748)	-	-	-	(21,748)
31 December 2014	-	-	60,686	-	-	-	60,686
Increase during the year	-	-	56,203	-	-	-	56,203
31 December 2015	-	-	116,889	-	-	-	116,889
Net book value							
31 December 2014	558,910	933,020	3,445,946	45,358	10,222	31,503	5,024,959
31 December 2015	553,830	874,212	3,285,258	45,778	10,500	12,895	4,782,473
Depreciation for the year							
2014 (Baht 232 million included in manufacturing cost, and the balance in selling and administrative expenses)							253,306
2015 (Baht 251 million included in manufacturing cost, and the balance in selling and administrative expenses)							272,078

As at 31 December 2015, the Company had vehicles with net book value of Baht 7 million (2014: Baht 10 million) which were acquired under finance lease agreements.

As at 31 December 2015, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 895 million (2014: Baht 881 million).

The Company has mortgaged most of its property, plant and machinery with banks as collateral for short-term and long-term credit facilities granted by commercial banks.

16. Short-term loans from financial institutions

(Unit: Thousand Baht)			
	Interest rate (percent per annum)	Consolidated/Separate financial statements	
		<u>2015</u>	<u>2014</u>
Short-term loans from financial institutions	1.712 - 3.390	1,395,714	1,821,111
Total		<u>1,395,714</u>	<u>1,821,111</u>

Short-term loans from financial institutions are guaranteed by the Company's director, the ultimate parent company, pledged of fixed deposits as described in Note 11 to the financial statements and mortgaged of most of its property, plant and machinery as described in Note 15 to the financial statements.

17. Trade and other payables

(Unit: Thousand Baht)		
	Consolidated /Separate financial statements	
	<u>2015</u>	<u>2014</u>
Trade payables - related parties	174,568	718,329
Trade payables - unrelated parties	131,956	226,948
Other payable - related party	282	5,946
Other payables - unrelated parties	9,102	-
Interest payable	4,209	5,148
Accrued expenses	73,833	78,501
Total trade and other payables	<u>393,950</u>	<u>1,034,872</u>

18. Long-term loans from financial institutions

			(Unit: Thousand Baht)	
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated/Separate financial statements	
			<u>2015</u>	<u>2014</u>
1	Average MLR - 0.75	Semi-annual installments as from January 2007 totaling 19 installments	-	281,776
2	MLR - 0.5	Monthly installments as from February 2015 totaling 48 installments	256,000	300,000
Total			256,000	581,776
Less: Portion due within one year			(59,000)	(231,851)
Long-term loans, net of current portion			<u>197,000</u>	<u>349,925</u>

The long-term loans are guaranteed by the Company's director, the ultimate parent company, the pledged of fixed deposits as described in Note 11 to the financial statements and the mortgaged of most of its property, plant and equipment as described in Note 15 to the financial statements.

The loan agreements contain covenants relating to, among other matters, the maintenance of certain financial ratios and the holdings of the current shareholders at the rate prescribed in the agreements. As at 31 December 2015, the Company was unable to maintain financial ratios stipulated in an agreement. Under the agreement, this means the lender has the right to call the loan immediately, however the Company received a letter from the lender, granting a waiver for such non-compliance subject. The Company has therefore classified the loan as per original repayment schedule as at 31 December 2015.

19. Provision for long-term employee benefits

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

			(Unit: Thousand Baht)	
			Consolidated /Separate financial statements	
			<u>2015</u>	<u>2014</u>
Provision for long-term employee benefits at beginning of year			16,850	14,815
Included in profit or loss:				
Current service cost			1,550	1,573
Interest cost			589	595
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumptions changes			-	529
Financial assumptions changes			-	(561)
Experience adjustments			-	1,211
Benefits paid during the year			-	(1,312)

Provision for long-term employee benefits at end of year	18,989	16,850
-----------------------------------------------------------------	---------------	---------------

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Cost of sales	1,180	1,461
Selling and administrative expenses	959	707
Total expenses recognised in profit or loss	2,139	2,168

The Company and its subsidiary do not expect to pay of long-term employee benefits during the next year (2014: nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2014: 16 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated /Separate financial statements	
	<u>2015</u>	<u>2014</u>
Discount rate	4.3	4.3
Future salary increase rate	3.5 - 5.0	3.5 - 5.0
Staff turnover rate (depending on age)	0.0 - 60.0	0.0 - 60.0

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 /Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1)	2
Salary increase rate	2	(2)
Turnover rate	(1)	1

20. Share capital/Treasury shares

Movements in share capital during the year ended 31 December 2015 are summarised below.

	Decrease in paid up share capital due to treasury shares cancellation (Thousand Baht)	Treasury shares (Thousand Baht)	Increase in premium on treasury shares due to treasury shares cancellation (Thousand Baht)	Date of registration of reduction in share capital due to treasury shares cancellation with the Ministry of Commerce
Balance as at 1 January 2015	6,035,039	(47,532)	-	
Treasury shares cancellation	(67,550)	47,532	20,018	20 May 2015
Balance as at 31 December 2015	5,967,489	-	20,018	

On 13 November 2014, the Board of Directors of the Company approved the sale of the aforementioned 6,755,000 treasury shares through the Stock Exchange of Thailand between 28 November 2014 and 9 May 2015 at prices not lower than 5% of the average selling price of the previous five trading days. However, the Company was unable to sell any of the treasury shares within the above period.

Consequently, on 13 May 2015, the Board of Director's Meeting passed a resolution to approve a reduction in the registered and paid-up share capital by cancelling the 6,755,000 unsold treasury shares with a par value of Baht 10 each, or a total amount of Baht 67,550,000 by decreasing the Company's registered and paid-up capital from Baht 6,035,039,000 to Baht 5,967,489,000. The Company registered the capital reduction with the Ministry of Commerce on 20 May 2015. Moreover, the Company recognised the excess of the par value of the shares over the average price paid for treasury shares, amounting to Baht 20,018,190, as "Premium on treasury shares" in the shareholders' equity, and reversed the treasury shares reserve amounting to Baht 47,531,810 to unappropriated retained earnings in the current year's financial statements.

21. 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 income 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.

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	253,588	230,657
Depreciation and amortisation	290,795	269,677
Transportation expenses	141,268	147,575
Raw materials and consumables used	6,803,064	5,549,970
Changes in inventories of finished goods and work in progress	(345,817)	176,188

23. Income tax

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

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,890	28,828
Income tax expenses reported in the statements of comprehensive income	<u>1,890</u>	<u>28,828</u>

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/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Deferred tax relating to Actuarial losses	-	(236)
	<u>-</u>	<u>(236)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit (loss) before tax	<u>(443,084)</u>	<u>60,750</u>	<u>(390,995)</u>	<u>63,547</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(88,617)	12,150	(78,199)	12,709
Effects of:				
Promotional privileges	(21,208)	(22,491)	(21,208)	(22,491)
Non-deductible expenses	32,800	5,489	32,800	5,489
Additional expense deductions allowed	(4,462)	(48,450)	(4,462)	(48,450)
Tax losses for the year that have not been used	84,983	74,703	84,983	74,703
Effect of elimination entry on the consolidated financial statements	10,418	559	-	-
Others	(12,204)	6,868	(12,204)	6,868
Total	<u>90,507</u>	<u>16,678</u>	<u>80,089</u>	<u>16,119</u>
Income tax expenses reported in the statement of comprehensive income	<u>1,890</u>	<u>28,828</u>	<u>1,890</u>	<u>28,828</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Deferred tax assets		
Allowance for diminution in value of inventories	8,257	5,203
Allowance for asset impairment	12,137	12,137
Provision for long-term employee benefits	3,798	3,370
Unused tax loss	58,325	63,698
Total	<u>82,517</u>	<u>84,408</u>

As at 31 December 2015, the Company has deductible temporary differences and unused tax losses totaling Baht 803 million (2014: Baht 784 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax loss are summarised as below:

	Consolidated /separate financial statements	
	<u>2015</u>	<u>2014</u>
31 December 2017	-	37
31 December 2018	212	533
31 December 2019	166	214
31 December 2020	425	-
	<u>803</u>	<u>784</u>

24. Basic 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 held by outsiders in issue during the year (net of treasury shares).

	(Unit: shares)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Issued ordinary shares at 1 January	603,503,900	603,503,900
Effect of treasury shares held by the Company (Note 20)	-	(6,755,000)
Decrease in ordinary shares due to treasury shares cancellation (Note 20)	<u>(6,755,000)</u>	<u>-</u>
Weighted average number of ordinary shares for the year ended 31 December	<u>596,748,900</u>	<u>596,748,900</u>

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit (loss) for the year (Thousand Baht)	(444,975)	31,922	(392,885)	34,719
Weighted average number of ordinary shares (Thousand shares)	596,749	596,749	596,749	596,749
Basic earnings (loss) per share (Baht/share)	(0.75)	0.05	(0.66)	0.06

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of bolt & nut and screw, pursuant to the promotion certificate No. 1181/2003 issued on 9 April 2003. Subject to certain imposed condition, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (9 August 2005) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Sales						
Domestic sales	-	-	3,013,863	3,162,552	3,013,863	3,162,552
Export sales	-	-	4,109,251	5,191,061	4,109,251	5,191,061
Total sales	-	-	7,123,114	8,353,613	7,123,114	8,353,613

26. 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.

For management purposes, the Company and its subsidiary are organised into business units based on its products and services.

The Company and its subsidiary business operations involve four principal segments: (1) manufacture steel wire rods (2) manufacture steel annealing wire (3) manufacture screw and bolt and (4) trading. These operations are mainly carried on in Thailand.

Below is the financial information for the years ended 2015 and 2014 by segment.

(Unit: Million Baht)

	Manufacture Steel wire rods		Manufacture Steel annealing wire		Manufacture Screw and bolt		Trading		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues										
Domestic sales	2,494	1,305	81	85	41	49	398	1,723	3,014	3,162
Export sales	301	294	1,457	1,913	1,847	1,840	504	1,144	4,109	5,191
Total revenues	<u>2,795</u>	<u>1,599</u>	<u>1,538</u>	<u>1,998</u>	<u>1,888</u>	<u>1,889</u>	<u>902</u>	<u>2,867</u>	<u>7,123</u>	<u>8,353</u>
Results										
Segment profit (loss)	(501)	(245)	31	5	204	160	89	86	(177)	6
Unallocated profit and expenses:										
Gains (losses) on exchange									(9)	37
Interest income									3	5
Gains on deemed disposal of investment in associate									25	-
Other income									20	55
Gains (losses) on disposal and write-off of equipment									(18)	1
Impairment loss on fixed assets									(56)	-
Impairment loss on investment in other long-term investment									(69)	-
Reversal of (decrease of) inventory to net realisable value									(18)	26
Reversal of losses from raw material purchase contracts									-	6
Finance cost									(74)	(72)
Share of loss from investment in associate									(70)	(3)
Profit (loss) before income tax expenses									(443)	61
Income tax expenses									(2)	(29)
Profit (loss) for the year									<u>(445)</u>	<u>32</u>

Major customers

For the year 2015, the Company and its subsidiary have revenue from one major customer in amount of Baht 1,527 million, arising from sales by all segments (2014: Baht 2,495 million derived from one major customer, arising from sales by all segments).

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contributed to the fund monthly at the rate of 5 and 3 percent of basic salary respectively. The fund, which is managed by Kasikorn 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 3.0 million (2014: Baht 2.6 million) were recognised as expenses.

28. Commitments and contingent liabilities

As at 31 December 2015, the Company had the following outstanding commitments and contingent liabilities.

28.1 Capital commitments

The Company had capital commitments amounting of approximately Baht 4 million (2014: Baht 9 million), relating to purchase of machine and equipment.

28.2 Raw material purchase commitments

The Company entered into raw material purchase agreements amounting of USD 7 million (2014: USD 12 million). The materials will be shipped to the Company within 90 - 180 days from the contract dates.

28.3 Guarantees

There were outstanding bank guarantees of approximately Baht 57 million (2014: Baht 57 million) issued by banks on behalf of the Company in respect of certain performance bonds to guarantee electricity use among others.

29. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiary had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	6,962	-	6,962
Financial liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1,294	-	1,294

30. Financial instruments

30.1 Financial risk management

The Company's 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, restricted bank deposits, other long-term investment, trade and other payables, short-term and long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates 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)

Consolidated financial statements						
As at 31 December 2015						
Fixed interest rates		Floating	Non-	Total	Effective interest rate	
Within 1 year	1 - 5 years	interest rate	interest bearing			
(Million Baht)					(% p.a.)	
Financial assets						
Cash and cash equivalent	-	-	226	90	316	0.010 - 1.30
Trade and other receivables	-	-	-	301	301	-
Restricted bank deposits	72	-	-	-	72	0.75 - 1.30
	72	-	226	391	689	
Financial liabilities						
Trade and other payables	-	-	-	394	394	-
Liabilities under finance lease agreement	2	2	-	-	4	5.30 - 7.04
Short-term loans	1,396	-	-	-	1,396	1.71 - 3.39
Long-term loans	-	-	256	-	256	Average MLR - 0.75 and MLR - 0.5
	1,398	2	256	394	2,050	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2014					
	Fixed interest rates		Floating	Non-		
	Within	1 - 5	interest	interest		
	1 year	years	rate	bearing	Total	Effective interest rate
	(Million Baht)					(% p.a.)
Financial assets						
Cash and cash equivalent	-	-	166	27	193	0.050 - 0.625
Trade and other receivables	-	-	-	847	847	-
Restricted bank deposits	174	-	-	-	174	1.25 - 1.65
Other long-term investment	-	-	-	63	63	-
	174	-	166	937	1,277	
Financial liabilities						
Trade and other payables	-	-	-	1,035	1,035	-
Liabilities under finance lease						
agreement	3	3	-	-	6	2.05 - 3.65
Short-term loans	1,821	-	-	-	1,821	1.574 - 6.250
Long-term loans	-	-	582	-	582	Average MLR - 0.75,
						MLR - 1.5 and
						MLR - 0.5
	1,824	3	582	1,035	3,444	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2015					
	Fixed interest rates		Floating	Non-		
	Within	1 - 5	interest	interest		
	1 year	years	rate	bearing	Total	Effective interest rate
	(Million Baht)					(% p.a.)
Financial assets						
Cash and cash equivalent	-	-	226	90	316	0.010 - 1.30
Trade and other receivables	-	-	-	301	301	-
Restricted bank deposits	72	-	-	-	72	0.75 - 1.30
	72	-	226	391	689	
Financial liabilities						
Trade and other payables	-	-	-	394	394	-
Liabilities under finance lease						
agreement	2	2	-	-	4	5.30 - 7.04
Short-term loans	1,396	-	-	-	1,396	1.71 - 3.39
Long-term loans	-	-	256	-	256	Average MLR - 0.75
						and MLR - 0.5
	1,398	2	256	394	2,050	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2014					
	Fixed interest rates		Floating	Non-		
	Within	1 - 5	interest	interest		
	1 year	years	rate	bearing	Total	Effective interest rate
						(% p.a.)
	(Million Baht)					
Financial assets						
Cash and cash equivalent	-	-	166	27	193	0.050 - 0.625
Trade and other receivables	-	-	-	847	847	-
Restricted bank deposits	174	-	-	-	174	1.25 - 1.65
	174	-	166	874	1,214	
Financial liabilities						
Trade and other payables	-	-	-	1,035	1,035	-
Liabilities under finance lease						
agreement	3	3	-	-	6	2.05 - 3.65
Short-term loans	1,821	-	-	-	1,821	1.574 - 6.250
Long-term loans	-	-	582	-	582	Average MLR - 0.75,
						MLR - 1.5 and
						MLR - 0.5
	1,824	3	582	1,035	3,444	

Foreign currency risk

The Company's exposure 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.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	8.38	11.88	27.45	64.42	36.0886	32.9630
Euro	0.93	0.75	0.06	0.01	39.4388	40.0530
New Taiwan dollar	0.01	0.01	7.86	0.05	1.0993	1.0380

Forward exchange contracts outstanding are summarised below.

As at 31 December 2015					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	26.04	-	35.45 - 36.52	-	16 February 2016 - 30 June 2016
Euro	-	0.45	-	35.29 - 39.80	29 June 2016

As at 31 December 2014			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	49.57	32.72 - 33.28	26 February 2015 - 6 July 2015

30.2 Fair values of financial instruments

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

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.42:1 (2014: 0.64:1) and the Company's was 0.41:1 (2014: 0.64:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2016.




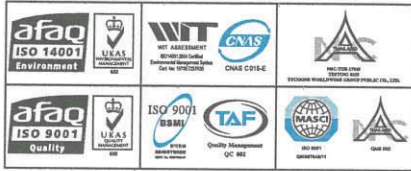
Report of the Board of Directors' Responsibilities for the Financial Statements

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2015 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.

Tycoons Worldwide Group (Thailand) Public CO., Ltd.


Mr. Hung, Wen-Sung
(Chairman of the board)



รายงานคณะกรรมการตรวจสอบ

คณะกรรมการตรวจสอบได้สอบทานงบการเงินรวมของบริษัทและบริษัทย่อยประจำปี 2558 ร่วมกับผู้สอบบัญชี เพื่อนำเสนอต่อคณะกรรมการบริษัทรับทราบรายงานการตรวจสอบ ประชุมหารือร่วมกับฝ่ายที่เกี่ยวข้องสอบทานการปฏิบัติตามข้อกำหนด และกฎหมายรวมทั้งพิจารณาการเปิดเผยข้อมูลรายการที่เกี่ยวข้องกันให้เป็นไปตามเกณฑ์ตลาดหลักทรัพย์แห่งประเทศไทย

คณะกรรมการตรวจสอบได้พิจารณางบการเงินดังกล่าวมีความเห็นว่า บริษัทมีการจัดทำรายงานทางการเงินเป็นไปตามมาตรฐานบัญชีที่รับรองทั่วไป มีการเปิดเผยข้อมูลเพียงพอ มีระบบการควบคุมภายใน ระบบตรวจสอบภายใน และระบบบริหารความเสี่ยงที่น่าพอใจ ไม่มีข้อที่ต้องปรับปรุงอย่างเป็นสาระสำคัญ

(นายพิพัฒน์ หวังพิชิต)

กรรมการตรวจสอบ

(นายสุรพล ขวัญใจชัยญา)

ประธานคณะกรรมการตรวจสอบ

(นายจิรวัดน์ หวาง)

กรรมการตรวจสอบ

REPORT OF THE AUDIT COMMITTEE

The audit committee jointly reviewed the 2015 annual consolidated financial statements with the certified public accountant for presentation to the board of directors for acknowledgement; discussed with relevant parties at meetings; reviewed compliance to the provisions and laws; and deliberated on information disclosure of related items in conformity with provisions of the Securities Exchange of Thailand.

The audit committee reviewed the consolidated financial statements and has an opinion that the company prepared financial statements in accordance with generally accepted accounting standards; adequately disclosed information; maintained regulating and supervisory system; internal audit and risk management system is satisfactory with no significant discrepancies are observed.

(Mr. Phiphat Wangphichit)
Audit Committee

(Mr. Surabon Kwunchaithunya)
Audit Committee Chairman

(Mr. Jirawat Huang)
Audit Committee

TYC  *NS*
