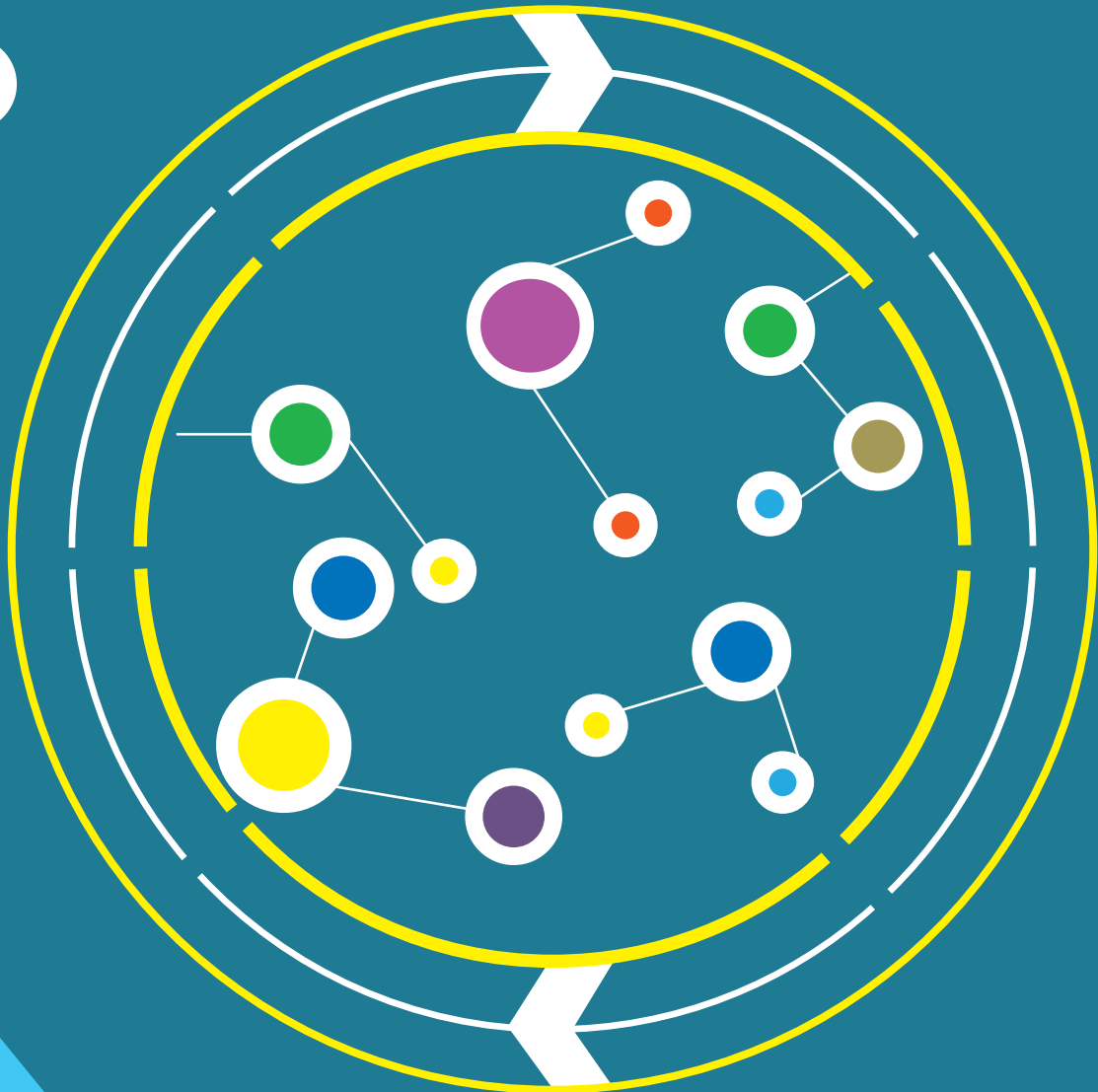




GLOBAL  
CONNECTIONS  
PUBLIC COMPANY LIMITED

ANNUAL  
REPORT 2015  
รายงานประจำปี 2558



**You best partner**  
for solution and service  
in Industrial raw material supply

บริษัท โกลบอล คอนเน็คชั่นส์ จำกัด (มหาชน)  
Global Connections Public Company Limited

## CORPORATE CULTURE



ADAPT TO CHANGE

PROACTIVE THINKING

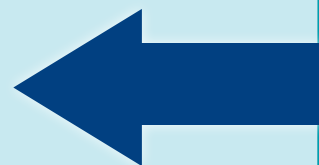
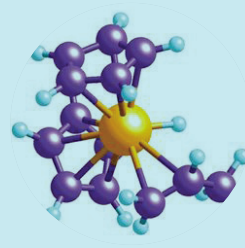


UNITY

EFFICEINCY



HAPPINESS





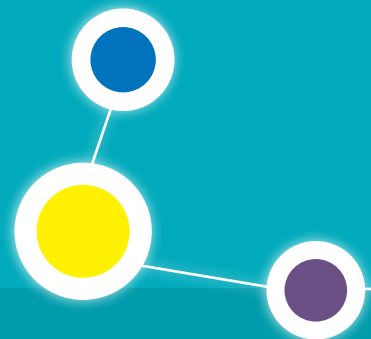
## COMPANY'S VISION

**“Your best partner for solution and  
service in industrial raw material supply”**



## COMPANY'S MISSION

- 
- To be an ethical public corporation along with Thai economy forever.
  - Build sustainable growth of profitability and sales.
  - Develop sustainable professional expertise to be market leader and maintain competitiveness.
  - Market leadership (one stop shopping, always add on new product, quality of supplier)
  - Sustainable professional staff (by support training both formal & on the job)
  - Connect the best supplier and bridge advanced technologies for customers' best value.





## CONTENT

1. General Information	3
2. Financial Summary	5
3. Message from the Chairman	7
4. Policy and Business Overview	9
5. Business Characters	13
6. Revenue Structure	15
7. Major Changes and Developments	17
8. Competitions and Industrial Trend	19
9. Risk Factors	25
10. Shareholder Structure & Dividend Policy	29
11. The Board of Directors and Management	31
12. Organization Chart	43
13. Management structure	45
14. Corporate Governance	53
15. Corporate Social Responsibilities (CSR)	91
16. Major events in 2015	111
17. Internal Control and Risk Management	113
18. Related Transaction	115
19. Report of the Audit Committee	119
20 Corporate Good Governance, Nomination, and Remuneration Committee Report	121
21. Statement of Board of Directors Responsible for The Financial Statement	123
22. Management's Discussion and Analysis	125
23. Financial Statement Year 2015	127



## Corporate Information

<b>Company Name</b>	:	Global Connections Public Company Limited ("The Company" or "GC")
<b>Symbol</b>	:	GC
<b>Business</b>	:	Distributing agent of plastic, petrochemical and additive, which are used in petrochemical and plastic transformation process
<b>Head Office</b>	:	13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn, 10540, Thailand
<b>Registration Number</b>	:	0107548000153
<b>Home Page</b>	:	<a href="http://www.gc.co.th">http://www.gc.co.th</a>
<b>Telephone</b>	:	+66 (0)2763-7921, +66 (0)2763-7999, +66 (0)2763-7923-42
<b>Facsimile</b>	:	+66 (0)2763-7949, +66 (0)2312-4880-1
<b>Investor Relations</b>	:	+66 (0)2763-7999 Ext. 201-204
<b>Date of establishment</b>	:	27 September 1994
<b>Date of registration Public Company</b>	:	17 March 2005
<b>Date of stock listed</b>	:	6 December 2005
<b>Juristic person that are being hold more than 10% of their paid-up capital</b>	:	None
<b>Registered (Paid Up) Capital</b>	:	200,000,000 Baht
<b>No. of Registered (Paid up)</b>	:	200,000,000 Shares

## Name of Reference

<b>Registrar</b>	:	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindang, Bangkok, 10400, Thailand Tel. +66 (0)2009-9000 Fax. +66 (0)2009-9991
<b>Auditor</b>	:	EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand Tel. +66 (0)2264-0777 Fax. +66 (0)2264-0789



	2013	2014	2015
<b>FINANCIAL POSITION (MILLION BAHT)</b>			
Current Assets	1,147	1,040	1,246
Total Assets	1,281	1,171	1,378
Current Liabilities	870	767	936
Total Liabilities	882	782	956
Shareholder's Equity	399	389	422
<b>OPERATING RESULT (MILLION BAHT)</b>			
Sales Revenue	3,159	3,647	3,646
Gross Profit	219	200	229
Operating Profit	105	79	113
Net Profit	70	48	79
<b>FINANCIAL RATIOS</b>			
Return on Assets (%)	5.80	3.88	6.22
Return on Equity (%)	17.44	12.08	19.56
Net Profit Margin (%)	2.21	1.31	2.17
Current Ratio (Times)	1.32	1.36	1.33
Debt to Equity Ratio (Times)	2.21	2.01	2.27
Book Value per Share (Baht)	2.00	1.94	2.11
Profit per Share (Baht)	0.35	0.24	0.40







**To: Shareholders**

In term of the overall economic picture in 2015, Global Connections Public Company Limited (GC) faced a variety of challenging environment factors. In spite of the fact that the United States economy continues to recover from the recession and the political situation in Thailand has shown signs of easing which increasingly boosts confidence the local economy, but there are still factors that affected GC businesses, especially the aftermath of decline of crude oil price and currency fluctuation do impact to the petrochemical related business.





Nevertheless, the GC management and employees are able to achieve their strategic direction with cautious management and excellent staff cooperation, we can attain own goals of business targets. In 2015, GC achieved revenue from sales of THB 3,646 Million with a net profit of THB 79 Million compare to THB 48 Million or increase around 65% from the year 2014.

In addition to strengthening our current business operation, GC also sought for prospective business opportunities to support future trend of demand, such as green products, which are biodegradable and environmentally friendly products under Micro-Nice brand. Such an endeavor is one of our steps to incorporate the concept of environmental sustainability into our business process (CSR in – Process). Peripherally, GC continues to innovate and develop itself through investment in research to create value added on our products and services.

In 2015, GC was rated “Very Good” (4 STARS) for its overall scoring in the Corporate Governance Report by the Thai Institute of Directors (IOD), which as above average for the SET 100 companies, we vow to continue for further improvement in our governance performance. Furthermore, GC has signed “the Declaration of Intent in view of establishing Thailand’s Private Sector Collective Action Coalition against Corruption”, which shows the Company’s attempts to ensure fairness and transparency in our business and services.

On behalf of the GC’s Board of Directors, executives and employees, I would like to thank our customers, shareholders, producers and our business partners for helping us to achieve our business goals. My gratitude also extends to everyone who has helped support the implementation of GC’s initiative throughout the year. With our vision, business strategies’ as well as excellent dedication of the management and staff members at all level. I believe that with the existing capability, GC can be trust worthy growth in the future.

Yours sincerely

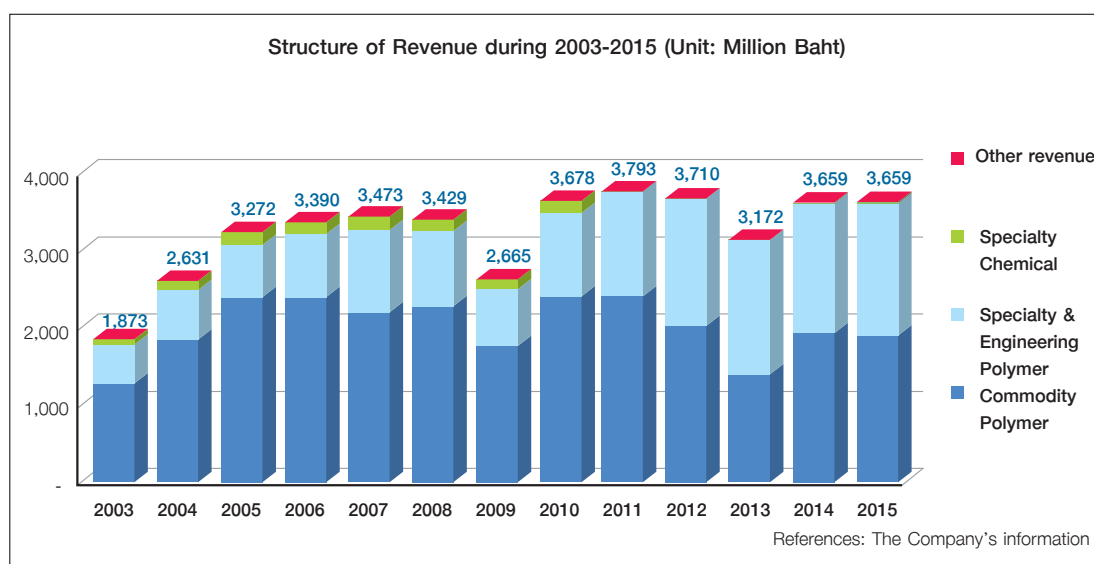
**(Mr. Virah Mavichak)**

Chairman of the Board

Global Connections Public Company Limited

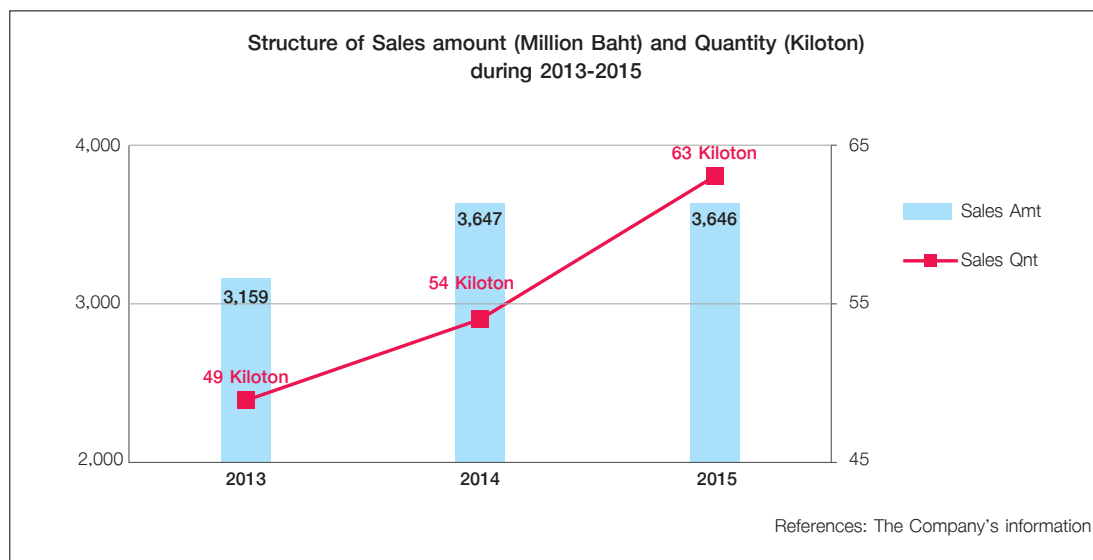
The Global Connections Public Company Limited (“The Company or GC”) is the distributing agent of plastic, petrochemical and additive, which are used in petrochemical and plastic transformation process. The Company is the distributing agent more than 30 companies such as PTT Polymer Marketing Co., Ltd., as a subsidiary of PTT group who is a leader of Energy and Petro Chemical business in Thailand and Asian region and the Company is distributor about the polymer products, ExxonMobil Chemical, Eastman Chemical, DuPont Performance Polymers, and Chi Mei Corporation etc. By this reason, the Company is considered to be the Thai distributor who provides the most variety petrochemical and plastic related products for Thailand.

The Company was established on 27 September 1994 and initials registered capital of Baht 2 Million and began fully commercial on 1 April 1995 by founder group who each has been working in the petrochemical industry until the present, more than 30 years. The knowledge and experience of founders coincided with the rapid emerging petrochemical industry in Thailand created the continuous growth.



As per diagram above:

- In 2009, the Company has revenue amounted to approximately Baht 2,665 Million that decreased 22 percent per annum from amounted to Baht 3,429 Million in 2008 due to USA economic crisis including stock value's decline from crude oil price fluctuation.
- In 2012-2013, the Company has revenue decreased because of changing distributorship in July 2012.



In 2013, the Company has sales amounted to Baht 3,159 Million which was effected from changing distributorship in July 2012. After that in 2014 and 2015, the Company expanded its customer base increase until now the Company has sales amounted to Baht 3,647 Million and Baht 3,646 Million, respectively. Sales amount is closely because goods price was dropped according to market conditions during year 2015. Besides, the Company's sale quantity increased steadily during year 2014 to 2015, approximately 54 kiloton and 63 kiloton, respectively which to see the Company has growth trend continuously.

The Company has three business units as follows 1) Commodity Polymers 2) Specialty and Engineering Polymers and 3) Specialty Chemical, Intermediate, and Additives, that are covered from commodity market (Base raw materials for converting plastic product) to specialty and engineering product (Special grade plastic that are required strength, durable, and other features suitable for each industrial applications.) and additive product which can create higher value for customer products by special features such as anti-oxidation, UV-protection, Anti-Bacteria or electrostatic protection etc.

The Company is one of the only two Thai distributors which have variety of product ranges from common commodity grades polymers to special grade polymers. The Company's revenue Baht 3,659 Million in 2015 contributed from Commodity Polymer (B.U.1) 52 percent per annum (or Baht 1,915 Million), Specialty & Engineering Polymer (B.U.2) 47 percent per annum (or Baht 1,707 Million), Specialty Chemical (B.U.3) 1 percent per annum (or Baht 24 Million) and from other income 0 percent per annum (or Baht 13 Million)

The Company has significant risks as follows the risk associated with bad debts of accounts receivable, the risk associated with exchange rate, the risk associated with insufficient cash flow, and the risk associated with the fluctuations in the price of goods in the world market. So that the Company recognized the importance of risk management in closely following the details mentioned in the risk factors section.



## Policy of the Company's operation or the Group, according to the Board of Directors

### Vision

The Company had objectives to be a sustainable organization with stable profits under good corporate governance principles and continuous knowledge development

**Vision of the business** : Your best partner for solution and service in industrial raw material supply

The Company recognizes the importance of the Company's vision which will lead the planning of future goals and operational direction.

The Company has a policy regarding the revision and approval of the vision and mission of the Company. Directors and executives will reconsider them at least every year, after that will present to the Board of directors for consideration and approval. In the prior year, the Board of committee reviewed the Company's vision along with the Company's annual budget and has decided to remain the current vision. In addition to, the Board of committee would like the Company considers the growth opportunities in other areas such as research & development and the growth market to universal.

The Company does not only be the distributor for various products in petrochemical and plastic industry, but also be the provider for knowledge and technology to customers/end users in order to form long term strategic partnership with the customers as well as the suppliers. Directions and targets as follow;

#### Mission:

- To be an ethical public corporation along with Thai economy forever.
- To build sustainable growth of profitability and sales.
- To develop sustainable professional expertise to be market leader and maintain competitiveness.
- Market leadership (one stop shopping, always add on new product, quality of supplier).
- Sustainable professional staff (by support training both formal & on the job).
- Connect the best supplier and bridge advanced technologies for customers' best value.

### Company Strategy in 2016 : VUCA

<b>V</b>	: Value creation thru Innovation and Differentiation
<b>U</b>	: Uncompromisingness with Business Growth and Profit commitment
<b>C</b>	: Cost management thru Efficiency and Effectiveness
<b>A</b>	: Aligned investment for Future Growth and Sustainability



## Company Target

### Business Target

- Professional organization with good corporate governance principles for the sake of the shareholders and stakeholders.
- The Company emphasizes principles of systematic risk management especially bad debt of account receivables.

### Revenue and Profit Target

- Sustainable growth in both revenue and profit.

### Product Target

- The Company is focusing on expanding the market and increase sales from the specialty products which is able to add customer product value and product quality improvement that will relate to higher profit margin of the Company.
- To develop comprehensive products with a full range of subjects and grades from top three global manufacturer in order to providing consistent service for customers.
- To increase products item in order to support current customer in some segments.
- Research and Develop product and matches them.

### Trading's Partner Targets

- Focusing on responsible to customer needs rapidly in order to keep up with higher competitive level.
- Reliance building with customer by good cooperation with suppliers as well as customers.
- To build up reliance and respect to all stakeholders.
- To strengthen existing customers base and expand customers in the manner of long term alliance.
- Competition preparedness for the purpose of regional expansion.

### Supplier and Financial Institute Target

- To build up relation and reliance with suppliers and financial institution in the manner of long term alliance that emphasizes on transparency, exact information disclosure and keeping up to date.
- To reduce cost and increase efficiency of suppliers by total outsource solutions including sale, marketing, technical service and logistics.
- Develop business with suppliers and financial institution for mutual achievement.

### Operation plans

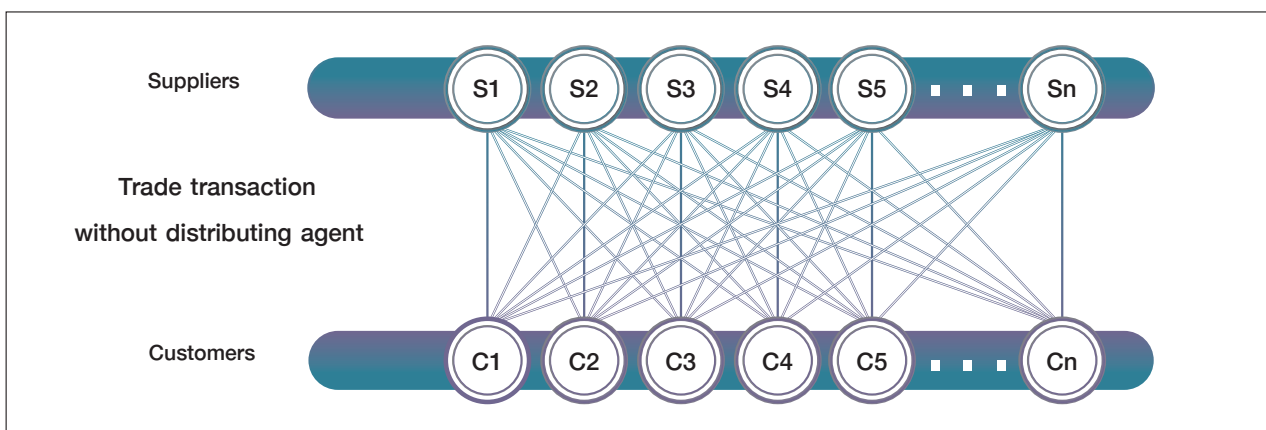
- Maintain existing strong market positioning.
- Increase market share and expand product line to prospect customer.
- Keep an eye on customers who are willing to invest offshore and offer service and professional solution.
- Understanding the direction in which customers are moving and align customer needs with company's business goal.
- Increase supplier, partner and customer in our industry expertise.
- Reducing cost in which is not benefit to increase company's productivity.

Global Connections Public Company Limited is the distributing agent of plastic, petrochemical and additive which is used in petrochemical and plastic transformation process. The Company is the distributing agent to local and foreign suppliers more than 30 companies who are leader in production capacity and technology. By this reason, the Company is considered to be the Best Thai distributor who can provide the most variety petrochemical and plastic to client. (Source: the Company's information) Almost local suppliers of the Company are the first-class suppliers in Thailand in each category. In addition, almost foreign suppliers of the Company are the top-three leader in production capacity of the world.

Our customers are rubber and plastic processing plants and others over 2,300 covers in various business sectors such as industrial packaging, food packaging including cosmetic packaging and personal care product, automotive parts, electronic parts, home appliance, furniture parts, sports equipment, stationery, and toys etc.

## Role of Distributing Agent

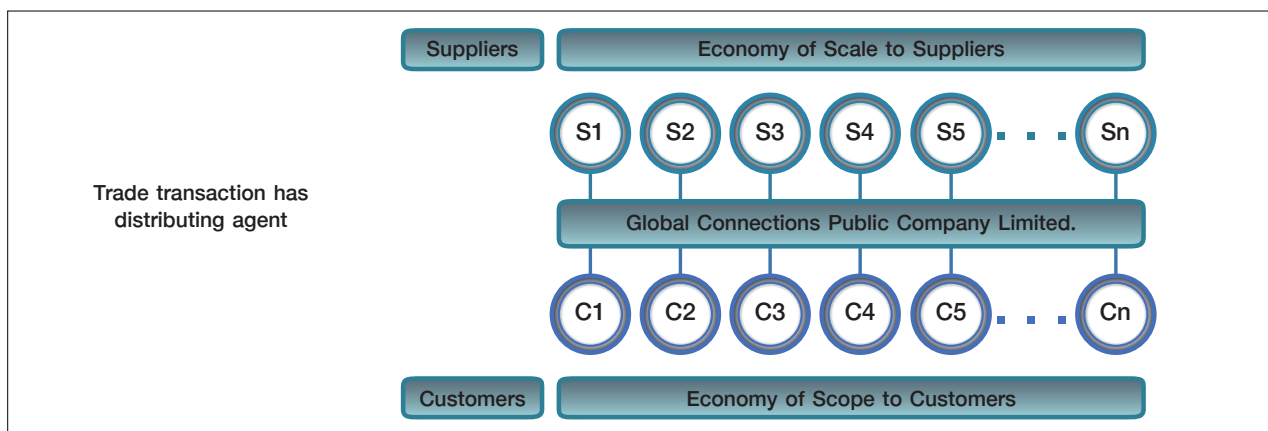
In general, the large producers such as ExxonMobil Chemical, Eastman Chemical, and Chi Mei Corporation do not distribute their products by themselves because of the scatter location of end-users and having high costs of each trade transactions. Furthermore, end-users of plastic are mostly used the variety of plastic raw material in the production process. As end-users perspective, it is too complicated to directly buy each raw material from each producer. The picture below shows transaction without role of distributing agent.





The essential of distributing agents for petrochemical industry is to connect the combined product ranges from the various producers to serve the various needs of end-users/ customers, and to minimize logistic cost of each transaction. The company can deliver value added to both suppliers and customers by satisfy economy of scope to the number of customers/ end-users and satisfy economy of scale to big producers simultaneously

The next picture shows role and benefit of distributing agent in petrochemical industry which is similar to role of distribution channel for consumer products which regularly generate trade transaction at the supermarket or hyperstore such as TescoLotus, Makro, and BigC.

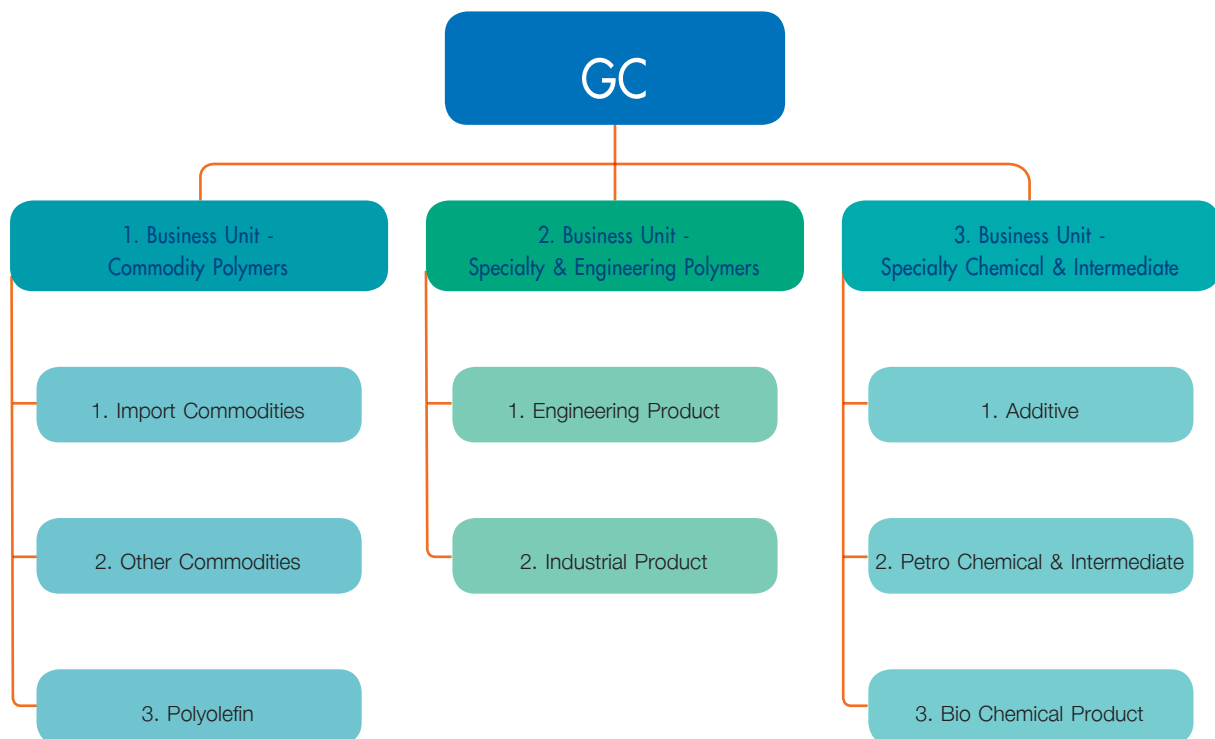


In addition, the barrier for new entry in petrochemical distributing agent is that the petrochemical producers usually appoint only one or two distributing agents in each country as general practice.

Global Connections Public Company Limited has three main business units as follows;

1. Business Unit 1: Commodity Polymers
2. Business Unit 2: Specialty and Engineering Polymers
3. Business Unit 3: Specialty Chemical, Intermediate, and Additive

The Company's organization structure



The Company's product covered from commodity market (Base raw materials for converting plastic product) to specialty and engineering product (Special grade plastic that are required strength, durable, and other features suitable for each industrial applications.) and additive product which can create higher value for customer products by special features such as anti-oxidation, UV-protection, Anti-Bacteria or electrostatic protection etc. The Company is one of the only two Thai distributors which have variety of product ranges from common commodity grades polymers to special grade polymers. The Company's revenue Baht 3,659 Million in 2015 contributed from Commodity Polymer (B.U.1) 52 percent per annum (or Baht 1,915 Million), Specialty & Engineering Polymer (B.U.2) 47 percent per annum (or Baht 1,707 Million), Specialty Chemical (B.U.3) 1 percent per annum (or Baht 24 Million) and from other income 0 percent per annum (or Baht 13 Million)

## The Company's Revenue Structures 2013 - 2015

REVENUE STRUCTURE	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
	(Million THB)		(Million THB)		(Million THB)	
Commodity Polymers	1,405	44	1,937	53	1,915	52
Specialty and Engineering Polymers	1,737	55	1,692	46	1,707	47
Specialty Chemical, Intermediate and Additive	17	1	18	1	24	1
Total Sale Revenue	3,159	100	3,647	100	3,646	100
Other income	13	-	12	-	13	-
<b>Total Revenue</b>	<b>3,172</b>	<b>100</b>	<b>3,659</b>	<b>100</b>	<b>3,659</b>	<b>100</b>
Growth rate (%)	(15%)		15%		-	

Remark : Other Income included commission income from oversea suppliers, interest income, gain on foreign exchange, and on disposal of asset.

## MAJOR CHANGES AND DEVELOPMENTS

7

<b>1994</b>	The Company was established with initial registered capital of Baht 2 Million on 27 September 1994.
<b>1996</b>	The Company was appointed to be distributing agent of SCG Plastics Company Limited (Former name as CCC Chemical Commerce Company Limited a subsidiary of Siam Cement Public Company Limited) by beginning as the seventeen ranking of SCG Plastic Company Limited's distributing agent. Moreover, the Company was appointed to be distributing agent of Eastman Chemical, which was the start point of specialty product distribution. After that the Company increased its registered and paid-up capital to Baht 10 Million.
<b>1997</b>	The Company increased its registered and paid-up capital to Baht 20 Million to support expansion of the Company and sales turnover. The Company was appointed to be distributing agent of DuPont Engineering Polymers (Current name as "Dupont Performance Polymers") which is the world's largest producer of POLYIMIDE 66 or NYLON 66. As well as appointed to be distributing agent for Chi Mei Corporation that is the world's largest manufacturer of the ABS.
<b>2000</b>	The Company was appointed to be distributing agent of Advanced Elastomer Systems (AES), presently acquainted by ExxonMobil, which is the world's largest manufacturer of rubber compound (Thermoplastic Elastomer) PP. The Company expanded financial resources from three to six commercial banks enabling the Company to expand customers.
<b>2003</b>	The Company increased its paid up capital to Baht 100 Million and moved its warehouse to Kingkaew road, which is the strategic location because this location is near customers and suppliers as the result of high efficiency in transportation of the Company. The Company was appointed to be distributing agent of Thai Plastic and Chemical Public Company Limited. ("TPC") thai is the largest manufacturer of polyvinyl chloride polymer (PVC) in Asian.
<b>2004</b>	The Company was appointed to be distributing agent of ExxonMobil and Rio Tinto Mineral Asia Pte., Ltd. The Company moved the head office to Kingkaew road to facilitate the operation.



**2005**

On 17 March 2005, the Company was transformed to “Global Connection Public Company Limited” and increased its paid-up capital to Baht 200 Million.

On 15 November 2005, the Stock Exchange of Thailand approved the Company’s common stock that was able to be sold investors and was IPO and listed in “Petrochemical” section and in the name of “GC” since 6 December 2005.

**2007**

The Company signed a contract which is a financial support for dealer financing with Kasikorn Bank in K-Dealer Financing Program on 6 June 2007. This program will support customer’s working capital credit facilities.

The Company celebrated 10<sup>th</sup> Anniversary Strategic Partnership with DuPont on 13 September 2007 at Sukhothai Hotel.

**2012**

The Company and SGC Plastics Company Limited have agreed to cease the distributorship effectively and the Company Jointly signed agency ceremony with PTT Polymer Marketing Company Limited, a subsidiary of PTT group, on 1 July 2012.

**2013**

The Company was changed management and shareholder structure, Mr. Siri Thirawattanawong who is the former director of the Company would like to resign from his position, because he would like to take an early retirement, effective on 1 October 2013

**2014**

The Company was signed ceremony of cooperation on product and market development of new innovative Biodegradable and Environmentally friendly Product with Technogreen Company Limited on 31 March 2014. The products included Oil & Grease Cleaner, Water Additive - Scale Prevention & Remover, Product from Botanical Liquid under Micro-Nice brand. On this occasional will be as part of a sustainable business development to build environmental sustainability in to business process.

On 9 September 2014, the Company has been granted privileges by the Board of Investment relating to business type 7.12 International Procurement Office (IPO) document no. 2109/2014.

**2015**

Assoc. Prof. Chawalee Pongpatirochna requested to resign from Director, Audit Committee, and Independent Director of the Company because of her health reason. The Board of Directors has appointed Mr. Thanee Puttipanpluck as Director, Audit Committee, and Independent Director effective on 1 January 2016.



Global Connections Public Company Limited is the distributor of Industrial raw material mainly in plastics and petrochemical industries. Hence the Company's sale is related directly with these industries. Reference information from the Office of Industrial Economic ([www.oie.go.th](http://www.oie.go.th)) as of 4 January 2016 as summaries the outlook of plastics and petrochemical industries as follows;

## Plastic industry

### [Plastic Industry Outlook](#)

During ten months (Jan-Oct) for the year 2015, export plastic products were decreased 4.37 percent, compared to the same period of the prior year because major export markets which were the United States, Japan, and CLMV Group, had slow down, selling price was dropped in accordance with trend of the oil price in the world market. As a result, production of plastic was not increased. Import plastic products were increased 4.04 percent, especially the products which were used in construction and agricultural industry such as plastic flooring, tubes, and pipes.

### [Marketing and Distributing](#)

#### - Export

During ten months (Jan-Oct) for the year 2015, volume of export products (H.S. code 3916-3926) were amounted to 1,085,942 tons, decreased 4.37 percent, compared to the same period of the prior year. Export products were dropped significantly included single filament bulb, plastic flooring, and conveyor packing material. These were decreased 64.58 percent, 19.20 percent, and 7.76 percent, respectively, compared to the same period of the prior year. Overall, Thailand products were exported mainly to Japan, the United States, Australia, and Malaysia as a portion of 18.28 percent, 9.44 percent, 6.72 percent, and 6.68 percent, respectively.

#### - Import

During ten months (Jan-Oct) for the year 2015, volume of import products (H.S. code 3916-3926) were amounted to 622,279 tons, increased 4.04 percent, compared to the same period of the prior year. Import products were increased significantly included plastic flooring, tubes or pipes, and single filament bulb. These were increased 24.50 percent, 13.43 percent, and 10.58 percent, respectively. Overall, Thailand products were imported mainly to China, Japan, Malaysia, and the United States as a portion of 27.33 percent, 24.73 percent, 8.17 percent, and 6.04 percent, respectively.



**Table of Import and Export volume of plastic products during 2013 - 2015**

	2013	2014	2014				2015				2015*
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan-Oct	
Export Volume - Plastic Products (Unit : Tons)											
Total	1,057,834.00	1,133,414.02	276,016.94	276,274.11	307,169.01	273,953.96	260,350.00	273,318.00	281,097.00	904,952.00	1,085,942.00
YOY (%)	6.57	7.14	10.85	8.82	9.79	(0.45)	(5.67)	(0.97)	(8.48)	(5.41)	(4.37)
QoQ (%)	N/A	N/A	0.29	0.09	11.18	(10.81)	(4.96)	4.98	2.84	-	-
Import Volume - Plastic Products (Unit : Tons)											
Total	553,017.10	597,119.07	140,498.76	148,257.31	152,092.94	156,270.06	152,193.00	158,931.00	155,491.00	518,566.00	622,279.00
YOY (%)	2.13	7.97	5.96	6.38	6.90	12.58	8.32	13.11	2.23	4.67	4.04
QoQ (%)	N/A	N/A	1.22	5.52	2.59	2.74	(2.60)	4.42	(2.16)	-	-

Source : Global Trade Atlas and Plastic Intelligence Unit, The Office of Industrial Economics ([www.oie.go.th](http://www.oie.go.th))

\* Estimated by The Office of Industrial Economics

## Summary of economic trends of the plastic industry

### - *Summary of economic trends of the plastic industry in 2015*

Export There is export products (H.S. code 3916-3926) amounting to 1,085,942 tons, decreased 4.37 percent, compared to the same period of the prior year. Export products were dropped significantly included single filament bulb, plastic flooring, and conveyor packing material. These were decreased 148.42 percent, 19.27 percent, and 6.49 percent, respectively, compared to the prior year.

Import There is import products (H.S. code 3916-3926) amounting to 622,279 tones, increased 4.04 percent, compared to the same period of the prior year. Import products were increased significantly included plastic flooring, tubes or pipes, and single filament bulb. These were increased 21.15 percent, 19.70 percent, 12.83 percent, and 10.73 percent, respectively.

### - *Trend in 2016*

Thailand's economy is expected to grow by stimulus spending and public investment continuously. Furthermore, economic of partner countries are growing up because of trend of the Baht depreciated, trend of crude oil price dropped. As these result will affect positive plastic products.

## Petrochemical Industry

### Petrochemical Industry Outlook

During ten months (Jan-Oct) 2015, Asia Naphtha prices were fluctuated with crude oil price in the future market. Overall, average price was dropped, compared to the same period of the prior year.

### Production

During ten months (Jan-Oct) 2015, petrochemical industry of Thailand invested research and development to enhance as leadership of Asian in the product development sector.

There are construction plant projects included the increasing capacity of monomer silicones from 70,000 tons per year to 105,000 tons per year and the increasing capacity of polymer silicones from 54,000 tons per year to 74,000 tons per year. These projects will be built completely within 2017.

There is negotiation project, a joint venture, to produce the propylene oxide and polyols which are raw material to have added value for automotive and coating industry and have capacity 200,000 tons per year. In addition, there is investment plan to increase capacity of polyethylene which is low density (LLDPE) is 800,000 tons per year. These projects will be opened in 2018.

There is plant to produce the sodium bicarbonate which has capacity 100,000 tons per year to support demand in the health, food, and commodities product market, especially in Europe.

There is the Upstream project for Hygiene & Value-Added Product (UHV) to product special grade of petrochemical as Propylene which will be finished within 2015. Propylene will be used for PP production increased to 300,000 tons per year (PP 160,000 tons per year and PP compound 140,000 tons per year). This project will be finished within 2017.

There is a joint venture project between Thailand and Japan to build plant to produce Poly urethane (PU) in Thailand. In the present, they are studying the possibility. If this project is operated, it will have production capacity of Propylene Oxide (PO) and Polyether Polyol 200,000 tons and 130,000 tons per year, respectively. Polyol is the main raw material of foam PU in the automotive, furniture, bedding, construction, appliance, and electronic industry.

## International Trade - Petrochemical Industry

### Export

During ten months (Jan-Oct) 2015, petrochemical products which are upstream, intermediate, and downstream water, were amounting to USD 6,058.20 Million, decreased 28.85 percent, compared to the same period of the prior year.

Export petrochemical products of the year 2015 which are upstream, intermediate, and downstream water, are expected amounting to USD 7,269.84 Million, decreased 27.51 percent, compared to the same period of the prior year.

### Import

During ten months (Jan-Oct) 2015, petrochemical products which are upstream, intermediate and downstream water, were amounting to USD 2,450.98 Million, decreased 20.24 percent, compared to the same period of the prior year.

Import petrochemical products of the year 2015 which are upstream, intermediate and downstream water, are expected amounting to USD 2,941.18 Million, decreased 18.39 percent, compared to the same period of the prior year.

## Table of Import and Export volume of petrochemical products during 2013-2015

### Export

	2013	2014	2014				2015				2015*
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan-Oct	
<b>Export</b>	<b>9,592.88</b>	<b>9,253.78</b>	<b>2,434.29</b>	<b>2,358.96</b>	<b>2,280.93</b>	<b>2,179.60</b>	<b>1,875.89</b>	<b>1,913.46</b>	<b>1,746.97</b>	<b>6,058.20</b>	<b>7,269.84</b>
YOY (%)	3.09	(3.53)	(2.07)	8.91	(1.89)	(2.42)	(22.93)	(25.33)	(28.75)	(28.85)	(27.51)
QoQ (%)	-	-	8.75	(3.09)	(3.31)	(4.44)	(13.93)	2.00	(8.70)	-	-
<b>Upstream</b>	<b>2,561.09</b>	<b>2,030.26</b>	<b>609.99</b>	<b>527.59</b>	<b>425.65</b>	<b>440.03</b>	<b>330.11</b>	<b>373.19</b>	<b>257.97</b>	<b>1,006.60</b>	<b>1,207.92</b>
YOY (%)	32.36	(20.73)	(13.82)	(13.20)	(20.97)	(17.10)	(45.88)	(34.89)	(46.99)	(46.18)	(44.09)
QoQ (%)	-	-	14.67	(13.51)	(14.20)	(2.79)	(24.98)	13.05	(30.87)	-	-
<b>Intermediate</b>	<b>1,314.18</b>	<b>1,074.77</b>	<b>292.27</b>	<b>276.51</b>	<b>293.28</b>	<b>212.71</b>	<b>195.92</b>	<b>222.81</b>	<b>154.30</b>	<b>622.72</b>	<b>747.26</b>
YOY (%)	(25.51)	(18.22)	(5.02)	3.38	(16.92)	(33.45)	(32.97)	(25.82)	(51.06)	(35.02)	(37.02)
QoQ (%)	-	-	(8.75)	(5.39)	6.06	(27.47)	(7.89)	13.72	(30.75)	-	-
<b>Downstream</b>	<b>5,717.61</b>	<b>6,148.77</b>	<b>1,532.03</b>	<b>1,554.87</b>	<b>1,535.00</b>	<b>1,526.87</b>	<b>1,349.86</b>	<b>1,317.46</b>	<b>1,334.70</b>	<b>4,428.88</b>	<b>5,314.66</b>
YOY (%)	2.03	7.54	13.73	20.47	9.70	10.39	(11.89)	(22.00)	(19.11)	(21.26)	(20.45)
QoQ (%)	-	-	10.52	1.49	(1.28)	(0.53)	(11.59)	(2.40)	1.31	-	-

Source : The Custom Department

\* Estimated by the Office of Industrial Economics.

## Import

	2013	2014	2014				2015				2015*
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan-Oct	
<b>Import</b>	<b>3,564.75</b>	<b>3,299.17</b>	<b>848.58</b>	<b>826.90</b>	<b>859.26</b>	<b>764.43</b>	<b>796.94</b>	<b>701.37</b>	<b>743.58</b>	<b>2,450.98</b>	<b>2,941.18</b>
YOY (%)	(8.29)	(7.45)	23.66	(2.29)	(6.97)	(18.55)	(6.08)	(21.92)	(19.50)	(20.24)	(18.39)
QoQ (%)	-	-	(10.75)	(2.55)	3.91	(11.03)	4.25	(11.99)	6.02	-	-
<b>Upstream</b>	<b>377.15</b>	<b>332.46</b>	<b>58.68</b>	<b>77.29</b>	<b>114.77</b>	<b>81.72</b>	<b>38.57</b>	<b>48.31</b>	<b>64.78</b>	<b>157.60</b>	<b>189.12</b>
YOY (%)	(28.28)	(11.85)	133.13	1.34	(20.66)	(31.03)	(34.27)	(42.47)	(47.49)	(51.70)	(46.68)
QoQ (%)	-	-	(50.59)	31.71	48.49	(28.80)	(52.80)	25.25	34.09	-	-
<b>Intermediate</b>	<b>735.58</b>	<b>695.76</b>	<b>229.13</b>	<b>173.82</b>	<b>158.99</b>	<b>133.82</b>	<b>144.50</b>	<b>135.19</b>	<b>165.73</b>	<b>481.57</b>	<b>577.88</b>
YOY (%)	13.86	(5.41)	86.51	(24.19)	(15.39)	(17.41)	(36.93)	(28.41)	(3.04)	(27.75)	(24.99)
QoQ (%)	-	-	35.46	(24.14)	(8.53)	(15.83)	7.98	(6.44)	22.59	-	-
<b>Downstream</b>	<b>2,452.02</b>	<b>2,270.95</b>	<b>560.77</b>	<b>575.79</b>	<b>585.50</b>	<b>548.89</b>	<b>613.87</b>	<b>517.37</b>	<b>513.07</b>	<b>1,811.81</b>	<b>2,174.18</b>
YOY (%)	(9.63)	(7.38)	4.27	6.48	(0.95)	(16.58)	9.47	(17.29)	(18.48)	(12.89)	(12.29)
QoQ (%)	-	-	(14.96)	2.68	1.68	(6.25)	11.84	(15.72)	(0.83)	-	-

Source : The Customs Department

\* Estimated by the Office of Industrial Economics

## Prices

An Asian Market Ethylene price during ten months (Jan-Oct) 2015, average price was at 31.77 Baht per Kilogram and the Propylene average price was at 30.16 Baht per Kilogram, both decreased from the same period of the prior year at 42.96 Baht per Kilogram and 47.93 Baht per Kilogram, respectively.

Plastic average price of LDPE, HDPE, and PP (Average price of SE Asia CFR) were at 43.29 Baht per Kilogram, 42.82 Baht per Kilogram, and 41.44 Baht per Kilogram, respectively. For LDPE, HDPE, and PP average price decreased from the same period of the prior year at 52.53 Baht per Kilogram, 51.06 Baht per Kilogram, and 51.47 Baht per Kilogram, respectively.



## Summary of economic trends of the petrochemical industry

### *Summary of economic of the petrochemical industry*

During ten months (Jan-Oct) 2015, Overall amount of export and import decreased 28.85 percent and 20.24 percent, respectively because of decreasing of crude oil price which is a main raw material of petrochemical industry and recovering of the global economic which is fragile, especially the major export market of Thailand included China, the United States, Europe, and Japan.

### *Trend*

In 2015 Expansion of the petrochemical industry of Thailand, amount of export and import decreased 27.51 percent and 18.39 percent, respectively, compared to the prior year. The significant factors included dropping of crude oil price which is a main raw material of industry and recovering of the global economic which is fragile. These important factors should be monitored. In short-term, manufacturer should adjust production plan according with domestic and global economic. In long-term, reducing risk should be invested the research and development to become the manufacturer which is high added value. (Specialty Products)

In 2016 Expansion of the petrochemical industry of Thailand will be growth according to GDP and industry continuously. The Fiscal Policy Office (FPO) has forecast that Thailand's economic growth potential is in the range of 3.3-4.3 percent (Source: News of Ministry of Finance No. 90/2015, 28 October 2015). However, the adaptation of crude oil price, the economic of regional and global, the expansion of industry continuously, and the industrial destination such as the plastic industry, all of the above are important factors which the industry should monitor closely.

### **9.1 Risk of depending on key supplier or few suppliers**

The proportion of trade goods in the past, a main supplier was SCG Plastics Company Limited ("SCG"). SCG was a high proportion of 50-60 percent of the Company's revenue, as significant factor of the risk of dependence on key supplier. As event that SCG terminated the Company from the distributor in 2012 which had effect some revenue and profit of the Company. However, the Company provided supply replacement as PTT Polymer Marketing Company Limited which is a subsidiary of PTT Group. The Company signed agency with PTT Polymer Marketing Company Limited effective 1 July 2012.

Currently, the Company attempted to provide many key suppliers to a more fragmented. In 2015, the Company reduced a high proportion from a main supplier from 50-60 percent of the Company's revenue to be 25 percent.

In addition, the Company still remains diversify its product policy by expanding into a new markets and industry as can be seen from the expansion into the rubber industry, automotive industry, and packaging industry. Besides, the Company had contracted with many new suppliers to secure variety products from the existing suppliers to achieve the appropriate balance. At the same time, the Company is expanding about research and development unit to develop the product within the Company's brand.

### **9.2 Risk associated with the reliability on the officers**

Due to most of the sales turnover derived from sales representatives, therefore sales volume has direct relationship with sales representatives. The Company has risk associated with the reliability on sales representatives. If they resign, their clients may follow them that may cause the decrease of sales and profit especially commodity polymer. But selling of certain specialty products may need knowledge and expertise of sales representative and technical support from suppliers. If such sales representative resigns, the Company may encounter problem.

However the Company has been dealing with clients for a long time and they are impressed by Company policy so it can reduce risk from losing the clients. The Company's management has knowledge and expertise about all products and we have regular customers visit to strengthen good relation between the Company and the clients, including continuous training policy therefore sales representative can be developed to replace continuously. Moreover the Company has good clients database therefore new sales representative can track existing clients easily. One important thing is when the customers of the clients approved the quality of specialty products, they shall not change to use other product unless they have necessary reason. In addition, a certain group of customers are tied up with our specialty products which cannot be changed easily making the Company less dependent on sales representatives.

In addition, the Company plans to develop a succession plan at all levels of management in order to strengthen the sustainability of the organization and long-term business growth.



### 9.3 Risk associated with bad debts of accounts receivable

At present, the Company sells the goods in credit term mostly. Thus, if account receivable turns to be bad debt significantly, the Company may encounter a financial liquidity risk and affect the Company's profitability. However, the Company has diversified customers and sales volume per client with value not exceed 5 percent of total sales in order to reduce risk. Moreover the Company had the policy to verify the clients' credit before providing credit to customers and closely follow up financial status as well as payment capacity of the customers. The Company has setup the credit committee to consider the credit of the clients, both new and old ones and also set the credit approval system, which separate from sale department to control the Non-performing account receivable.

Moreover, the Company manages and transfers this kind of risk to trade credit insurance continuously since 2005. The insurance covers the bad debts of customers which had been approved under conditions of the insurance Company. The insurance Company set insurance coverage of each client. The Company sets the doubtful debt allowance according to the risk of accounts receivable according to the past experience and the present status of the clients. Then the Company compares the allowance for doubtful debt and insurance to verify if the Company needs to reserve more doubtful debt allowance.

### 9.4 Risk associated with exchange rate

The Company purchases goods from domestic and foreign suppliers. Almost specialty products were purchased from foreign suppliers in US Dollar. In 2015, the Company imported products in foreign currency at 39 percent of its total purchase. If there is currency fluctuation of Thai Baht per US Dollar, it may affect the Company's profitability.

However, to protect the exchange rate risk, the Company follows the movement of the exchange rate of Thai Baht against US Dollar closely by asking the advice of the bank to determine whether the Company should buy the forward contracts. The Company has solid policy of no speculation on currency. The Company must not buy the forward contracts without the trading obligations. Moreover, the Company will not sell the goods in advance without agreement on the exchange rate with the clients or buy the forward contracts. By these reasons, the Company can prevent a certain level of risk from foreign exchange rate.

### 9.5 Risk associated with insufficient cash flow

The Company reserves sufficient inventory for delivery to the clients promptly couple with credit term to clients about 112 days which is longer than the credit term of suppliers of about 23 days. The Company has to maintain a number of working capital for operation, which has cash cycle of 89 days. If sale of the Company increases significantly, the Company may need to find more of source capital, which is more costly than the financial cost at the present.



Currently, the Company can purchase goods under credit period of 15 days with major suppliers such as PTT Polymer Marketing Company Limited and can negotiate with the major suppliers to receive special long-term credit period which the Company's working capital cost may increase from interest rate. However, the Company has many financial institutions which offer lower interest rate than the major suppliers.

As at 31 December 2015, the Company had credit facilities with many financial institutions. The credit facilities are still available more than 51 percent of the total credit amount. The Company had the stronger working capital status and the Company's debt-to-equity ratio was 2.27 times as at 31 December 2015. Moreover, the Company is likely to get the better conditions from the financial institutions due to the Company's consistently good performance.

## **9.6 Risk associated with the fluctuations in the price of goods in the world market**

Although the Company sells the products to the domestic customers mostly, product price fluctuates with the world market because the petrochemical products are commodity which price fluctuates in accordance with demand and supply in the world market. The Company's profitability changes according to the world market price as the cycle. There is the risk in the case that the Company buys the goods at the high price and the price declines. The recent dropped in oil prices in 4th quarter of 2014 until year 2015 which negatively affected by a drop in price of petrochemical and plastic products. This may lead the Company to sell inventory to the clients cheap of lower than buying price which causes the Company's profitability's lower or loss in some case.

However, the Company reduced this risk by keeping inventory in the properly quantity. The Company considers demand and supply trend, especially inventory has fluctuation of price, and monitors changing price from the Global supplier's data. Moreover, the company receives special price from supplier to sell customers who order big volume in advance. This way can reduce the risk. Furthermore, for specialties products are affected a little because the Company can set the price, cost plus margin.

The Company attempted to reduce quantity of inventory which is kept at warehouse but the Company is distributor who has to keep appropriately inventory to serve the customers' demand under term of lead time. Thus, the risk cannot be avoided altogether but the Company manages to have a little impact.

## **9.7 Risk associated with terminates the distributing agent contact**

The period of distributing agent contracts are either yearly basis or two years basis which is normal practice in the petrochemical industry. Thus, the Company may face the risk from termination of agent agreement if the Company could not perform following the supplier's requirement i.e. cannot achieve the sales target or cannot maintain the required infrastructure.



However, the Company has good performance continuously and also has many regular clients, including develop new client group in various industries which satisfy the manufacturers. Moreover, the Company contacts and working with the producers closely to explain the progress of domestic sales and market development. Thus, the producers still renew the agreement although the Company may not achieve the sales target because they understand the reasons.

In some cases when business policies do not align with each other or the merger creates products duplication, the Company may need to terminate from the role of distributor of some companies. For the SCG Plastics Company Limited in 2012 and BASF (Thailand) Company Limited in 2010, the Company agreed to terminate the role as the distributor.

However, terminated from SCG Plastic Company Limited on 30 June 2012 could directly effect to the Company and the customers so the Company simultaneously replaced SCG Plastic Company Limited with PTT Polymer Marketing Company Limited a subsidiary Company of PTT Group on 1 July 2012. Although, it cannot replace all as can be seen from sales of Commodity group which was dropped from 2012 amounting to Baht 636 million or 31 percent of total sales. In 2014 until 2015, the Company was able to adapt by expanding its customer base of Commodity Polymer group. The Company had sales amount Million 1,900 Baht which it is close with sales of the SCG Plastic Company Limited in the past.

Finally, the Executive Management had assessment risk factors and planning business operation to mitigate the risk continuously.

## **9.8 Risk from power of majority shareholders that hold over 50 percent of total shares**

As of 31 December 2015, there was no shareholder hold more than 25 percent of total shares. The Company has no concern about majority shareholder control risk.

However, for main shareholders are founder included Mr. Somchai Kulimakin, Mr. Sumruay Tichachol, Mr. Bhiya Jriyasetapong, and Mr. Aikachai Sirijantanan who hold 129,843,930 shares (including person under section 258) or represent 65 percent of total shares that was over than 50 percent of total shares. Therefore, founder group has majority vote in the Company controlled whether director nominative or other matter that requires majority vote except some special matter is required by law or Company regulation that requires three-quarter majority rules. So, Minority shareholders may not balance the power of founder group.

Since 6 December 2005 until present, the founder group does not used voice voting for them benefit or advantage of the minority shareholders. Moreover, the Company take care all shareholders who is founder group, major shareholder, or minority shareholder equally according with principles of good governance and ethical continuously.

## 10.1 Amount of share capital and fully paid up

The Company has registered share capital amounted to Baht 200 Million which issued 200 Million ordinary shares at par value Baht 1 and fully paid up amounted to Baht 200 Million.

## 10.2 Shareholder Structure

### (1) Major shareholders

Top ten shareholders in 2015, according to Article 258 is the vote in the same way as at the closing date of the last shareholders' register as of 31 December 2015, are detailed below.

Shareholders' name	As of 31 December 2014		As of 31 December 2015		Change	
	No. of shares	% of paid up capital	No. of shares	% of paid up capital	Increase (Decrease)	%
1. Mr. Somchai Kulimakin*	44,499,900	22.25	44,499,900	22.25	-	-
2. Mr. Aikachai Sirijantanan**	30,326,230	15.16	30,326,230	15.16	-	-
3. Mr. Sumruay Tichachol***	28,892,800	14.45	28,892,800	14.45	-	-
4. Mr. Bhiya Jriyasetapong	26,125,000	13.06	26,125,000	13.06	-	-
5. Mr. Somkiat Terdtultaveedeth	9,200,000	4.60	7,550,700	3.78	(1,649,300)	(17.93)
6. Mr. Itsara Kulimakin	4,478,480	2.24	3,288,880	1.64	(1,189,600)	(26.56)
7. Mr. Prasit Jongussyakul	-	-	2,617,200	1.31	2,617,200	N.A.
8. Ms. Nawaporn Jriyasetapong	1,702,600	0.85	1,732,600	0.87	30,000	1.76
9. Mr. Pornchai Ratanatriphop	1,400,000	0.70	1,400,000	0.70	-	-
10. Mr. Chaninan Hleungvekin	-	-	1,400,000	0.70	1,400,000	N.A
11. Mr. Nat Chartchaiwong	1,100,000	0.55	-	-	(1,100,000)	(100.00)
12. Mr. Chalit Limpanavech	1,000,000	0.50	400,000	0.20	(600,000)	(60.00)
13. Others	51,274,990	25.64	51,766,690	25.88	491,700	0.96
<b>Total</b>	<b>200,000,000</b>	<b>100.00</b>	<b>200,000,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

Remark: Included related person, under section 258 of the Securities and Exchange Act B.E. 2535

\* Mrs. Boonsri Kulimakin, spouse who hold 100 shares

\*\* Mrs. Nisaporn Sirijantanan, spouse who hold 3,201,230 shares

\*\*\* Mrs. Papatsawee Thichachol, spouse who hold 1,767,800 shares



## (2) Foreign shareholders as of 31 December 2015

The Company has four foreign shareholders who hold 485,000 shares or 0.24% of registered share capital that is paid up capital.

Remark: The Company has a limitation on the percentage of equity shares held by foreign shareholders stated in the article of association no. 7 that the Company equity shares are fully transferable unless those transferring will cause share of the Company held by the foreign shareholders exceed the 49% of the Company total shares, the Company have the rights to reject those transactions.

## 10.3 Issuing other securities -None-

## 10.4 Dividend policy

The Company's dividend policy is to distribute to shareholders all funds surplus to the investment and operation requirements of the Company as determined by the board and approved by shareholders' meeting, our target dividend payout ratio is respect of each financial year is 40% of the Company's net profit remained after taxation, and the appropriation of all kinds of reserve fund stipulated by the Company.

Year	2010	2554	2012	22013	2014	2015
Earning per share (Baht / Share)	0.62	0.40	0.39	0.35	0.24	0.40
Dividend per share (Baht / Share)	0.50	0.40	0.36	0.32	0.23	0.35
Dividend payout ratio (%)	80	99	94	91	96	88



# THE BOARD OF DIRECTORS AND MANAGEMENT

11



31





## CHAIRMAN OF THE BOARD AND INDEPENDENT DIRECTOR

**Mr. Virah Mavichak**

**Age** 72

**Gender** Male

**Percent of Share holding** : None

### Education Background

- M.S., Chemical Engineering, University of Texas, USA
- B.S., Engineering, Chulalongkorn University

### Training program

- Directors Certification Program (DCP) Class 26/2003, Thai Institute of Directors (Thai-IOD)
- Role of The Chairman Program (RCP) Class 17/2007, Thai Institute of Directors (Thai-IOD)

## Experience

### Listed companies

2008 - Present	Chairman of The Board	Global Connections Public Company Limited
2004 - 2008	Chairman of Audit Committee	Global Connections Public Company Limited
2009 - Present	Independent Director and Chairman of Audit Committee	Srivichai Vejvivat Company Limited

### Non-listed companies

2009 - Present	Independent Director	B.S. Metal Company Limited
2005 - Present	Director and Environmental Advisor	Refine Tech Company Limited
2008 - 2011	The Senator	Senate, Kingdom of Thailand
2008 - 2009	Chairman of The Board	TPT Petrochemical Public Company Limited
2001 - 2003	Director-General	Department of Industrial Works
2000 - 2001	Deputy Permanent Secretary	The Permanent Secretary Office of Ministry of Industry
1998 - 2000	General Inspector	The Permanent Secretary Office of Ministry of Industry

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months

## CHAIRMAN OF THE AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

### Dr. Pisit Leeahtam

**Age** 65

**Gender** Male

**Percent of Share holding** : 51,900 Shares (0.03%)

### Education Background

- Ph.D, Economics, Erasmus University, Netherlands
- M.S., Economics, Erasmus University, Netherlands
- B.S., Economics, Erasmus University, Netherlands

### Training program

- Directors Certification Program (DCP) Class 18/2002, Thai Institute of Directors (Thai-IOD)
- Corporate Governance for Capital Market Intermediaries (CGI) Class 2/2015, Thai Institute of Directors (Thai-IOD)



## Experience

### Listed companies

2008 - Present	Chairman of Audit Committee	Global Connections Public Company Limited
2004 - 2008	Chairman of The Board	Global Connections Public Company Limited
2007 - Present	Director	OHTL Public Company Limited
2005 - Present	Independent Director and Chairman of Audit Committee	Tira Thai Public Company Limited
2004 - Present	Chairman of The Board	Prueksa Real Estate Public Company Limited
2001 - Present	Vice Chairman and Chairman of Audit Committee	KGI Securities (Thailand) Public Company Limited

### Non-listed companies

2014 - 2015	Member of The National Reform Council	The National Reform Council
2008 - Present	The Dean of Faculty of Economics	Chiang Mai University
2007 - Present	Vice-President of the University Council	Rajamangala University of Technology Krungthep
2006 - Present	Chairman of Chamber of Commerce	Natherland - Thai Chamber of Commerce
2004 - Present	Honorable Committee	Faculty of Commerce and Accountancy Thammasat Univeresity
2003 - Present	Honorable Committee	King Mongkut's University of Technology Thonburi
2002 - Present	Association President	Association of Provident Fund
2001 - Present	President of Institute	Saving Institute

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months



## AUDIT COMMITTEE AND INDEPENDENT DIRECTOR

### Assoc. Prof. Chawalee Pongpatirochna

**Age** 80

**Gender** Female

**Percent of Share holding** : 100,000 Shares (0.05%)

### Education Background

- Equivalence to Master Degree, Business Administration, The School of Economics and Business Administration in Gothenburg, Sweden
- B.S., Accounting, Chulalongkorn University

### Training program

- Director Accreditation Program (DAP) Class 32/2005, Thai Institute of Directors (Thai-IOD)

## Experience

### Listed companies

2004 - 2015	Audit Committee	Global Connections Public Company Limited
1996 - 2015	Independent Director and Chairman of Audit Committee	Phatra Leasing Public Company Limited

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months



**CHAIRMAN OF THE CORPORATE GOOD GOVERNANCE,  
THE NOMINATION AND REMUNERATION, AND AUDIT COMMITTEE**

**Mr. Suchart Suphayak**

**Age** 58

**Gender** Male

**Percent of Share holding** : None

**Education Background**

- M.S., Business Administration, Chulalongkorn University
- B.S., Accounting, Assumption University

**Training program**

- Directors Certification Program (DCP) Class 72/2006, Thai Institute of Directors (Thai-IOD)
- Audit Committees Program (ACP) Class 14/2006, Thai Institute of Directors (Thai-IOD)
- Directors Diploma Examination Class 20/2006, Thai Institute of Directors (Thai-IOD)



**Experience**

**Listed companies**

2008 - Present	Chairman of the Corporate Good Governance, the Nomination and Remuneration Committee	Global Connections Public Company Limited
2006 - Present	Audit Committee	Global Connections Public Company Limited

**Non-listed companies**

2014 - Present	Executive Director	ITX Corporation Company Limited
2011 - Present	Associate Judge	Juvenile and Family Court of Phachinburi
2007 - 2013	Financial Advisor	Rerm Udom Sugar Factory Company Limited

**Appointed the First Director Date** : 22 February 2006

**Period** : 9 Years 11 Months



**CHAIRMAN OF EXECUTIVE COMMITTEE, VICE CHAIRMAN,  
AND DIRECTOR OF THE CORPORATE GOOD GOVERNANCE,  
THE NOMINATION AND REMUNERATION COMMITTEE**

**Mr. Somchai Kulimakin**

**Age** 58

**Gender** Male

**Percent of Share holding** : 44,499,900 Shares (22.25%)  
(Included related person, under section 258)

**Education Background**

- B.S., Business Administration, Assumption University

**Training program**

- Directors Certification Program (DCP) Class 62/2005, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 2/2003, Thai Institute of Directors (Thai-IOD)
- Leadership and CEO Succession Planning 4/2006, Thai Institute of Directors (Thai-IOD)

**Experience**

**Listed companies**

2013 - Present	Director of the Corporate Good Governance, the Nomination and Remuneration Committee	Global Connections Public Company Limited
1995 - Present	Vice Chairman and Chairman of Executive Committee	Global Connections Public Company Limited

**Non-listed companies**

2013 - Present	Director	Global Connections Holding Company Limited
1988 - 1995	Assistant Managing Director	Liack Seng Trading Company Limited
1985 - 1988	Assistant General Manager	Central Pacific (EX-IM) GmbH, Germany
1979 - 1985	Sales Manager	Metro Co., Company Limited

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months

## DIRECTOR, CHIEF EXECUTIVE OFFICER AND CHIEF MARKETING OFFICER 2, 4

### Mr. Aikachai Sirijuntanan

**Age** 51

**Gender** Male

**Percent of Share holding** : 30,326,230 Shares (15.16%)  
(Included related person, under section 258)

### Education Background

- M.S., Business Administration, Chulalongkorn University
- B.S., Science in Industrial Chemistry, King Mongkut's Institute of Technology North Bangkok
- B.S., Polymer Engineering, Rajamangala Institute of Technology

### Training program

- Certificate Chemical Engineering, Rajamangala Institute of Technology
- Directors Certification Program (DCP) Class 69/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)



## Experience

### Listed companies

2014 - Present	Chief Executive Officer	Global Connections Public Company Limited
1995 - Present	Director and Chief Marketing Officer 2, 4	Global Connections Public Company Limited

### Non-listed companies

2013 - Present	Director	Global Connections Holding Company Limited
1986 - 1995	Sales Manager	Liack Seng Trading Company Limited
1986 - 1988	Instructor of Polymer	Rajamangala Institute of Engineering Faculty Technology

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months



## PRESIDENT AND CHIEF OPERATING OFFICER

**Mr. Veera Kwanloetchit**

**Age** 54

**Gender** Male

**Percent of Share holding** : None

### Education Background

- M.S., Business and Administration, Chulalongkorn University
- B.S., Science, Major in Chemical Engineering, Chulalongkorn University

### Training program

- Directors Certification Program (DCP) Class 141/2011, Thai Institute of Directors (Thai-IOD)

## Experience

### Listed companies

2010 - Present	President and Chief Operating Officer	Global Connections Public Company Limited
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### Non-listed companies

2006 - 2009	Managing Director	Thai Houghton 1993 Company Limited
2001 - 2006	General Manager	DuPont (Vietnam) Company Limited
1998 - 2001	Managing Director	Xaloy Asia (Thailand) Company Limited
1988 - 1998	Business Manager and Sales Manager of ASEAN to Engineering Plastic.	DuPont (Thailand) Company Limited
1985 - 1988	Managing Director	The Dow Chemical (Thailand) Company Limited and Pacific Plastics (Thailand) Company Limited



**DIRECTOR , DIRECTOR OF THE CORPORATE GOOD GOVERNANCE, THE NOMINATION AND REMUNERATION, AND CHIEF MARKETING OFFICER 1**

**Mr. Sumruay Tichachol**

**Age** 58

**Gender** Male

**Percent of Share holding** : 28,892,800 Shares (14.45%)  
(Included related person, under section 258)

**Education Background**

- B.S., Economics, Thammasat University

**Training program**

- Directors Certification Program (DCP) Class 72/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)



**Experience**

**Listed companies**

2013 - Present	Director of the Corporate Good Governance, the Nomination and Remuneration Committee	Global Connections Public Company Limited
1995 - Present	Director and Chief Marketing Officer 1	Global Connections Public Company Limited

**Non-listed companies**

2013 - Present	Director	Global Connections Holding Company Limited
1994 - 1996	Sale Representative	Siam Brother Import-Export Company Limited
1989 - 1994	Direct Sale Manager	Thai Polyethylene Company Limited
1986 - 1988	Sale Representative	Siam Cement Trading Company Limited
1981 - 1986	Sale Section Manager	Metro Company Limited
1980 - 1981	Officer	Bangkok Steel Industry Company Limited

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months



## DIRECTOR AND CHIEF MARKETING OFFICER 3

**Mr. Bhija Jriyasetapong**

**Age** 55

**Gender** Male

**Percent of Share holding** : 26,125,000 Shares (13.06%)

### Education Background

- B.S., Business Administration, Assumption University

### Training program

- Directors Certification Program (DCP) Class 69/2006, Thai Institute of Directors (Thai-IOD)
- Finance for Non-Finance Director (FND) Class 15/2005, Thai Institute of Directors (Thai-IOD)
- Director Accreditation Program (DAP) Class 30/2004, Thai Institute of Directors (Thai-IOD)

## Experience

### Listed companies

1995 - Present	Director and Chief Marketing Officer 3	Global Connections Public Company Limited
2008 - 2013	Director of the Nomination and Remuneration Committee	Global Connections Public Company Limited

### Non-listed companies

2013 - Present	Director	Global Connections Holding Company Limited
1989 - 1995	Sales Manager	Liack Seng Trading Company Limited
1983 - 1989	Sales Manager	Metro Company Limited

**Appointed the First Director Date** : 17 March 2005

**Period** : 10 Years 10 Months

## VICE PRESIDENT - FINANCE AND ACCOUNTING DEPARTMENT

**Mrs. Pravishya Hansakul**

**Age** 52

**Gender** Female

**Percent of Share holding** : 100,000 Shares (0.05%)

### Education Background

- B.S., Business Administration, Assumption University

### Training program

- Graduate Diploma in Auditing, Thammasat University
- Directors Certification Program (DCP) Class 87/2007, Thai Institute of Directors (Thai-IOD)
- Executive Development Program (EDP) Class 2/2008, Thai Listed Companies Association



## Experience

### Listed companies

2002 - Present	Vice President Finance and Accounting	Global Connections Public Company Limited
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### Non-listed companies

2001 - 2001	Financial & Accounting Manager	GlaxoSmithKline (Thailand) Limited
1998 - 2001	Accounting and Financial Controller	Block Drug Company (Thailand) Limited
1991 - 1997	Financial and Accounting Manager	C. Melchers & Company (Thailand) Limited
1987 - 1990	Senior Auditor	Pricewaterhouse Coopers ABAS Limited





## VICE PRESIDENT - LOGISTICS AND COMPANY SECRETARY

### Ms. Pornpimol Torpaiboon

**Age** 42

**Gender** Female

**Percent of Share holding** : 5,000 Shares (0.00%)

### Education Background

- M.S., Science Program in Corporate Governance , Chulalongkorn University
- M.S., Science Program in Technology Management , Thammasat University
- B.S., Business Administration, Finance and Banking, Thammasat University

### Training program

- Executive Development Program (EDP) Class 6/2010, Thai Listed Companies Association
- Mini Certified Investment & Securities Analyst Program (Mini CISA) by Securities Analysts Association
- Board Reporting Program (BRP) 1/2009 The program emphasizes on enhancing the skills in prepare the data and information of meetings. Thai Institute of Directors (Thai-IOD)
- Effective Minute Taking (EMT) 1/2006 Thai Institute of Directors (Thai-IOD)
- Company Secretary Program (CSP) 11/2005 enhancing the understanding of their role in full support of board directors, Thai Institute of Directors (Thai-IOD)



## Experience

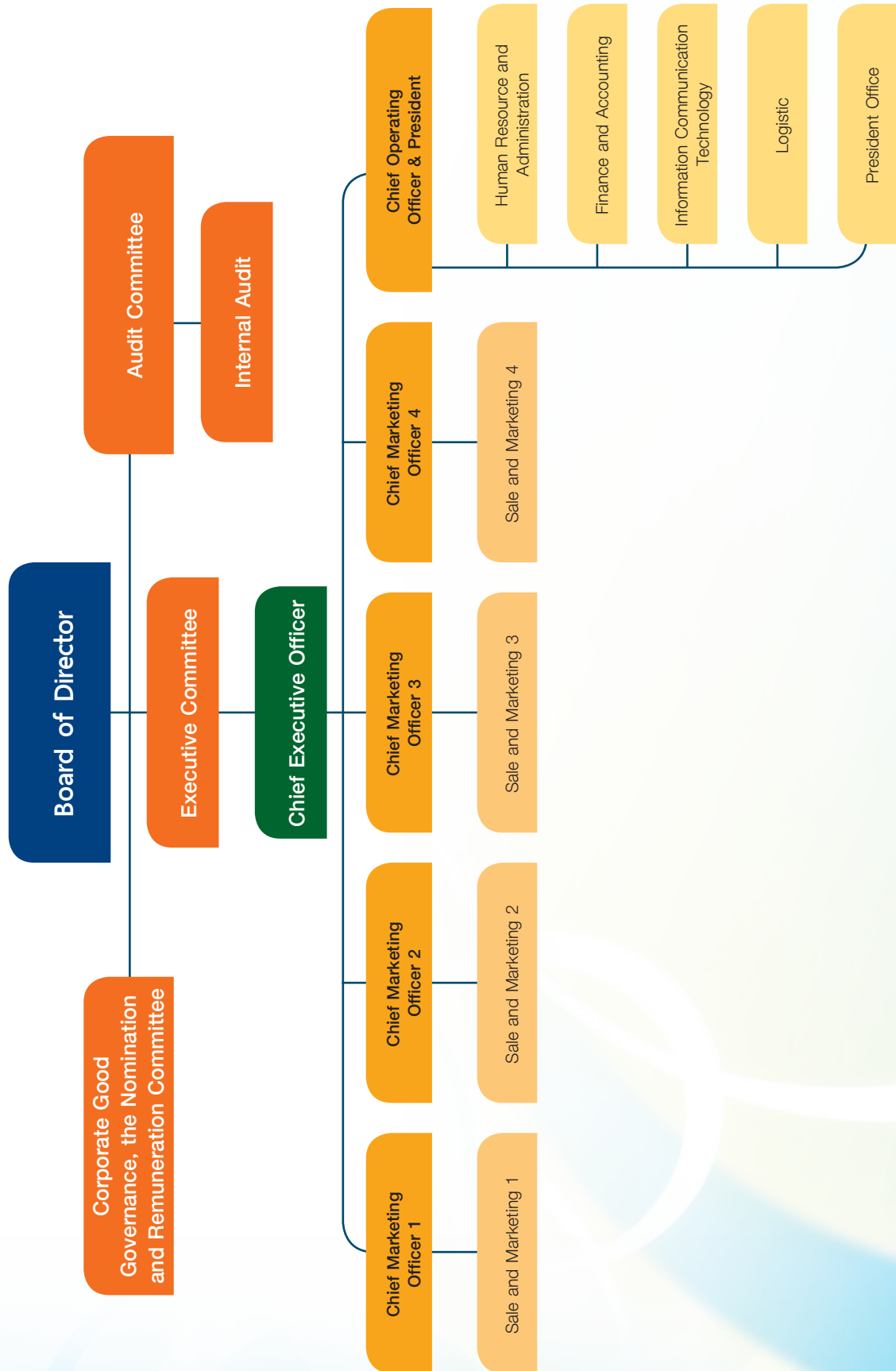
### Listed companies

2013 - Present	Vice President - Logistics	Global Connections Public Company Limited
2005 - Present	Company Secretary and Investor Relations	Global Connections Public Company Limited

### Non-listed companies

2001 - 2005	Investment Banking Manager	SCMB Company Limited
-------------	----------------------------	----------------------

# ORGANIZATION CHART AS OF 31 DECEMBER 2015







## 13.1 Board of Directors

Management structure comprises with four committees which are the Board of Directors, the Executive Committee, the Audit Committee, and the Corporate Good Governance and the Nomination and Remuneration Committee detail as the followings;

Board of Directors as of 31 December 2014 and 2015 included 8 persons as follows;

Directors' name	Position	Attendance/ Number of Meeting for Board of Directors	
		2014	2015
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	5/5	5/5
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	3/5	3/5
3 Assoc. Prof. Chawalee Pongpatirochna	Director, Independent Director, and Audit Committee	5/5	2/5
4 Mr. Suchart Suphayak	Chairman of the Corporate Good Governance, the Nomination and Remuneration, Independent Director, and Audit Committee	5/5	5/5
5 Mr. Somchai Kulimakin	Vice Chairman, of the Board, and the Corporate Good Governance, the Nomination and Remuneration Committee	5/5	5/5
6 Mr. Sumruay Tichachol	Director and the Corporate Good Governance, the Nomination and Remuneration Committee	5/5	5/5
7 Mr. Bhiya Jriyasetapong	Director	4/5	5/5
8 Mr. Aikachai Sirijantanan	Director	5/5	4/5

Remark:

- Dr. Pisit Leeahtam and Mr. Aikachai Sirijantanan absented from the meeting two times and one time, respectively because of having urgent mission.
- Assoc. Prof. Chawalee Pongpatirochna absented from the meeting three times because she sick.

By approval in the Board of Directors Meeting No. 5/2015 on 10 December 2015, Assoc. Prof. Chawalee Pongpatirochna requested to resign from Director, Independent Director, and Audit Committee of the Company because of her health reason. So that, the Board of Directors approved appointment Mr. Thani Phuthiphunpharit to response these position of the remaining term which shall be effective from the date of 1 January 2016.

## Company secretary

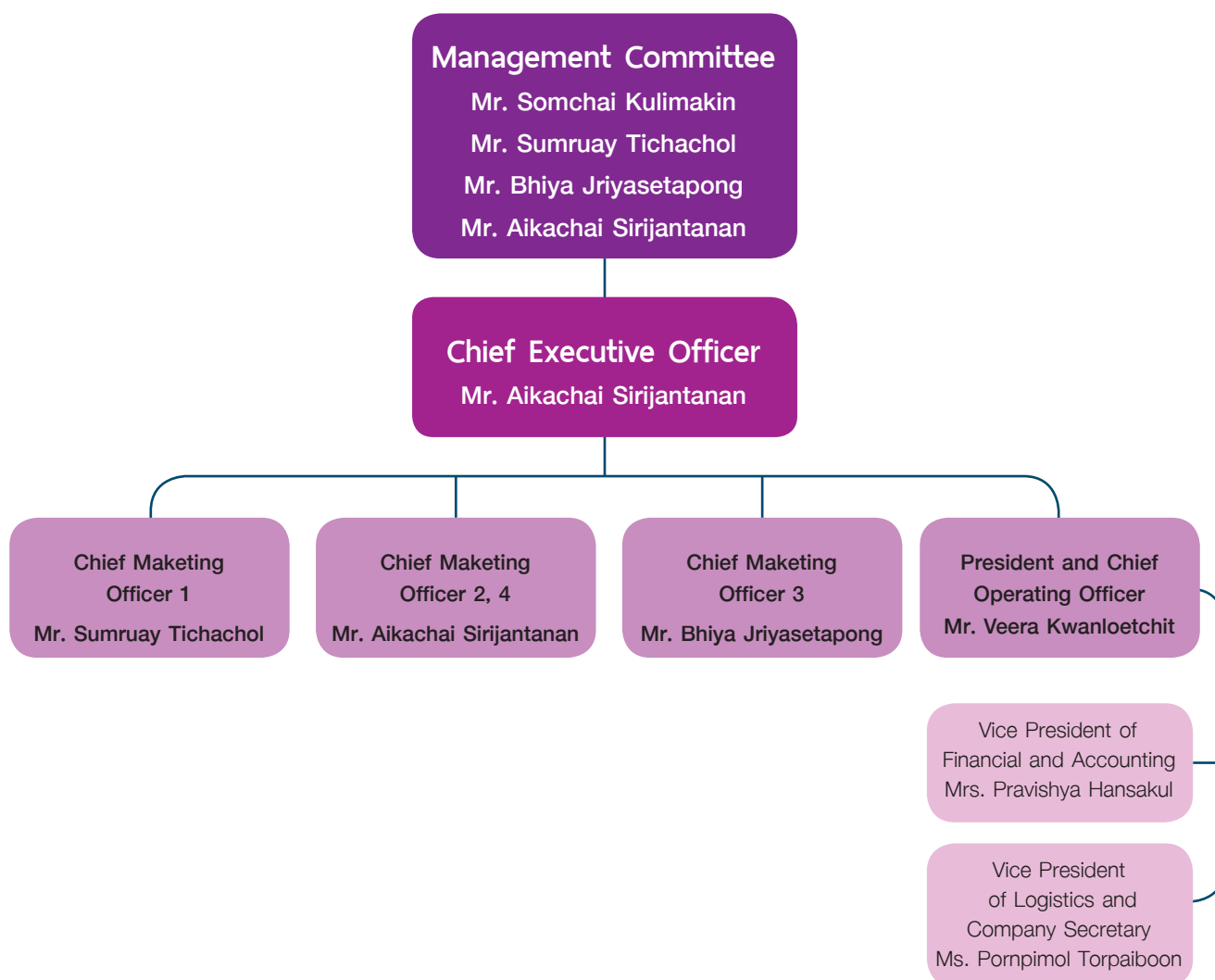
The Board of Directors has appointed Ms. Pornpimol Torpaiboon as Company secretary Effective on 13 May 2008.

## 13.2 Management

Management as of 31 December 2015 included 7 persons as follows:

- |                              |  |
|------------------------------|--|
| 1. Mr. Somchai Kulimakin     | Chairman of Executive Committee                              |
| 2. Mr. Aikachai Sirijantanan | Chief Executive Officer and Chief Marketing Officer 2, 4     |
| 3. Mr. Veera Kwanloetchit    | President and Chief Operating Officer                        |
| 4. Mr. Sumruay Tichachol     | Chief Marketing Officer 1                                    |
| 5. Mr. Bhiya Jriyasetapong   | Chief Marketing Officer 3                                    |
| 6. Mrs. Pravishya Hansakul   | Vice President Department of Financial and Accounting        |
| 7. Ms. Pornpimol Torpaiboon  | Vice President Department of Logistics and Company secretary |

### Management organization chart as of 31 December 2015



## Statement of change in shareholdings of directors and management executives

(Unit: Shares)

Name	Holding type	31 Dec 2014	Purchase	Disposal	31 Dec 2015
Mr. Virah Mavichak	Direct	-	-	-	-
Dr. Pisit Leeahtam	Direct	31,900	20,000	-	51,900
Assoc. Prof. Chawalee Pongpatirochna	Direct	100,000	-	-	100,000
Mr. Suchart Suphayak	(Total)	50,000	50,000	100,000	-
Mr. Suchart Suphayak	Direct	-	-	-	-
Mrs. Nucharin Suphayak	Indirect	50,000	50,000	100,000	-
Mr. Somchai Kulimakin	(Total)	44,499,900	-	-	44,499,900
Mr. Somchai Kulimakin	Direct	44,499,800	-	-	44,499,800
Mrs. Boonsri Kulimakin	Indirect	100	-	-	100
Mr. Sumruay Tichachol	(Total)	28,892,800	-	-	28,892,800
Mr. Sumruay Tichachol	Direct	27,125,000	-	-	27,125,000
Mrs. Papatsawee Tichachol	Indirect	1,767,800	-	-	1,767,800
Mr. Bhiya Jriyasetapong	Direct	26,125,000	-	-	26,125,000
Mr. Aikachai Sirijantanan	(Total)	30,326,230	-	-	30,326,230
Mr. Aikachai Sirijantanan	Direct	27,125,000	-	-	27,125,000
Mrs. Nisaporn Sirijantanan	Indirect	3,201,230	-	-	3,201,230
Mr. Veera Kwanloetchit	Direct	-	-	-	-
Mrs. Pravishya Hansakul	Direct	100,000	-	-	100,000
Ms. Pornpimol Torpaiboon	Direct	5,000	-	-	5,000
<b>Total</b>		<b>130,130,830</b>	<b>70,000</b>	<b>100,000</b>	<b>130,100,830</b>

## 13.3 Remuneration

### (1) Monetary Remuneration

#### a) Board of Director's monetary remuneration

Board of Directors' remuneration for the fiscal year ended 31 December 2014 and 2015, the number of meeting and the amount of annual gratuity for the Board of Directors as the followings:

#### Meeting and Attendance

Directors's name	Position	Attendance/ Number of for Board of Directors Meeting		Attendance/ Number of for Audit Committee Meeting		Attendance/ Number of for Corporate Good Governance, the Nomination and Remuneration Meeting	
		2014	2015	2014	2015	2014	2015
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	5/5	5/5	-	-	-	-
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	3/5	3/5	3/4	2/4	-	-
3 Assoc. Prof. Chawalee Pongpatirochna	Director, Independent Director, and Audit Committee	5/5	2/5	4/4	2/4	-	-
4 Mr. Suchart Suphayak	Chairman of the Corporate Good Governance, the Nomination and Remuneration, Independent Director, and Audit Committee	5/5	5/5	4/4	4/4	3/3	2/2
5 Mr. Somchai Kulimakin	Vice Chairman and the Corporate Good Governance, the Nomination and Remuneration Committee	5/5	5/5	-	-	3/3	2/2
6 Mr. Sumruay Tichachol	Director and the Corporate Good Governance, the Nomination and Remuneration Committee	5/5	5/5	-	-	3/3	2/2
7 Mr. Bhiya Jriyasetapong	Director	4/5	5/5	-	-	-	-
8 Mr. Aikachai Sirijantan	Director	5/5	4/5	-	-	-	-



## Meeting Fee

For the year ended 31 December 2014					
Director's name	Position	Meeting fee (Baht)			
		Board of Director	Audit Committee	The Nomination and Remuneration Committee	Total
Non-Exectuive Directors					
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	250,000	-	-	250,000
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	60,000	60,000	-	120,000
3 Assoc. Prof. Chawalee Pongpatirochna	Director, Independent Director, and Audit Committee	75,000	60,000	-	135,000
4 Mr. Suchart Suphayak	Chairman of the Nomination and Remuneration Committee, Independent Director, and Audit Committee	75,000	60,000	45,000	180,000
Ececutive Directors					
5 Mr. Somchai Kulimakin	Vice Chairman and the Nomination and Remuneration Committee	100,000	-	30,000	130,000
6 Mr. Sumruay Tichachol	Director and the Nomination and Remuneration Committee	75,000	-	30,000	105,000
7 Mr. Bhiya Jriyasetapong	Director	60,000	-	-	60,000
8 Mr. Aikachai Sirijantan	Director	75,000	-	-	75,000
Total		770,000	180,000	105,000	1,055,000



For the Year ended 31 December 2015					
Director's name	Position	Meeting Fee (Baht)			
		Board of Director	Audit Committee	Corporate Good Governance, the Nomination and Remuneration Committee	Total
Non-Exectuive Directors					
1 Mr. Virah Mavichak	Chairman of the Board and Independent Director	250,000	-	-	250,000
2 Dr. Pisit Leeahtam	Chairman of Audit Committee, Director, and Independent Director	60,000	40,000	-	100,000
3 Assoc. Prof. Chawalee Pongpatirochna	Director, Independent Director, and Audit Committee	30,000	30,000	-	60,000
4 Mr. Suchart Suphayak	Chairman of the Corporate Good Governance, the Nomination and Remuneration Committee, Independent Director, and Audit Committee	75,000	60,000	30,000	165,000
Ececutive Directors					
5 Mr. Somchai Kulimakin	Vice Chairman and the Corporate Good Governance, the Nomination and Remuneration Committee	100,000	-	20,000	120,000
6 Mr. Sumruay Tichachol	Director and the Corporate Good Governance, the Nomination and Remuneration Committee	75,000	-	20,000	95,000
7 Mr. Bhiya Jriyasetapong	Director	75,000	-	-	75,000
8 Mr. Aikachai Sirijantanan	Director	60,000	-	-	60,000
Total		725,000	130,000	70,000	925,000

Besides the meeting allowances per each meeting as showed in the table above, the Company had grant monthly compensation to four independent directors as a total of Baht 1,380,000 per year in 2014 and 2015 and allocate bonus for eight directors as a total of Baht 940,000 and Baht 1,570,000 in 2014 and 2015. Anyway all remunerations are approved by shareholder meeting in amount which is not exceeded Baht 4,000,000.

**b) Other forms of monetary remuneration for Board of Directors** - None -

**c) Total monetary remuneration for Management**

For the year ended 31 December 2014 and 2015, remuneration for management seven persons has amounted to Baht 27.52 Million and Baht 26.34 Million, respectively in form salary and bonus.

**d) Other forms of monetary remuneration for Management**

The Company has established provident fund since 2000, the Company's contribution to the provident fund for the Management Executives (The Management Committee) totaled Baht 1.85 Million in 2014 and Baht 1.87 Million in 2015. The Company also provided automobile for the Management members.

## (2) Non-Monetary Remuneration

**e) Non-monetary remuneration for Board of Director** -None-

**f) Non-monetary remuneration for Management**

The Company has supported Management's non-monetary remuneration as car allowance or vehicle expenses and the Company's basic welfare such as health insurance, dental, and health check-up.

## 13.4 Human Resource

### ○ Number of employee and remuneration

As of 31 December 2015, the Company had employee total 124 persons, included permanent employee 96 persons and blue-collar worker 28 persons.

Remuneration (Million Baht)	2014	2015
Salary	53.44	52.90
Wage - Blue collar worker	4.55	4.37
Bonus	7.83	10.71
Provident fund (If any)	3.39	3.57
Others such as living cost, overtime, food allowance for blue collar worker etc.	10.90	11.29
Compensation	2.46	2.56
<b>Total</b>	<b>82.57</b>	<b>85.40</b>

Besides monetary remuneration, the Company has other benefit such as car allowance or vehicle expenses for employee in some position.



○ **Number of employee in each department** as follows;

Department	Number of employee (Person) as of 31 December	
	2014	2015
1. Management	7	7
2. Sales and marketing	32	35
3. Customer service and Sales support (Sales co-operation and warehouse)	28	30
4. Financial and accounting	13	13
5. Administration and others	12	11
6. Warehouse and delivery (Blue-collar worker)	26	28
<b>Total</b>	<b>118</b>	<b>124</b>

○ **Regulation of employee's welfare**

To treat employees like family members is company aspect. By providing good welfare for employees that are better than standard laws enforcement such as basic requirement, training and development, work-life balance, and retirement plan.

Detail of employee benefit as follows:

- Basic requirement included living cost, medical expense, dental care, uniform, natural disaster relief, home loan, benefit of marriage and maternity, funeral support (father, mother, spouse or children of employee) and annual health check-up etc.
- Training and development included scholarship, in-house and public training, funding for English training course, and visit aboard support.
- Work-life balance included recreation room, fitness center, funding for badminton and football, birthday leave, annual leave 6-12 days, and special leave (visit maternity leave for husband) etc.
- Retirement plan included provident fund and the retirement compensation.

○ **Detail of provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 on 1 January 2000. Both employees and the Company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. It will be paid to employees upon termination in accordance with the fund rules. The Company had decided to implement "Employee's Choice" concept that employees are allowed to choose their own investment policy in accommodating the differences in each fund whether its risk tolerance and investment return to suit their own preferences. There are 4 investment policy i.e. International and Domestic Fixed-income policy, Equity policy, Mixed policy 90:10 and Domestic fixed-income policy 100%

○ **Labor dispute**

Since the Company was established, there is no any labor dispute because the Board of director adheres to the law and regulations strictly. In addition, the Company provides welfare benefit which is better than law and regulations due to realization about the happiness of employees in conjunction with the Company's operation sustainability.

## 14.1 Corporate Governance Policy

The Board of Directors emphasize the importance of Corporate Governance (CG) which it is a practice to structure the leadership in line with transparency, responsibility, and generate business competitiveness for sustaining the capital investment of shareholders and enhance the share value back to the long term shareholders in accordance with the ethic, and responsible to both stakeholders and society as a whole.

In order to build the business growth continuously and to create the trust to investors and stakeholders, the Board of Directors had assigned management to regulate the Company's vision, mission, objective of Corporate Governance, code of conduct, employee manual, business strategic direction, business plan and budget by appointing management team to propose all issues to the Board of Directors for consideration to express and debate prior to mutual agreement and approval. The Board of Directors has continuously been taking the good corporate governance of the Company seriously since the adoption of a good corporate governance policy to raise the standard of the corporate governance of the Company and to conform to the best practices as required by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In 2006, the Corporate Governance Center of the Stock Exchange of Thailand announced its updated version of the Principles for Good Corporate Governance for Listed Companies having been adjusted to be comparable to the Principle of Corporate Governance of the Organization for Economic Co-operation and Development (OECD Principles of Corporate Governance). The principle comprises of 5 categories, namely:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

In 2015, the Company received awards and assessments related to good corporate governance activities as follows:

- The Company received a "Very Good" accomplishment in the Corporate Governance Report of Thai Listed Companies 2015 which was rated by the Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- The Company was evaluated by the Office of the Securities and Exchange Commission, in cooperation with Thai Investors Association and Thai Listed Companies Association, on the quality of the Annual General Meeting for the year 2015. The Annual General Meeting of shareholders for the year 2015 was rated "Excellent", the same result received for the years 2010-2014.



## 14.2 Board of Directors and Sub-committee

Management structure comprises with 3 committees which are the Executive Committee, the Audit Committee and the Corporate Good Governance, Nomination and Remuneration Committee detail structure, authorization and responsibilities of the Board of Directors and Sub-Committee are the followings

### *The Board of Directors*

Member of the Board of Directors are eight persons as of 31 December 2015 as follows;

- |    |                                     |               |  |
|----|-------------------------------------|---------------|--|
| 1. | Mr. Virah                           | Mavichak      | Chairman of the Board and Independent Director       |
| 2. | Mr. Somchai                         | Kulimakin     | Vice Chairman  |
| 3. | Mr. Sumruay                         | Tichachol     | Director   |
| 4. | Mr. Bhiya                           | Jriyasetapong | Director   |
| 5. | Mr. Aikachai                        | Sirijuntanan  | Director   |
| 6. | Dr. Pisit                           | Leeahtam      | Chairman of Audit Committee and Independent Director |
| 7. | Assoc. Prof Chawalee Pongpatirochna |               | Member of Audit Committee and Independent Director   |
| 8. | Mr. Suchart                         | Suphayak      | Member of Audit Committee and Independent Director   |

Secretary to the Board of Directors is Ms. Pornpimol Torpaiboon

### The name (s) of authorized directors to sign on behalf of the Company

1. Mr. Somchai Kulimakin
2. Mr. Sumruay Tichachol
3. Mr. Bhiya Jriyasetapong
4. Mr. Aikachai Sirijuntanan

Two of forth of these directors have the power of Attorney signed with Company stamp.

### Scope, Authorities and Duties of the Board of Directors

The Board of Directors has authority in management and operation of the Company's business in accordance with the laws, objectives, the Articles of Association, and the resolution of shareholders' meetings, has authority to formulate the policies and directions, the financial management, the risk management, to supervise and control the Management to compliance with the assigned policies efficiency and effectively, to be responsible to the shareholders, has to preserve the shareholders' interest, and disclose the information accurately and completely with the standard and the transparency. In addition, the Board of Directors is authorized to appoint the directors, and/or the executives to act under the scope of authority and duties of the Board of Directors, unless the acts of the following matters which shall be approved in advance by the shareholders' meeting:

- 1) Any issues stipulated by law that resolutions of shareholders must be sought.
- 2) Any transaction in which the directors have the interest and there is a law or provision of the Stock Exchange of Thailand prescribes that there must be the approval of the shareholders' meeting for such transaction.

In this connection, the director who has the interest or has the conflict of interest in any matter is not entitled to cast the vote for such matter.

### ***Authorities, duties and responsibilities of the Chairman of the Board:***

- 1) Summoning the meetings of the Board of Directors and supervising the delivery of meeting notices and related documents so as to ensure that the Board of Directors acquire adequate and timely information;
- 2) Presiding over the Board of Directors meeting;
- 3) Promoting Corporate Governance standards of the Board of Directors;
- 4) Presiding over the Shareholders meeting and conducting the meeting in compliance with the Bank's Articles of Association and following the sequence of the agenda;
- 5) Supervising efficient communications between the directors and shareholders;
- 6) Performing the duty specified by law as the duty to be performed by the Chairman.

### ***The Executive Committee***

Members of the Executive Committee are four persons as of 31 December 2015 as follows;

- |    |              |               |                                 |
|----|--------------|---------------|---------------------------------|
| 1. | Mr. Somchai  | Kulimakin     | Chairman of Executive Committee |
| 2. | Mr. Sumruay  | Tichachol     | Executive Committee             |
| 3. | Mr. Bhiya    | Jriyasetapong | Executive Committee             |
| 4. | Mr. Aikachai | Sirijuntanan  | Executive Committee             |





#### Scope, Authorities and Duties of the Executive Committee

- 1) To plan and formulate the Company's policies, directions, strategies, work plans, organization structure, management structure, and business discipline to proper with the circumstances of the economy and the market's competition for proposing to the Board of Directors' approval.
- 2) To plan and formulate the Company's business plan, annual budget, line of authority for proposing to the Board of Directors' approval.
- 3) To audit and follow the implementation of the Company's assigned policies and management directions efficiently and support the Company's business performance.
- 4) To take consideration for approval of auctions or hire of works with Company or person with the budget scope not exceed Baht 150 Million.
- 5) To recruit or dismiss the Company's staff in management level excluding Managing Director/ President and the Company's director positions.
- 6) To supervise and check the outcome of the Company's daily operation in accordance with the Company's business plan approved by the Board of Directors.
- 7) To sign on any documents which related to withdrawal document from the Company's bank account under the conditions and limitations which approved by the Board of Directors.
- 8) To permit the Company's expenditures which the Executive Committee can approve its without any limitation on the approved annual budget by the Board of Directors.
- 9) To sign on contract which binding the Company for the period from 1-3 years and not exceed Baht150 Million.
- 10) To invest or invest in capital expenditure (not exceed Baht 150 Million) or the transaction fixed on the annual budget approved by the Board of Directors.
- 11) To find out the financing for investment or invest in capital expenditure which was approved by the Board of Directors, or refinance the outstanding liabilities under the better terms and conditions.
- 12) To approve extra compensation for staff (Bonus) in accordance with the approved budget by the Board of Directors.
- 13) To approve the rising of staff's compensation in accordance with the approved budget by the Board of Directors.
- 14) To act as appropriates for any duties which shall be assigned from the Board of Directors.

However, the Executive Committee shall delegate its powers to the Management of the Company as appropriates for approving of one or more financial issues under the authorized scope of power.

Nevertheless, the above delegation of authority shall be in accordance with Thailand legislations and the Company's the articles of association. Moreover, where the conflicts of interest of the Executive Director(s) occurred of the prohibited person under the provision of SEC, the Executive Committee shall present that issue to the Board of Directors for taking the consideration, and the Executive Director(s) who has the conflict of interest is not entitled to cast the vote for such matter.

Nonetheless, any transactions which were in relation or related with the receiving or selling the Company or subsidiary's assets under provision of SET, shall be approved by the shareholder's meeting and/or acted as stated in that provision.

### ***The Audit Committee***

The Board of Director established the Audit Committee who is independent from management. The Audit Committee comprises of Independent Directors who are expertise and not relate with Executive and major shareholder.

Members of the Audit Committee are three persons as of 31 December 2015 as follows;

- |   |                             |
|---|-----------------------------|
| 1. Dr. Pisit Leeahtam                   | Chairman of Audit Committee |
| 2. Assoc. Prof. Chawalee Pongpatirochna | Audit Committee             |
| 3. Mr. Suchart Suphayak                 | Audit Committee             |

Secretary to the Audit Committee is Ms. Wallaya Watsarujakorn

The Audit Committee is three persons have adequate expertise and experience to review creditability of the financial reports of the Company.

### **Scope, Authorities and Duties of the Audit Committee**

- 1) To review the sufficiency and accuracy in accordance with accounting standards by coordinating with the external auditors and management who is responsible for preparing the quarterly and yearly financial reports. The audit committee may suggest issues or matters to be included for review or audit by the external auditors during its audit of the Company.
- 2) To review the adequacy and effectiveness of the internal control systems and internal audit functions by coordinating with the external auditors and internal auditors, and 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 compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
- 4) To consider and advise the appointment of the external auditors including the audit fee by considering the independence, creditability, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff, as well as to attend a non-management meeting with an auditor at least once a year.
- 5) To consider compliance with all connected transaction disclosures or the conflict-of-interests disclosures, to ensure that they are in compliance with the laws and the Exchange's regulations.
- 6) To take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the Company's management, all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.).
- 7) To report the activities of the Audit Committee in the Company's annual report, which must be signed by the Chairman of the Audit Committee. The following information should be included in the report.
  - Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible.
  - Comments on the adequacy of the Company's internal control systems.
  - Statements on whether the Company's auditor is suitable for re-appointment.
  - Comments on compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
  - Comments on the related transaction or conflict-of-interests transaction.
  - The number of the Audit Committee meetings, and the attendance of the meetings by each committee member.
  - An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
  - Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board.

The Audit Committee is directly responsible to the Board of Directors. The Audit Committee is subject to a three years term. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of Directors deems appropriate.

### ***The Corporate Good Governance, Nomination, and Remuneration Committee***

Members of the Corporate Good Governance, Nomination, and Remuneration Committee are 3 persons as of 31 December 2015. The Chairman of the committee has to be the independent director only as follows;

1. Mr. Suchart Suphayak Chairman of the Corporate Good Governance, Nomination and Remuneration Committee
2. Mr. Somchai Kulimakin The Corporate Good Governance, Nomination and Remuneration Committee
3. Mr. Sumruay Tichachol The Corporate Good Governance, Nomination and Remuneration Committee

Secretary to the Corporate Good Governance, Nomination, and Remuneration Committee is Ms. Pornpimol Torpaiboon.

#### Scope of duties and responsibilities of the Corporate Good Governance, Nomination, and Remuneration Committee

1. To elects individual or considers candidate who is qualified to become member of the Board of Director or other committees, according to the Board of Director membership criteria for recommendation to the Board of Director.
2. To considers and advises suitability of the Committees' size, structure, and qualification which had diversified acknowledge, ability, and experience in accordance with the Company's business.
3. To plans and elects for the succession of the Company's Managing Director or the Company's President to propose the Board of Directors.
4. Regularly review the appropriateness of principle to considerate remuneration to align them with the Company's goals and the interests of the shareholders.
5. Considerate appropriate remuneration or other benefits of Board of Directors and Managing Directors and President.

The Corporate Good Governance, Nomination, and Remuneration proposes the remuneration of other benefits of the Board of Directors to consider and approve by the Board of Director that they consider from three factors as follows;

- Best practice in industry for considerate remuneration.
  - Performance and size of the Company.
  - Responsibility, knowledge and experience of director.
6. Considerate appropriate remuneration to attract executive for a long time in line with the Company's performance and shareholder's benefit.
  7. Consider/recommend guideline of ethics according with the good governance system to the Board of Directors and the Management Directors to define the Company's practices and procedures.



8. To be regulator, consult, evaluation, and reviewer of policies based on the principle of good governance and good ethics to develop the good governance of the Company.
9. To prepare and report the performance of the Corporate Good Governance, Nomination, and Remuneration Committee to the Board of Directors and disclose in the Annual Report annually which is signed by the Chairman of the Corporate Good Governance, Nomination, and Remuneration.
10. Disclose the remuneration policy and available options and comments from the Corporate Good Governance, Nomination, and Remuneration Committee in the Annual Report.
11. Perform other duties as assigned by the Board of Directors.

The Corporate Good Governance, Nomination, and Remuneration Committee is directly responsible to the Board of Directors. In addition, the Chairman and members of the Nomination and Remuneration Committee have a term of three years. Nevertheless, a retiring director is eligible for re-election in accordance with the Board of Director deems appropriate.

The authority of the Corporate Good Governance, Nomination, and Remuneration Committee shall not include the authority to approve transactions which may cause a conflict of interest with the Company or any transaction in which members of the Corporate Good Governance, Nomination, and Remuneration Committee or their connected persons have an interest or benefit that causes a conflict of interest according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board.

### **14.3 The finding for the Board of Directors**

#### **■ Criteria for the selection of Top Management Directors**

According to the Company's regulations, The Corporate Good Governance, Nomination, and Remuneration Committee shall select qualified persons to become directors. The Board of Directors consists of at least five Directors who appointed by the Shareholder Meeting with Majority decision in respect to the rules and measures as follows:

1. Individual election by the shareholders.
2. Under 1, there is one vote per one share.
3. The sequence of persons who being appointed started from the highest votes shall be appointed respectively as the Director(s) as equal as the total number of the Directors which will be appointed or elected in that period. However, when there are two or more persons getting the same amount of votes which caused to exceed the sum of appointing or electing of the Directors in that period, the decision of the Chairman of election shall prevail.



There is a number of one-third of the Board of Directors shall retire in each annual general meeting. Where the number of the Board of Directors cannot exactly divide by three, the total number of retiring Director(s) shall be the closet number of one-third. The retiring Director(s) in the first and second years after Company's transforming shall be selected by the lucky draw. Otherwise, the longer Directors shall be retired. However, the retiring Director(s) under this clause may be re-elected.

Except for the number of the Board of Directors is not enough for the completion of its meeting, Where there is the unoccupied Director(s) caused by any reasons other than from the duration expired, the Board of Directors shall appoint the person(s), who qualified, and not prohibited by laws, to be the replaced Director(s) in the next Board of Directors' meeting. In case of the duration of the replaced Director(s) is less than 2 months left, the replacing Directors(s) shall be on that position as long as the left duration of the replaced Director(s).

Where the number of the Board of Directors is not enough of the completion of its meeting, the rests of the Board of Directors shall manage, on behalf of the Board of Directors, merely for setting up the Shareholder's meeting for election of the entire unoccupied Director(s).

## ■ Criteria for the selection of the Board of Directors

The selection of persons to be appointed as Company's director, Audit Committee, The Corporate Good Governance, Nomination, and Remuneration Committee shall be performed by the Corporate Good Governance, Nomination, and Remuneration Committee, summarized as follows:

1. The Corporate Good Governance, Nomination, and Remuneration Committee shall consider selection in accordance with qualification criteria set according to the section 67 and 68 of the Public Company Act B.E. 2535 and shall consider the experience, knowledge, performing duties with caution and integrity and can spend more time with the Company's work. Moreover, using the definition and characteristic of the committee as a basis into consideration.
2. The chairman of the Corporate Good Governance, Nomination, and Remuneration Committee shall report their opinion to the Board of Director.
3. The chairman of the Corporate Good Governance, Nomination, and Remuneration Committee shall propose to the Shareholders' Meeting to consider and approve the appointment of the new directors in conformity with the section 71 of the Public Company Act B.E. 2535 and Article 14 of the Company's Articles of Association provide that "At every Annual General Meeting, one-third of the directors shall retire. If the number of the directors is not a multiple of three, the number closest to one-third shall retire from office. The directors retiring from office in the first and second years after registration of the Company shall be selected to be retired by drawing lots. For the third and subsequent years, the directors who have been in the post the longest shall retire. The director who vacates the office may be re-elected.
4. The Company shall notice to the Shareholders to nominate candidates for election as the directors at least three months before the end of the year by website of the Stock Exchange of Thailand and the Company.



■ **Criteria for the selection of the Audit Committee which has to consider the definitions and qualifications of the Independent Directors as follows;**

1. Holding shares in total not more than zero point five percent of total shares with voting rights of the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest provided that the share held by related person of independent directors shall be inclusive.
2. Not being a director having participation in the management, an employee, staff, advisor who receives a regular salary, or Controlling Person of the Company, its Parent Company, its Subsidiary, a subsidiary in the same level, its Affiliate or other juristic person which may have Conflicts of Interest, except for having passed from such the position for not less than two years before appointment.
3. Not being a related person by blood or registration under laws, such as father, mother, spouse, sibling or children including spouses of children of Executives, Major Shareholders, Controlling Person, or such other person who will be nominated to take up the position of Executives or Controlling Person of the Company or its Subsidiary.
4. Having no business relationship with the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest in the manner which may interfere his or her use of independent judgment as well as not being Major Shareholder, a director who is not an independent director, or an Executive of a person who have business relationship with the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest, except for having passed from such the position for not less than two years before appointment.
5. Not being an auditor of the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest, and not being a major shareholder, a non-independent director, an executive or a managing partner of an audit firm for which the auditors of the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest work; except for having passed from such the position for not less than two years before appointment.
6. Not being a professional service provider, including a legal consultant or financial advisor who receives wages of more than Baht two Million per year from the Company, its Parent Company, its Subsidiary, its Affiliate or other juristic person which may have Conflicts of Interest. In case the professional service provider is a juristic person, a major shareholder, a non-independent director, an executive and a managing partner of the professional service provider shall be inclusive, except for having passed from such the position for not less than two years before appointment.
7. Not being a director appointed as a representative of the Company's Board of Directors, Major Shareholders or shareholders who are related to the Company's Major Shareholder.
8. Not having other characteristics which result in not capable to provide independent opinion with regard to the Company's businesses.

#### **14.4 Corporate Governance for subsidiary company or related company** - None -

#### **14.5 Policy of the use of inside information**

The Company recognizes to importance of use of internal information by adhering to the principles of good corporate governance, integrity moral and ethical business practices accordingly.

The Company determines regulations of the corporate governance for the use of inside information and the securities trading of the Directors, the executives, and employees in accordance with the securities laws. The Company aims to accuracy and frank in operating business and prevents the Directors, the Executives, and employees to use inside information for their benefits or to disclose inside information for another such as the reporting of directors and management directors' trading. Moreover, the Company has also imposed penalties for the breach to use inside information in order to their benefits which the penalties are warning until retire.

The Company has set a regulation of internal data usage and a procedure of trading securities of directors, executives, and employees to conform to the Securities and Exchange Act to ensure that business transparency and investors receive all information fairly and timely, summarized as follows:

1. Directors, executives, and employees at all levels are forbidden to use internal data containing crucial information that has significant impact to the stock price and has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of self or others. Furthermore, the aforementioned parties are to avoid or refrain from trading the Company's stock for 7 days prior to the date of the Company's results announcement date.
2. The Company is responsible for announcing to the public information regarding the Company key decisions and/or actions in a manner congruent with the rules and regulations set out by the Stock Exchange of Thailand and the disclosure policy of the Company fairly and timely, instantly and thoroughly, via appropriated and acceptable media and channel of the Stock Exchange of Thailand.
3. Directors and executives shall report all securities ownership issued by the Company, including those that pertain to self, spouse, and/or underage children, to the Securities and Exchange Commission in conformity with the section 59 of the Public Company Act B.E. 2535 and to the Board of Director on quarterly basis.
4. The Company specifies a strict policy regarding the protection of Company is confidential information, and the prohibition of using Company unpublished information for any benefits to personal interest and others.
5. Utilization of Inside Information: The Company has a policy governing utilization of the Company's inside information by employee, directors and executives for personal gain, disclosure it to other persons including selling or buying securities. As well as all directors and executives must comply strictly with securities trading law of the Office of Securities and Exchange Commission regarding disclosure their trading of securities of the Company as follows



The Company also communicates the use of inside information to all employees since date of all employees decided to working at the Company. In the hire contract shows important detail “all employees must to regard the benefit of the Company as the first priority and not to fine benefit from your responsibility and not to disclose the independent information of the Company or the customer to competitors or other third parties”.

#### **14.6 Auditor’s Fee**

Fiscal year ended 31 December 2015, the auditor’s fee of EY Office Limited was Baht 800,000 without any non-audit fee.

Referred to resolution from the Board of Directors Meeting no. 1/2016 on 16 February 2016, the Board of Directors considered and approved that its auditor’s fee and name should propose to the Annual General Shareholders Meeting to appoint Ms. Siraporn Ouaanunkun, C.P.A. registration number 3844 or Ms. Chonlaros Suntiasvaraporn, C.P.A. registration number 4523 or Ms. Sirirat Sricharoensup C.P.A. registration number 5419 from EY Office Limited as a the Company’s auditor with the audit fee Baht 800,000-870,000 for the year ended 31 December 2016 under the terms of purchasing assets transactions (if any).

#### **14.7 The Good Corporate Governance policy**

The Company duly complied with the principles of good corporate governance for listed companies. In 2015, the Company was evaluated Corporate Governance by the Thai Institute of Directors Association (IOD) which corporate-governance scores rated “Very good” (4 STAR) benchmark. In 2015, the Company has continuously observed the good corporate governance policy.

### **Section 1 Rights and Equitable Treatment of Shareholders**

Realize the importance of shareholders’ equitable rights as follow :

#### **■ Shareholders shall obtain relevant material of the Company information on a timely, sufficient and appropriate for decision making**

The Company has policy to send the invitation letter together with the relevant documents and information on each agenda item to the shareholders not less than 14 days prior to the meeting and will record the minutes of the meeting correctly for shareholders inspection, the Company realizes the importance of shareholders’ right in access to Company’s information. The Company will add details of issues for consideration, reasons and impacts of each agenda.

#### **■ Participate and vote in shareholders’ meetings**

All shareholders possess equal rights to express their opinion and/or concern to acquire explanations and ask additional question in association with the operation of business.

## ■ Right of equitable Treatment

Besides above-mentioned , All shareholders possess equal basic rights such as rights to receive share certificates and rights to transfer shares, rights to elect and remove directors, rights to approve the appointment of auditors and rights to share in profit of the Company.

## ■ Shareholders Meeting

Shareholders should receive letter of invitation to the meeting and the letter contains information relating to the location, date, time and agenda. Shareholders may request to directors to add additional agenda of meeting and may pose questions in advance prior to meeting date. This can be seen from the opportunity for shareholders to propose agenda for the meeting and to propose nominee for the period of three months before the end of each fiscal year with the proportion of shares held one percent only. Besides, The Chairman of the Board of Directors, Executive Directors, Audit Committee, Auditor and legal adviser had participate in the shareholders' meetings to answer questions. The minutes of Shareholders Meeting will be presented in the next Shareholders Meeting for acknowledgement.

After the minute has been approved by the meeting, The Company shall keep it in a safe place for verification by concerned party.

## ■ Shareholders' Meetings

1. According to the articles of association, the Company is required to hold an annual general meeting of shareholders within 4 months of end of each fiscal year. The Board of Directors may call for an extraordinary meeting of shareholders when it deems appropriate. An extraordinary meeting of shareholders may also be called upon when a number of shareholders whose aggregate shareholdings represent no less than one fifth of the total issued shares, or at least 25 shareholders whose aggregate shareholdings represent no less than one tenth of the total issued shares, propose in writing with reasons and clear objectives specified. The Board of Directors will call an extraordinary meeting within 1 month of receipt of the requisition.

In 2015, the Board of Directors meeting No. 1/2015 held on 17 February 2015 approved the date of the Annual General Meeting of Shareholders which was held on 3 April 2015.

In each shareholder's meeting, the Board of Directors is aware of the shareholders' rights in compliance with the Company Articles of Association, pertinent legislation, and the regulations of the Stock Exchange of Thailand ("SET"). The Company has to notify the date of determining the names of shareholders entitled to attend the shareholders' meeting (Recorded Date) and compile the names of entitled shareholders under section 225 of the Securities and Exchange Act B.E. 2535 and its amendments in the Securities and Exchange Act (No. 4) B.E. 2551 by closing the share register at the SET no less than 14 days prior to its closing date.





2. The Company issued a notification of the meeting clearly specifying the meeting's agenda with sufficient details for each agenda and opinions of the Board of Directors on them together with significant information for consideration prior to decision making. For example: The 2014 annual report to allow the shareholders to have adequate information on their voting rights and other supporting documents; A copy of the Minutes of the Annual General Meeting of Shareholders on 4 April 2014; A proxy form; A list of documents and evidence to be presented by the shareholders at the shareholders' meeting; Instructions on how to attend the annual general shareholders' meeting and the annual general shareholders' meeting; A map of the meeting venue. The notification and relevant documents were sent in advance to Thailand Securities Depository Company Limited (TSD) for further distribution to all shareholders 17 days before the Annual General Meeting of Shareholders. The Company's Articles of Association regarding the part relating to the shareholders' meeting was publicized on Company website: [www.gc.co.th](http://www.gc.co.th).
3. The Company also provided notification of the shareholders' meeting and all supporting documents, especially those for decision-making at the meeting, on the Company's website, both in Thai and English, 30 days before the Annual General Meeting of Shareholders. This was to facilitate the shareholders with quick and easy access to essential information of the meeting and to allow them sufficient time for consideration before the actual documents were delivered.

#### ■ Facilitating and Promoting the Shareholders to Attend the Shareholders' Meeting Policy

The Company recognizes and respects the importance of the rights and equality of all shareholders including Thailand investors, foreign investors, retail investors and institutional investors. The Company organized the shareholders' meeting on Friday 3 April 2015 at meeting room of the Global Connections Public Company Limited. The Company provided a van to facilitate shareholders to join AGM from The Stock Exchange of Thailand.

The Company will proceed with the facilitating and promoting the shareholders and the investors of the institutions to attend the shareholders' meeting policy as follows:

1. Reveal the resolutions of the Board of directors including shareholder's meeting schedule and agenda through the information system of the Stock Exchange of Thailand timely or within next day after that the date of the resolution.
2. Arrange the transparent and effective of the General Meeting of Shareholders in accordance with the laws and regulations of the Company.
3. Ensure that shareholders get sufficient and correct information timely, such as deliver the notice of the Annual General Meeting of Shareholders consisting of the date, time, place, agenda and information of all sessions for consideration in conformity with the laws, the regulatory of Corporate Good Governance, the Article of the Company and the Guidelines of the Quality Assessment General Meeting of Shareholders (AGM Checklist).

- Disseminate the meeting document and information, both in Thai and English version through the website of the Company in advance and not less than fourteen days.
  - Announce the schedule of the General Meeting of Shareholders on the daily newspaper at least three consecutive days and not less than three days prior to the meeting.
  - For the Annual General Shareholder Meeting in year 2016, the Company sends a copy of the Minutes of the Annual General Meeting of Shareholders on 3 April 2015; A proxy form; A list of documents and evidence to be presented by the shareholders at the shareholders' meeting; Instructions on how to attend the annual general shareholders' meeting and the annual general shareholders' meeting; A map of the meeting venue. The notification and relevant documents were sent in advance to Thailand Securities Depository Company Limited (TSD) for further distribution to all shareholders 24 days before the Annual General Meeting of Shareholders. The Company will send a notice of the meeting to shareholders 21 days prior to the scheduled date on 17 March 2016. The Company's Articles of Association regarding the part relating to the shareholders' meeting was publicized on Company website: [www.gc.co.th](http://www.gc.co.th).
4. Open shareholders' registration two hours in advance prior to meeting time with Company has facilities of place, receptions & registration staff, and area information system of registration and the voting results, snacks and drink.
  5. Give an opportunity for the shareholders have equal right to recommend or ask question and the Company has allocated appropriate time and recorded significant questions and suggestions of the shareholders in minutes completely.
  6. Reveal the resolutions of the shareholders' meeting and voting results through the information system of the Stock Exchange of Thailand within the next business day after that the date of the meeting.
  7. Prepare and submit the General Meeting of Shareholders' minutes to the Stock Exchange of Thailand, and even published the report via website of the Company within fourteen days from the date of the meeting.
  8. Assign the Company secretary to liaise with investors.

## ■ On the Day of the Shareholders' Meeting

1. Board of Directors' Attendance in the shareholders' meetings

Shareholders' Meeting	Date of Meeting	Board of Directors' Attendance	
		Attendee/ Total	Absent
Annual General Meeting	3 April 2015	8 / 8 Directors	-



2. The chairman of the meeting allotted sufficient time for the shareholders to express their opinions and make inquiries at the meeting. The Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, the chairmen of various sub-committees, directors, Chief executive officer, the president and the senior management of the Company were present to answer questions pertaining to their particular functions. The shareholders were also encouraged to freely propose ideas and suggestions to the Board of Directors. In addition, for the Annual General Meeting of Shareholders the Company provided the shareholders an opportunity to submit questions concerning the Company's operational results in advance. This measure has been in place since the Annual General Meeting of Shareholders. Shareholders communicate with the Company via e-mail address: [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th) or by mail to the Chairman of the Board of Directors, the Deputy Chairman, directors, the President or the Company secretary within a specified time period.

In addition, for the Annual General Meeting of Shareholders the Company provided the shareholders an opportunity to submit questions concerning the Company's operational results in advance. This measure has been in place since the Annual General Meeting of Shareholders. Shareholders communicate with the Company via e-mail address: [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th) or by mail to the Chairman of the Board of Directors, the Deputy Chairman, directors, the President or the Company secretary within a specified time period.

## ■ Disclosure of Minutes on Shareholders' Meeting

1. The Company Secretary prepares and discloses the minutes of each shareholders' meetings to the Stock Exchange of Thailand on the same day of the meeting. For the Annual General Meeting of Shareholder held on 3 April 2015, the Company additionally disclosed the vote count of each resolution of the meeting, analysed by the number who agreed, disagreed or abstained. The minutes of the meetings were made within the period stipulated by law after each meeting. The minutes contained a list of attending and non-attending directors and executives, the voting methods, a summary of announcements, explanations, observations, questions, and answers. Moreover, The Company submitted the minutes of the shareholder's meeting to the Stock Exchange of Thailand on 3 April 2015 and disclosed online to the public on the Company's website at <http://www.gc.co.th>, within 14 days of the shareholder's meeting.
2. The Company Secretary has supervised and filed the minutes and notices of the shareholders' meetings since the Company was listed in the Stock Exchange of Thailand

## Section 2 Equitable Treatment of Shareholders

To ensure that all shareholders are treated equally and fairly based on their fundamental rights, the Company must have measures to prevent misuse of insider information for the interests of oneself or other persons, or disclosure of information to persons associated with directors or executives to the detriment of shareholders as a whole. The shareholders meeting process must also support equal treatment of all shareholders.

## ■ Protection of the Rights of Minority Shareholders

- 1) At the Annual General Meetings of Shareholders, the Company provides minority shareholders an opportunity to suggest what they consider important and constructive matters which can be included in the meeting agendas. They are also given the right to propose qualified candidates for the position of Company Director. The proposal must be submitted in compliance with the time frame, conditions, and guidelines published on the Company's website at <http://www.gc.co.th>
  - In preparation of the Annual General Meeting of Shareholders held on 3 April 2015, the Company notified to the Stock Exchange of Thailand on 30 September 2014 regarding the rights of minority shareholders to propose matters considered important and constructive as an agenda of the shareholder's meeting as well as the right to propose qualified candidates to be nominated as a director. The proposal must be submitted in advance via e-mail to [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th); or by regular mail to the Company Secretary within a specified period, and in compliance with the guidelines published on the Company's website at <http://www.gc.co.th>
  - In preparation of the Annual General Meeting of Shareholders held on 7 April 2016, the Company disclosed to the Stock Exchange of Thailand on 28 September 2015: The right of minority shareholders to propose matters considered important and constructive as agenda items at the shareholder's meeting; To propose qualified candidates to be nominated as a Company director; To submit questions in advance before the date of the Annual General Meeting of Shareholders for the year 2016. The shareholders had to propose the matters via an e-mail address: [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th) or by mail to the Company Secretary within a specified period in compliance with the guidelines and procedures stipulated by the Board of Directors of the Company. In cases when the Board of Directors approved the proposed matters, or the proposed matters were pursuant to the law, the Company Secretary included such matters as an agenda item of the meeting in the notification of the Annual General Meeting of Shareholders and clarified and answered the questions at the meeting.
- 2) Proxy, the Company provides a proxy form on which shareholders can dictate the direction of their voting through proxies in the event that shareholders are unable to attend the meeting in person

The Company enclosed 3 types of proxy forms as provided by the Ministry of Commerce with the notification of every shareholders' meeting so that shareholders can have the opportunity to exercise their voting rights without attending in person. Shareholders are able to freely use any proxy form for their requirements. the Company has provided an alternative Proxy Form B as provided by the Ministry of Commerce, which allows the shareholders to appoint an independent director to attend and vote on their behalf. The people determined by the Company for the proxy for the Annual General Meeting of Shareholders comprised 1 independent director or any other person designated by each shareholder.



- 3) A notice of meeting will specify the documents or evidence, including instructions and process for appointing a proxy, in order to ensure correct preparation by shareholders and to avoid problems in the attendance of meeting by proxies. The rules, procedures, and conditions for the appointment of proxies will be prescribed according to the legal requirements. The Company will not intentionally include any other requirement to make it complicated for shareholders to appoint proxies.
- 4) Before the meeting starts, the Chairman of the Board of Directors acting as the Chairman of the Meeting informs the shareholders of their rights according to the Company's Articles of Association, the meeting procedures and the voting procedures.
- 5) The Chairman of the meeting ensures the meeting complies with the Company's Articles of Association for the meeting and conducts the meeting in accordance with the agenda as indicated in the meeting notification.
- 6) The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders. If there is a proposal to rearrange the order of agenda, the Chairman of the Meeting will be able to change the order as proposed after receiving approval from no less than two thirds of the attending shareholders. However, up to 2015, there has never been a request to rearrange the order of agenda, nor has there ever been a request by one third of the votes to introduce other matters not previously listed in the agenda. Moreover, the Company has never added any other items to the agenda apart from those indicated in the notification of the meeting.
- 7) The Company has specified the voting procedure should be by the use of ballots in every agenda. In the election of directors, a majority vote must be obtained in accordance with the following rules and procedures:
  - Each shareholder has a vote equal to the number of shares he/she holds.
  - Each shareholder must cast his/her entire vote according to 1) to elect one or more candidates to be the director. In case of electing more than one candidate to be a director, each shareholder must cast his/her entire vote as mention above for each candidate. The vote cannot be divided for any candidate.
  - The candidates who receive the most votes, in descending order, will be elected as directors depending on the number of positions available. If candidates receive equal votes for the last available position, the Chairman of the Meeting shall cast the deciding vote.
- 8) A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the Company and shareholders as a whole.



- 9) The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.

## ■ Use of Insider Information

The Company's policy is to uphold ethics and conduct its business with integrity to customers, suppliers and the shareholders of the Company within its regulations and Code of Conduct. In case of internal information of the Company is utilized by the executives or employees for personal gain or revelation confidential information to outsiders including making transactions that may pose potential conflict of interest, these actions are serious misconduct and disciplinary punishment may be taken.

The Company will notify the board of directors and executives who perceive internal information that may affect the price of securities. to refrain from trading their shares of the Company one week before and 24 hours after financial statement has been revealed to the public and prohibit disclosure of internal information to others.

The Company has instructed its directors and executives to report any change in their holding of securities of Company in accordance with section 59 and provisions on penalties section 275 stipulated of Securities and Exchange Act B.E 2535 and the regulations of the SET including to their spouses and children less than 21 years of age. The directors and Executives must submit one copy of the securities disclosure report to the Company and the Securities and Exchange Commission on the same day.

## Section 3 Rights of Stakeholders

The Company believes in good relationship and well cooperation between the Company and the stakeholders will enable the Company to bring sustainable growth. Hence the Board of Directors assigns the code of conduct that emphasizes the importance of stakeholders' rights. The Board of directors announces the code of conduct to the directors, executives and all employees as guideline for regular practice.

## ■ Corporate Value

The Company management for sustainable growth which is from its root in corporate value;

1. Ethics
2. Integrity
3. Professional/Focus
4. Partnership
5. Strive for Better



## ■ Treatment of Shareholders

### 1) Policies and practices to shareholders

- The Company recognizes that shareholders are owners. The Company has created value for shareholders over the long term, the Company's policy to code of conduct business with honesty and integrity, morality and ethics. We will use the best efforts to develop the business to grow and create a good return on investment for shareholders, continuous and sustainable. The principles of equality, equal treatment of shareholders shall be given to executives and employees must follow the following guidelines.
- The status of the Company to report earnings as financial information, accounts and other reports on a regular basis.
- Please note that all shareholders are treated equally. The future of the organization. Both positive and negative. Located on the basis of feasibility. There are reasonable and adequately supported
- Do not seek benefits for themselves and others using any of the companies which have not been disclosed to the public, or take any action in a manner that might cause a conflict of interest with the organization.

### 2) Policies and practices to employees

The Company is committed to the practice of law and regulations on employment with important policy that provide opportunity in employment to all persons equally. Begin with the searching process to hire the person to work with. Recruitment, staffing, training and development can be transferred by us to recruit people with talent and experience to meet the Company needs to join or organization. And realize that the importance of the promotion, suitable compensation and benefits are based on the performance of employees. The Company has established a provident fund to take care of employees in long-term. The Company also promotes the training, both In-house and Public courses in order to develop the skills, knowledge of each staff. We are confident and believe that everyone is an invaluable resource to the success of the Company. The Company has prepared a written employee manual, which covered the compensation and benefits guidelines for employees to adhere

The human resources policies and programs are designed to help achieve the goals of the Company. Workers in all levels of command are responsible for complying with this policy. It aims to provide an open mind working atmosphere and respect to each other, based on the willingness of all employees is essential and to avoid conflicts of interest, our policy is not allowing spouse of Directors to work in the Company.

The Company provides a channel for employees to complaint, in case they is not justified by the systems and processes.

### 3) Policies and practices to customers

The Company recognizes the importance of customer satisfaction as a key success of our business. The intention to seek ways to meet customer needs effectively.

We have set forth the following policies and procedures:

- Delivering quality products and services and to meet or exceed the expectations of customers in a fair price.
- Provide information that is accurate and sufficient and timely to our customers. To learn about products and services. By no more than the fact that caused him to mislead customers about the quality of any term or condition. Of the product or service.
- Compliance with conditions that are strictly customers. If you are unable to comply with any conditions. Must notify the customer. To jointly find solutions.
- Contact with customers with courtesy, effective and a reliable customer service.
- Provide a system and process for customer complaints. To the utmost to provide our customers with the quick response.
- Maintain the confidentiality of the client. And does not apply to their own advantage or to improperly.
- Provide guidance on how to use the product. And its efficiency. Maximum benefit to customers.

### 4) Policy and practice partners and / or creditors

It is our policy to treat partners and / or creditors equally and fairly and attain the best interest of the Company and a fair return of both parties without any conflict of interest. Using correct information to solve the problem and find a solution based on the business relationship.

We have set the following guidelines:

- Do not accept or pay any bribes in the dealings with suppliers, partners and / or creditors.
- Any bribes are offered or raised, disclosure to partners and/or creditors must be executed and joint solution must be acted fairly and quickly.
- Agreed commitment must be complied strictly, we shall notify any concerned conditions to partners and/ or creditors in advance to jointly find solutions.
- Manage the repayment of loans and interest expenses to the lender according to the due date and compliance with the terms of the loan agreement.



#### Practice of qualifications of the Company's vendors

- The Vendor shall have verifiable business facilities.
- The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
- The Vendor shall have satisfactory performance records, which will be evaluated by the Company on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
- The Vendor shall have no conflict of interest with the Company's business and shall never been banned from doing business due to fraudulent conducts.

#### Application

- Provide a certificate registered entity and copy of the registration tax (if any).
- Provide a copy bank book/ bank statement.
- Sign in the agreement together (if any).

#### 5) Policies and practices against competitors

It is our policy to treat competitors in accordance with international principles and within the framework of competition law practices that does not violate the confidentiality of trade secrets or know how to partner with fraud.

The following guidelines are set:

- Comply with the rules of the competition well.
- Non-confidential information to competitors by means of dishonest or improper.
- Do not damage the reputation of competitors.

#### 6) Social responsibility and community

The Company recognizes the importance of operating business together CSR activities by regard laws, other regulations, nearly communications, using environmental effectiveness and efficiency.

The Company had CSR policy and practice to the Directors, the Executives, and all employees apply as follows;

- Compliance with environmental laws and regulations strictly.
- Donate to support activities and contribute to develop community such as the Children's day, the Holy day, involved with the development community, and support disaster.

## Practice

- Supporting activities and contribute to develop community

When the Company receives an invitation letter, the Human resource & admin department will propose to the authority to consider and approve this according to the Company's criteria.

- Disaster

The Company will donate to alleviate the suffering of those affected and will inform employees to donate together.

- The company will manage and control the product distribution procedures to prevent any harm that may occur to company employees, customer and community in terms of safety and health
- The company will effectively utilize natural resources and energy by promoting energy-saving activity, voluntarily alleviate the global warming problem and enhancing the environmental friendly atmosphere.
- The Company aims to use resources efficiently as follows;
  - Using recycled paper
  - Turn off the air conditioner and the lights in the room which have no person or out of the office a long time.
  - Using recycled material such as plastic bags

All the projects were happened because the Company supported to directors, executives, and all employees have a conscience and responsibility to use resources efficiently. Although these projects can reduce energy costs a little amount but these projects can help cultivate personal habits and brought back to the daily life to be good citizens of society.

## 7) Environment, health and safety

Operational decisions and take action to protect the Company's concern about the environment and the responsibility to make sure the Company's products and business comply with regulations and standards. Company policy is to be vigilant about safety and the environment.

We all have awake about safety and the environment. We are acknowledging the various safety, health and environment policies, due to always amend and update related law.





## ■ Conflict of interest

The basis of the "conflict of interest" is that executive and employees to avoid any investment or benefits in any form that may be affected negatively to the honest to protect the reputation of the Company or the employees themselves.

We all have a duty to concern the benefits that will occur over private interests and to maintain the confidentiality of information in any situation that might cause a conflict of interest.

Conflicts of interest may arise if an employee who:

- Increase personal wealth, due to access of confidential information.
- Have another job and is causing a negative effect on the performance of the Company.
- Receive gift or remuneration from others without permission from the Company, due to their service which is done according to the business of the Company or in the office that the benefits to themselves.
- Buy or sell shares of the Company or its subsidiaries or affiliates, based on the information that is not publicly available.
- Disclosure of inside information. That is not publicly available to others

## ■ The Company's proprietary information

We all abide by the rules and guidelines set forth in the Company including data protection and non-infringement of intellectual property or copyright. We will not disclose or use any proprietary information of the Company or other information that the Company has received. Under the confidentiality agreement it is necessary to disclose to perform duties as employees of the Company or upon written authorization from the Company only. The use or storage of information in places where other people are is not allowed. The recognition of such information should be seen.

The Company has recorded and received a certificate of registration of trade secret information that carries information no. 776 as of 11 December 2007, which is protected by law of trade secrets in 2545.

## ■ The collection of business information, the competition, production information and technical information

We all follow the guidelines relating to the pursuit of a competitive business, production information, and technical specifications of these guidelines to determine that how our employees should behave in appropriate way. Because they are collect and use information and data relating to the business on behalf of the Company. We do not use any illegal methods (such as theft, bribery) or by any means to get unethical information from business competitors.

## ■ Policy on Intellectual Property and Copyright

The Company recognizes the importance of the intellectual property and copy rights of third parties. The Company will comply with the legal requirements on intellectual property and copy rights. Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others, summarized as follows:

- 1) All the intellectual properties which include the work in progress, innovation in all formats shall be returned to the Company whenever an employee vacates the office.
- 2) Employees who use the Company's computers should use only the licensed software programs of the Company to avoid violating intellectual property of others.
- 3) Employees must check beforehand that the work or information that belongs to third parties can be used within the Company without violating the intellectual property of others.
- 4) Employees must comply with the laws, regulations and contractual obligations regarding intellectual property rights, and including patents, copy rights, trade secrets, and other information proprietary. Employees shall avoid violating intellectual property of others.

If employees have any questions about the use of information proprietary or patent, including computer software of others, employees shall contact the office of president or the legal advisory of the Company because the Company must obtain permission from the copy rights owner, except the information is allowed under the term fair use of copy rights law or the permission of the copy rights owners.

## ■ Political participation

These are the foundation of the Company that the Company will not take funds or resources of the Company to support political candidates or a political party unless the support is allowed by law and democracy as a whole.

The Company policy do not allow employees of the Company's facilities or resources use in political campaigns, political fund raising or the purpose of any particular political party.

The Company does not allow leaders to command employees at all levels to direct or influence by any means to join the political activities of all types.

The decision of the staff to be involved politically by devoting time, work, money and other private property to a political campaign is to be done on their own.



## ■ To report violations of ethics for employees

We will treat employees who violate this Code seriously and may result in disciplinary action. This can be put to the termination of the employee. Therefore, employees need to report to their supervisors immediately when the violation or suspect that be a violation of this code of conduct for employees.

Supervisors are responsible to follow-up, take care all employees to compliance with this code of conduct for employees. And report to the Audit Committee and collect data about the violation or other it's may have violated the ethics of employees.

### *Recommendations*

Compliance with this Code of conduct cannot be explained in terms of behavior in all situations. However, we believe that the decisions of individual employees. When considered carefully that what is the right thing and appropriate in each situation.

If an employee is unable to determine any appropriate action. Please answer the following questions below. If the answer is "Yes", you can be continuing.

- 1) Your actions are legal and compliance with policies and regulations of the Company or not.
- 2) This action is. "Do the Right Thing" and your actions make you think that this is correct or not.
- 3) This action is consistent with the public shall be approved or not.
- 4) This will build the Company credibility as a Company who has ethical or not.

## ■ Human Rights Policy

The Board of Directors recognizes the importance of respect to human rights internationally. Consequently, the Company has determined that directors, executives, and all employees will join with the respect to human rights, workplace rights, and organization rights, summarized as follows:

- 1) The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- 2) Employees' personal information shall be kept with utmost discretion and confidentiality. Disclosure of personal information such as employee's biography, health record, working experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the Company's regulations or legal requirements.
- 3) The Company does not support activities that violate the principles of human rights and anti-corruption.
- 4) Employees must refrain from any deliberate discrimination or harassment in word or action against other based on the basis of race, gender, religion, education, age, marital status, sexual orientation, gender identity and/or sexual expression, physical or mental disability, opinions and work styles. The Company will emphasize to employees do not overlook the opinions or a different concept of others because the creative solution is crucial to the success of the Company.

## ■ The complaints of corporate governance and business ethics

The Company has established the Office of the President to serves as the complaints of corporate governance and business ethics. The stakeholders of the Company, You can send complaints of corporate governance and business ethics directly to the following address.

## ■ Receipt of Complaints and Whistleblower Policy

The Company recognized the importance of strengthening relationships and understanding of all groups of the Company's stakeholders, namely shareholders, customers, trading partners, creditors, executives and employees of the Company as well as those who get affected by the Company's operations, may file a complaint with or provide information to the Company when witnessing, knowing or doubting or having reasonable grounds to believe in good faith that employees or the Company breach or violated laws, rules, regulations, good corporate governance principles, business code of conduct, policies and procedures which may result in damage to the Company.

### 1) The whistle-blower protection

In order to protect rights of a complainant or a person giving information who acts in good faith, the Company will keep confidential the name, address or any information indicative of the complainant or the person giving information as well as the information provided by the complainant of the person giving information. Access to the said information will be limited to only those responsible for investigating complaints. In this regard, persons receiving the said information due to their performing of duties relevant to the complaints shall treat the information, the complaint and the documentary evidence of the complainant and the person giving the information as confidential and are prohibited from disclosing such information to any other person who is not a relevant person except for the case where disclosure is required by law.

### 2) Channel of receipt of complaint

The Company has determined the office of president which is responsible for recipient complaints and conduct inspections. Stakeholders of the Company are able to provide detail of the complaint via the following:

If you are aware a violation of human rights, you can report the issues via the following:

- Postal mail: To department head or the report receiver (the office of president / secretary of the Company who is responsible the corporate governance directly) or the Independent Directors or the Board of Directors  
Global Connections Public Company Limited  
13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540
- Fax to report receiver unit (the office of president / secretary of the Company who is responsible the corporate governance directly), Fax no. +66-2763-7949
- E-mail to report receiver unit (the office of president / secretary of the Company who is responsible the corporate governance directly), e-mail: [pornpimolt@gc.co.th](mailto:pornpimolt@gc.co.th)



### 3) Actions taken upon receipt of a complaint

- When the Company receives the complaints of prohibited acts, the Company shall consider and take action as appropriate and shall take appropriate measure to protect confidentiality and privacy of all individuals involved in the investigation. However, the Company cannot guarantee the confidentiality perfectly because the Company may contact to a person who may be involved in the prohibited operation and may be witnesses to such acts. Finally, if violation of this policy was occurred, employees who are the offenders shall be subject to disciplinary action up to and including the termination.
- Report Receiver (the office of president/ secretary of the Company) who is coordinator
- Receiving complaints and ascertain the facts process

- Gather the facts

The report receiver will find and gather the facts which are related to the complaint and after that, will delivery all documents to the coordinators within 3 working days from the date of receiving the complaint.

- Evaluate the facts

The coordinators evaluate all documents of the complaint.

- Select and appoint to the Investigation Committee

The coordinators will select the directors by considering their qualification as follows;

- If an employee breaches the law or the Company's articles of association, the Investigation Committee should have Human Resource Manager as a director.
- If an Internal Auditor was complaint, the coordinator should propose the complaint to the Audit Committee to consider and appoint the Investigation Committee appropriately.
- If the Executive Directors, the Board of Directors, the Audit Committee, or the Corporate Good Governance, Nomination, and Remuneration Committee were complaint, the coordinator should propose the complaint to the Board of Directors to consider and appoint the Investigation Committee appropriately.



However, the Investigators have not relation with such complaint.

The Investigation Committee is responsible for ascertaining the facts, conclusion the results of the consideration, solving the compensation the victim, and approving sanctions within 90 working days from the date of appointment of the Investigation Committee. Except, punishment of 1) an Internal Auditor, the Investigation Committee should propose to Audit Committee consider and approve, 2) the Executive Directors, the Board of Directors, Audit Committee, the Corporate Good Governance, Nomination, and Remuneration Committee, the Investigation Committee should propose to the Board of Directors consider and approve.

- Report the result to appellant

The report receiver is responsible to inform to appellant within 7 working days from date of conclusion of the Investigation Committee. Especially, the important case, the results are reported to the top management of the Company and/or the Audit Committee and/or the Board of Directors, as appropriate.

## **Section 4 Information Disclosure and Transparency**

The Board of Directors values the importance of disclosure of accurate, adequate, regular and timely information of the Company. Therefore the Company has the policies to organize financial statements which display the Company's financial status and performance, shareholders structure and the Corporate Governance Policy that is transparent and auditable. Furthermore, the Company has established an Investor Relation Division to disseminate information to shareholders and securities analysts to understand the Company on equal basis. Contact channels as follows;

- Telephone: To Investor Relations Telephone No. +66 2 763 7999 ext. 201-204
- E-mail : pornpimolt@gc.co.th or manage\_ir@gc.co.th
- Post mail : To Investor Relations  
The Office of the president  
Global Connections Public Company Limited  
13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540

The Board of Directors is responsible for financial reports of the Company and the financial information in its Annual Report. The financial report is prepared in accordance with Generally-Accepted Accounting Principles (GAAP in Thailand by choosing an appropriate policy and practice on regular basis). In addition, all relevant information will be adequately disclosed in the remarks to financial statements.

The Company has appointed the audit committee to verify financial report and internal audit system to ensure efficiency and transparency of the operation, including following the Company policies and related laws, considering nomination and remuneration of auditor.



- 1) Information Disclosure pursuant to the Notifications, Rules or Regulations of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission In 2015, the information disclosure of the Company by the Corporate Secretary Office comprised the following:
  - Disclosed all information necessary for the investors and shareholders to make decisions according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. This included the financial reports relating to the financial status and operating performance of the Company on a quarterly and annual basis after each review or audit by the licensed auditor, as well as the Management Discussion and Analysis (MD&A) of the Company, its subsidiaries and its jointly controlled entities to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
  - Disclosed corporate governance policy, code of conduct and related policy through the annual report and Company website: [www.gc.co.th](http://www.gc.co.th)
  - Distributed the 2014 Annual Report (Form 56-2) to the Company's shareholders, along with the notice of the Annual General Meeting of Shareholders, and informed such information to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within the period required by law.
  - Submitted Form 56-1 for the year ending 31 December 2014 to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 3 months from the end of accounting period of the Company as required by law.

The disclosure of information to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission was properly completed and submitted in a timely manner.

- 2) Information Disclosure pursuant to the Guidelines of the Stock Exchange of Thailand on the Transparency of the Company.

The Board of Directors appointed a business unit to be responsible for the "Investor Relations" as a center for investor communication and to have the duty to disclose information of the Company to shareholders, institutional investors, public investors, securities analysts and relevant government sectors. To enhance the information provided to the aforementioned parties for in depth investment analysis of the Company's securities, the Company has disclosed and distributed material information through the Company's website at <http://www.gc.co.th> with regular updates on the information given for the stakeholders and related parties to always have key information of the Company such as financial information, annual reports, organization news, social activities and securities analysis articles, both in Thai and English.

### 3) Investor Relations

In 2015, the Group Investor Relations Department performed the following key activities through various channels:

- Published the Company's financial and nonfinancial information, good corporate governance policy, business philosophy, and code of ethics (both in Thai and English) on the Company's website at <http://www.gc.co.th> for shareholders and investors to have a convenient channel to equally access the Company's information at all times.
- Arranged for better communication between investors and shareholders and the Company. Investors and shareholders are able to raise questions to the executives or request for more information from the Company through its e-mail address: [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th). They can also register to receive e-mail updates through the Company's website.
- Provided management discussion and analysis (MD&A) of the Company for the quarterly operating performance to be distributed to investors on the Company's website on a quarterly basis.
- Joined SET's Opportunity Day program to announce the Company's operational results and financial position on a half year basis (twice a year) to investors and securities analyst.

### 4) Other Stakeholder and Public Relations

In 2015, the Company pursued the following key activities:

- Prepared news releases concerning the Company's quarterly financial position and operational results on the first business day after the submission of the audited or reviewed financial statements to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- Issued press releases and photo releases regarding the Company's activities to news reporters, so that information of the Company reaches investors and the general public on a regular basis.
- Special media or electronic media such as the Company's website <http://www.gc.co.th>
- Provided communication channel for inquiries or information request raised to the Company via e-mail address : [manage\\_ir@gc.co.th](mailto:manage_ir@gc.co.th)



## **Section 5 Information Disclosure and Transparency**

The Board of Directors has an important role in supervising the Company's businesses. To ensure efficiency, the Board's structure, as well as its authorities, duties and responsibilities must be appropriate and clearly defined. Individuals who are to be appointed the Company's directors must be honest in their duties, have vision, ability and experience and be able devote their time to fully perform their duties for the Company. These individuals must also be independent in their decision making for the best interests of the Company and shareholders as a whole. Furthermore, in order to enhance the efficiency of the Board of Directors, there must be committees in charge of providing assistance in areas of supervision, studying and screening of works as necessary. In order to ensure that the Board's structure is suitable for the Company's business operations and to clearly define the framework, authorities, duties and responsibilities of the Board with a view to enhancing its efficiency, the Board of Directors has established the guidelines as set forth below

### **■ Board of Directors composition**

The Board of Directors shall consist of 8 directors, a chairman, a vice chairman and directors, of which 4 of 8 are independent directors as 50 percent of the entire Board of Directors which comply by law and regulation. No less than one-third of directors shall be Independent directors who have no business relationship or any other relationship with the Company which may affect the director's independent exercise of discretion

### **■ Duration of the term of service of director**

The Board of Directors has set the duration of the term of service of director in accordance with the Articles of Association of the Company. In every AGM, one-third of the board of directors, or if their number is not a multiple of three, then the number nearest to one-third will have to retire from the post. The Company's directors, who must be retired in the first year and in the second year after the Company registration, shall be selected by means of lot drawing whereas, in the subsequent years, the director who has been in the position for the longest period will be retired. The retiring director may be re-elected again.

The Company has independent directors who have been appointed for more than 9 years as follows;

1. Independent Directors who have been appointed since the date of 17 March 2005 total 3 persons included Mr. Virah Mavichak, Dr. Pisit Leeahtam, and Assoc. Prof. Chawalee Pongpatirochna.
2. Independent Director who has been appointed since the date of 22 February 2006 included Mr. Suchart Suphayak.

The Corporate Good Governance, Nomination, and Remuneration Committee's recommendation that all directors total 4 persons were qualified to be directors in accordance with related laws. They are well - known and highly regarded for his extensive knowledge and experience, which is one of the main business areas of the Company. During their term, they always provided insightful comments and valuable suggestions which benefited the Company. To avoid opportunity lose to find the new directors, the Board of Directors agreed to propose all of them to take position of Board of Directors members more than 9 years with highly regards for their extensive knowledge and experience in petrochemical and Plastic Business.

Besides, the Company had 2 persons who were qualified to be independent directors that expertise in accounting-finance and the accounting standard included Assoc. Prof. Chawalee Pongpatirochna and Mr. Suchart Suphayak.

Furthermore, Assoc. Prof. Chawalee Pongpatirochna requested to resign from Director, Audit Committee, and Independent Director of the Company because of her health reason. The Board of Directors has appointed Mr. Thanee Puttipanpluck as Director, Audit Committee, and Independent Director effective on 1 January 2016.

#### ■ **Position Holding in other Companies by Chief Executive Officer and President**

In order to allow the Chief Executive Officer and President to devote adequate time for his/her responsibilities in the Company and increase the management efficiency. The Board of Directors has the policy and determine how the Chief Executive Officer and President who will be engaged in the any position of other companies. In accordance with the Good Corporate Governance, the Chief Executive Officer and President are required to report the information of Company name, type of business and position to the Executive Committee to consider approving. In addition to the interested report.

#### ■ **Separation of positions**

The chairman of the Board of Directors is an independent director who does not have a management position under the principle of segregation of roles in policy formulation and oversight from those in operations management. Besides, the Company has the audit committee that consist 3 independent directors. The function of the audit committee is to balance and review operation management

#### ■ **Independence of the Chairman of the Board of Directors**

The Company recognizes that the Chairman of the Board of Directors should be independent director and had implementation since the date of transform to Public Company. However, the Company did not set it as the Company's policy because it may be limited about the Company cannot recruit the appropriate person for such a position in time because directors for industry of plastic and petrochemical should have experience and be specialist, unless to be a leader to have vision and to have ability to governance and management to earn top profit or benefit for the Company and all stakeholder.

#### ■ **Sub-committees**

The Sub-Committees comprise of three committees included; the Executive Committee, the Audit Committee, and the Corporate Good Governance, Nomination, and Remuneration Committee.

1. The Audit Committee had three independent directors. They are responsibility in considering corporate governance, qualification, and the role and responsibilities of the Audit Committee was mentioned in the scope, authorities and duties of the Audit Committee. The Audit Committee holds meeting regularly once in every three months and reports directly to the Board of Directors.



2. The Corporate Good Governance, Nomination, and Remuneration had three members. The role and responsibilities of the Corporate Good Governance, Nomination, and Remuneration was mentioned in the scope, authorities and duties of the Corporate Good Governance, Nomination, and Remuneration Committee.

The Company has not policy that establishes the Risk Management Committee because the establishment must take into account several factors and the Company considers the risk in the Management Meeting monthly.

### ■ The meeting of the Board of Directors

The Company's policy arrange at least 5 times per year (In 2015: 5 times) for a Board of Director meeting and Executive committee meeting at least once every month for considering short term and long term strategy. There shall be directors attending the meeting not less than half of the total number of directors to complete the quorum. The secretary to the Board of Director will inform and send the notice of the meeting to the Board of Directors. The secretary to the Board of Directors will inform and send the notice of the meeting which contains details of date, time and place together with agenda and related documents to the Board of Directors 7 days prior to the meeting for an appropriate consideration. The member of the Board is able to raise more agenda and present idea openly and directly. The Company's secretary will record and take minutes of the meeting.

In addition, in order to comply with the guidelines of good corporate governance. The Company also held non-executive directors regularly before the Board of Director meeting in order to provide opportunity for non-executive directors to discuss problems and free-spoken without executive director

The Board of Directors appoints a Company's secretary to support the function of the Board of Directors. The secretary's duty is prepare agenda, invitation for meeting and arrange meeting, including advising about law, rule and the regulation for the meeting and prepare minutes of the meeting for the chairman's approval prior to submitting for the meeting acknowledgement.

### ■ Report of the Board of Directors

The Board of Directors is required by the Securities and Exchange Commission, to report their Company's share selling or buying including their spouse and immature children. The Company Secretary shall consequently keep such reports for references. Moreover, they need to disclose information regarding their own interests and any interests of their related persons to the Company's Secretary. This information will enable the Company to duly prepare its disclosure report on related parties' transactions, which could cause conflict of interest.

In quarterly the Board of Directors' meeting, the Company Secretary always report any change in their GC securities holding of all directors and Executives.

### ■ The meeting of the Management

The management of the Company has meeting every month to consider strategic plan in short-term and long-term, result of the operating business, monthly financial statement, and risk management together.



## ■ The remuneration of Directors and the Management

- 1) **Directors' remuneration:** The Company has specified directors' and management's remuneration clearly and with transparency. The remuneration of directors will be comparable with similar industry and will be appealing enough to attract and retain qualified directors. Moreover the director who is assigned more responsibility will obtain more appropriate remuneration accordingly.
- 2) **The managements' remuneration:** The managements' remuneration is based on the policy that set by the Company's Board of Directors in conjunction with the performance of the Company and each individual director.

The Board of Directors assigns the Nomination and Remuneration Committee to consider compensation of the director. The directors' remuneration should be comparable with similar industry and take into account the performance of the Company as well.

## ■ Succession policy

The Board of Directors assigns the Nomination and Remuneration Committee to prepare a succession plan for the position of CEO to ensure that the Company is managed at all the time by CEO with appropriate competency and skills. The Company is also assigned Human Resource Department provide a succession plan for executive and management level position in order to prepare in case they cannot perform.

## ■ Orientation for New Directors and Enhancement of Business Knowledge

The Board of Directors assigns the secretary of the Board of Directors to prepare information for all new directors so as to inform them of the business information of the Company, a director's roles, duties and responsibilities and compliance with the Company's Corporate Governance Policy and practices. Simultaneously encourage all directors to have better knowledge and understanding of Company's business to enhance their role as efficient directors. Moreover, the Company has policy to improve knowledge to directors regularly.

## ■ Development of Directors and Executives

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, both internal and external training courses. All directors must attend training for understanding of performance of their duties in the capacity as directors. The Board of Directors and the high level executives realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), The Role of Chairman (RCP), Audit Committee Program



## The Directors and Managements' training for the fiscal year 2015

Name	Program	Venue
Mr. Somchai Kulimakin	1. Creating new leaders to sustainable business success.	Panyapiwat Institute of Management
Mr. Aikachai Sirijuntanan	1. COMPOUNDING WORLD ASIA 2015, SINGAPORE	Giulia Esposito, Singapore
	2. Driven by Innovation, Differentiated by Design	Thailand Management Association
	3. Strategic Framework of Plastic Industry and Product Champion of Thailand	Plastic Institute of Thailand
Mr. Veera Kwanloetchit	1. Thailand Economic Outlook 2016 Future economic growth in Thailand.	Bangkokbiznews
	2. Creating new leaders to sustainable business.	Panyapiwat Institute of Management
Mrs. Pravishya Hansakul	1. Update the Reporting Financial Statement in 2015	Dharmniti Company Limited
	2. Strategic accounting management and BOI issues.	Dharmniti Company Limited
	3. A new dimension of reporting financial information in the digital.	Federation of Accounting Professions
Ms. Pompimol Torpaiboon	1. Tax benefits.	The Board of Investment of Thailand
	2. Disclosures and trading securities of Directors and Executives.	The Securities and Exchange Commission
	3. Guidelines of the development of plastic industry and the database of plastic and rubber of Thailand	Plastic Institute of Thailand
	4. The renewable energy policy and investment techniques for the year 2015.	Technology Media Company Limited
	5. IR Advisory Refresher Workshop : Revisit our IR program	The Stock Exchange of Thailand
	6. IR Workshop 2/58 : How mid-small caps overcome the challenges of sparkling investor interest	The Stock Exchange of Thailand
	7. Info Security Seminar : Increasing Data Protection - Responding to Cyber Attacks & Compliance	Questex Asia Limited
	8. Increasing Data Protection - Responding to Cyber Attacks & Compliance	Questex Asia Limited
	9. How mid-small caps overcome the challenges of sparkling investor interest, securing analyst coverage and maintaining liquidity?	Thai Listed Companies Association

## ■ Assessment of Performance of the Board of Directors

The Board of Directors determined that the Management should report the actual performance, the result of operating, financial, and progress of operation plan, compared to the budget to the Board of Directors continuously. In case of the result of operation is not meet to the budget, the Board of Directors are able to help and resolve the Company's strategic or process in time.

Thus, the Company had evaluation of the Board of Directors' performance by referring to the result of operation, budget, and annual plan of the Company in both the short-term and long-term together to taking the self-evaluation at least one time per year.

### Self-evaluation of the Board of Directors had subject matter for evaluation as follows:

- 1) Structure and qualification of the Board of Directors were determined suitably to ensure that the Board of Director Committee's work is effective.
- 2) Information was proposed in the Meeting of the Board of Directors had adequate to use supporting decision's the Directors effectively.
- 3) Boart of Directors focus and take time to consider and review all issues of the Company appropriately, for example as follows;
  - Strategic and business plan.
  - Corporate Good Governance and Code of Conduct.
  - Conflict of Interest transactions and recognition of top benefits of the Company.
  - Related transactions.
  - Internal Control.
  - Risk Management.
  - Whistle blower policy.
  - Tracking the Executive's working
  - Doing the financial statement in accordance with generally accepted accounting standards.
  - Process of the remuneration of Directors and Executives.
  - Evaluation of the CEO and President's performance

## ■ Assessment of Performance of the Chief Executive Officer and President

The Board of Directors determined that the Chief Executive Officer and President should be evaluated one time per year (annually) by the Executive Committee. The assessment is considered the potential performance in each position together with the results of the Company's operations compared to the target/budget and the Company's annual plan. After that, the Executive Committee will propose the result of the assessment to the Corporate Good Governance, Nomination, and Remuneration Committee considers and determines the remuneration of the CEO and President.



## ■ Conflict of interest

In order to protect any occurrence of conflict of interests, the Company has policy which prohibits the directors, executives and staffs to take advantages of their roles and their duties for benefits.

In the event of the transactions with conflict of interest may possibly occur, the Board of Directors will carefully take into consideration in the interest of the Company.

**A policy and procedure on the approval of related transactions** had two categories as follows:

1. Purchasing or selling between juristic Company and persons involved will be conducted under the rules and conditions which were conducted with the same standard as that of an external vendor.
2. In case of the connected transactions occurred are not normal case, the related department of the Company will gather these information to propose to the Audit Committee for consideration and giving opinion that they have been conducted according to the Company's normal practice with the fair price before they will be perused by the Board of Directors once again.

In addition, the Company shall be obliged to comply strictly with securities trading law and related rules and regulations governing the Securities and Exchange. In any connected transaction with concerned persons may raise a conflict of interest. To ensure transparency and equitable treatment of shareholders, the vote of interest persons will be excluded.

## ■ Internal Control and Internal Audit systems

The Board of Directors and The Audit Committees have reviewed the internal control systems of the Company with executives regularly and gave its opinion that the Company has an adequate appropriate internal control systems and sufficient to protect its assets from serious misconduct or other irregularities in management of the Company such as setting authorization and writing operational regulations as well as recognition of the importance of internal control systems. An independent Internal Audit Office is established to ensure that all operation units of the Company are in compliance with operating procedures and to coordinate with external auditor. The Internal Audit Office reports directly to the Audit Committee. Furthermore, the Company has system to keep important documents for verification of the auditor and legislative authority.

## ■ Risk Management

The Company gives importance to risk management system by assessing and setting the Company's risk constantly relating to business operation risk and financial risk of the Company. The Company has initiated management meeting consist of management team and all support functions in every month to settle strategies and policies to reduce the Company's risk and assign related departments to monitor risk and report to management team. The Executive Committee has taken care of the risks of the Company therefore, the Executive Committee retard to set the Risk Management Committee which will impact to higher expense.

## 15.1 Overall Policy

The Company keeps concentrating on Corporate Social Responsibility (CSR) which is based on best practice and the guidelines of the Stock Exchange of Thailand (SET) The Company executes strategy to all shareholders, i.e. customers, employees, community, and shareholders, for sustainable growth along with business growth. We do encourage employee to engage in working processes for efficiency and effectiveness which lead to customer satisfaction. We realize values of integrity, transparency, and accountability to the shareholders

### ■ Policy and Practice to Social responsibility and community.

The Company recognizes the importance of business and social responsibility together. Therefore, the Company adheres to the practice of law, rules, regulations, regard of the neighboring communities, and using resource and environmental efficiently.

The Company's policy and practice of social responsibility and community and code of conduct were set up for the executive directors, management, and employees learn and follow these.

The Company had a policy and practice to conduct their business in accordance with CSR guidelines. There were launched by the Stock Exchange of Thailand to support society, environment, and stakeholders as details below;

#### 1) Conduct the business on fair basis

The Company treats the business partners on the basis of equalities and fair competition, and honors the terms of all trading agreements entered into with its business partners. In addition, the Company's procurement and selected partner policy and procedures are designed to ensure efficient appropriation, effectiveness, transparency and justification.

#### 2) Anti-Corruption

The Company has a policy to sustain and encourage employees adhere to ethics and be good citizen of the society as well as encourage the business partners to conduct business transparently. The practices therefore are established in the policy to enhance the importance of anti-corruption and bribery.

#### 3) Respect of Human Rights

The Company has a policy to treat all stakeholders with justification and therefore shall adhere to laws and regulations concerning employees and the international fundamental principles of human rights, regardless of the place of birth, nationality, gender, age, skin color, religious belief, disability, financial status, family status, educational institute, or other status irrelevant to job performance, apart from respecting individualism and human dignity.



#### **4) Treat Employee on Fair Basis**

The Company recognizes its employees as a critical factor of its success; therefore, knowledge and skill development together with continuous training for employees are fully supported without discrimination, and provided as career development benefits including appropriate return and welfare. The Company also respects the international human rights principles and values the importance of the wellness and occupational health and safety, working environment and the support of corporate culture and team work.

#### **5) Responsibility to customers and consumers**

The Company still used the principle and follow the policy that would respond to the satisfaction of customers who buy the products and have received direct service from the company including consumers who uses the said product to be confident that apart from receiving the goods and service with fair price with good quality so the company would realized the safety that would affect society and environment and an action that would violate or cause customers to lose a right.

#### **6) Take care of environment**

The Company has a policy to conduct its business with full consideration of the environment. It will abide by laws and regulations pertaining to the environment. With its responsibility to the environment.

#### **7) Contribute to develop the surrounding communities and society**

The Company has a policy to jointly develop and promote a good relationship with the surrounding communities and society, observe local custom and culture, and cooperate with all parties in the communities to promote social harmony with sustainable growth.

#### **8) Develop and public the innovation created from operation under corporate responsibility for society, environment, and stakeholders**

The company has a policy to search innovative products to create value added for all stakeholders including environmentally friendly in order to bring towards sustainable growth.

### **15.2 Report Production**

The CSR report has been generated in accordance with Global Reporting Initiative (GRI) G3.1 which is an international initiative.

### **15.3 Conduct the business on fair basis**

The Company defined policy to treat suppliers/ vendors equally and fairly and considered benefit and compensation that is fair to both parties.

The policy and practice/guidelines to suppliers/vendors were recorded in the Company's Code of conduct. Employees can study, understand, and practice them correctly. In 2015, the Company defined the practice of qualification of the Company's vendors and application process as follows;



## ■ Practice of qualifications of the Company's vendors

- 1) The Vendor shall have verifiable business facilities.
- 2) The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
- 3) The Vendor shall have satisfactory performance records, which will be evaluated by the Company on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
- 4) The Vendor shall have no conflict of interest with the Company's business and shall never been banned from doing business due to fraudulent conducts.

## ■ Application

- 1) Provide a certificate registered entity and copy of the registration tax (if any).
- 2) Provide a copy bank book/ bank statement.
- 3) Sign in the agreement together (if any).

## 15.4 Anti-Corruption

The Board of Directors places strong emphasis on conducting business with good corporate governance and corporate social responsibility for sustainable development. The Board deems that the corruption creates or reinforces threats both to organizational and national levels, hence the Board of Director meeting No. 5/2014 held on 18 December 2014 resolved to sign "the Declaration of Intent in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption" and prepare for its Certification Process.

## ■ Anti-Corruption Policy

The Company aims to conduct business with fairness and compliance with laws and regulations and commitment to social responsibility and stakeholders in alignment with the principle of Corporate Governance. The Company realizes that corruption is harmful and obtrusive effects to social and economic development. The Company has a clear direction to cooperate with and support government as well as private sectors. It, thus, formulates the Anti-Corruption Policy in accordance with regulators' guidelines and "the Private Sector Collective Action Coalition against Corruption (CAC)" as the key principles for directors, executives, and all employees to follow. Details are as seen below.



## 1) Anti-Corruption Policy

Directors, executives, and employees of the Company must not request, act, or accept any form of corruption, either directly or indirectly, for the benefits of the organization, themselves, their families, friends, acquaintances, or their businesses. The policy applies to all business of the Company in any country and all relevant units. Verification to ensure compliance with the Anti-Corruption Policy is to be conducted on a regular basis, including reviews of guidelines and requirements to ensure alignment with the changes in business, regulations, rules, or official requirements. In case of breach of the policy, any act considered as facilitative to, or implicated in corruption, shall be subject to penalties as stipulated by the Company's policies.

## 2) Duties and Responsibilities

- The Board of Directors undertakes its duties and responsibilities to formulate and approve the Anti-Corruption Policy, as well as ensure that efficient system for countering corruption is provided to help the Management recognize the importance and put the Policy into practice that it becomes a part of organizational culture
- The Audit Committee undertakes its duties and responsibilities to conduct reviews ensuring the Company's sufficient internal control and full compliance with the Anti-Corruption Policy.
- The Director Management undertakes its duties and responsibilities to ensure that systems are established, supports are provided, and supervision is carried out to ensure that all employees and related parties' practice are fully in compliance with the Anti-Corruption Policy. The responsibilities also include reviews on suitability of the systems and measures to accommodate changes in business, regulations, and official requirements.
- The Director Management undertakes its duties and responsibilities to manage and assess corruption risks
- The Internal Audit team undertakes its duties and responsibilities to conduct audit and review ensuring that all practices are complied with concerned policies, guidelines, regulations, and laws and the Company has proper and sufficient internal control systems for countering corruption risks which may arise, and report the Audit Committee on any findings.
- Directors, executives, and employees shall fully comply with the Anti-Corruption Policy and shall not be involved, directly or indirectly, in corruption.

### 3) Scope and practice guideline on control to prevent the corruption risk

- The Company requires directors, executives, and employees at all level to be cautious against corruption in performing their duties as per detail below.

- Offering and accepting bribes

Offering or accepting bribe of any form in exchange for business advantages is prohibited. This includes delegating other person to commit such actions.

- Gifts, Properties or Other Benefits

Giving or acceptance of gift, or properties, or other benefits must be in reasonable occasions norms such as the tradition/culture or a courtesy practice in social to receiver who do not influence to decision-making of the Company's benefit. Details are as seen below.

Details are seen below

- Employees or their family, or both, must not request gift, properties, or other benefits from contractors, vendors, suppliers, joint-venture, partners, or those related to the Company's business.
- If Chief Executive Officer (the "CEO") considers and concludes that should not receive gift, or properties, or other benefits, the receiver must promptly return it to the giver, (if cannot) the receiver must forward it to the CEO and will then be the Company's prerogative.
- The Company can receive gift, or properties, or other benefits in special occasions such as the Company's 20th Anniversary Celebration, or the Company's cooperation signing ceremony, or the Company's award participation in social responsibility activities. If employee received it, should forward to the CEO, and will then be the Company's prerogative.
- Employees at all level should not give any presents to their superiors, moreover the superiors should not accept or let their relative person accept them, except the usual tradition giving to each other, but the present value must **not exceed Baht 3,000**.
- Acceptance of presents, or properties, or other benefits from domestic or foreign giver(s) have valued **more than Baht 3,000**, whether there are specified as personal, the recipients must promptly written report to the CEO within 7 days after received date. If the CEO agrees that there are no good reasons to keep and use by yourself, the receiver must to forwarded to the CEO, and will then be the Company's prerogative.



- Employees at all level should not give, or accept, or promise to give any benefit or anything of value to influence to perform or refrain from performing their duties.
- The Company can give presents, or properties, or other benefit on several occasions such as the tradition/culture or a courtesy practice in social to receivers who do not influence in making decision for the Company's benefit, and are local and foreign receiver. Nevertheless, the value of the presents, or properties, or other benefit should **not exceed Baht 3,000**. If the value is **over Baht 3,000**, this giving must be approved by the CEO in written document.

■ Political contributions

It is the Company's policy to not provide any contribution to political parties, political group or politicians, either directly or indirectly.

■ Charitable/ public benefit contributions and sponsorships

The Company formulates a guideline for making charitable contribution or sponsorship as follows:

- Offering or accepting charitable/ public benefit contributions or sponsorships shall be transparent, lawful, ethical, and does not cause any damage to the public.
- Offering or accepting charitable/ public benefit contributions or sponsorships shall not be used as subterfuge for bribery.
- Any action taken shall be in compliance with procedures of reviewing and approving charitable/public benefit contributions or sponsorships by the Company's regulations, which this process should be approved by the CEO.
- In case of any questions, advice on significant matter with possible legal impact shall be sought from the Company's legal counsel in written form. Other significant matters are to be under the Director management's discretion.

- 4) The Company is determined to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sector.
- 5) Directors, executives, and employees at all levels shall not be negligent when witness any action of possible corruption related to the Company, and shall report the matter to his/her superior or the responsible person and give full cooperation in investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulation.

- 6) The Company must be fair and protect any employee who refuses to associate with or gives information about corruptions. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/her action may lead to the Company's loss of business opportunity.
- 7) A person who commits the corruption is equivalent to misconduct in the Company's code of conduct. This means such person is considered as discipline violation according to the Company standard. Conviction on laws may be applied in case such act violates the laws.
- 8) The Company's directors and executives at all levels shall demonstrate integrity and be a role model in following the Anti-Corruption Policy. The Compliance and Human Resources teams are assigned to educate, promote understanding, and encourage all-level employees at least once a year to strictly and continuously adhere to the Anti-Corruption Policy so that it becomes a part of organizational culture.
- 9) The Anti-Corruption Policy also encompasses human resources management procedures of recruitment, selection, promotion, training, and performance appraisal. Superiors at all levels are in charge of communicating to their teams creating understanding and enabling all employees to apply the Policy to business activities within their scope of work as well as monitoring to ensure effective application of the Policy.
- 10) Any action taken under the Anti-Corruption Policy shall be in accordance with guidelines stipulated in the Company's "Corporate Governance Policy", "Guide to business Conduct", related working manuals, as well as any additional guidelines to be formulated in the future.
- 11) The Company stipulates that communication and public relation activities of Anti-Corruption Policy be carried out via both internal and external media e.g. the Company's website, 56-1 Form, and annual report (56-2 Form). Such Policy of the Company is in compliance with Thai countering corruption laws.

#### ■ Practice guideline on monitoring the risk of corruption

- 1) The Audit team undertakes its duties and responsibilities to conduct internal control systems, manage corruption-risk, review good governance, provide suggestion continuously, and report to the Audit Committee on any significant finding. However, all audits will apply to the annual audit plan that has been approved by the Audit Committee.
- 2) The Audit team and the Executive Committee undertake their duties and responsibilities in testing and evaluating risk of corruption to ensure that the Company has practice, monitor, review and revisit the Anti-Corruption Guidance effectively. Report of any significant findings will be submitted to the Audit Committee and raised to the Board of Director Committee in time.
- 3) The Audit Committee will report result of investigation to the Board of Directors in time when they ensure that there is significant fraud/ corruption and effect to result of the financial position, operation, laws, code of conduct, corruption practice, or internal control.



## 15.5 Respect of Human Rights

The Board of Directors recognizes the importance of respect to human rights internationally. Consequently, the Company has determined that directors, executives, and all employees will join with the respect to human rights, workplace rights, and organization rights.

■ **Human Rights Policy** summarized as follows;

- 1) The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- 2) Employees' personal information shall be kept with utmost discretion and confidentiality. Disclosure of personal information such as employee's biography, health record, working experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the Company's regulations or legal requirements.
- 3) The Company does not support activities that violate the principles of human rights and anti-corruption.
- 4) Employees must refrain from any deliberate discrimination or harassment in word or action against other based on the basis of race, gender, religion, education, age, marital status, sexual orientation, gender identity and/or sexual expression, physical or mental disability, opinions and work styles. The Company will emphasize to employees do not overlook the opinions or a different concept of others because the creative solution is crucial to the success of the Company.

The Company defines channels for complaints of human rights violations as follows;

- Department head/ supervisor hierarchy
- Human resource department
- Office of the president
- Postal mail

The unit of the receipt of complaint of human rights violation

Office of the president

Global Connections Public Company Limited

13/1 Moo 2 Kingkaew Rd., Rachateva, Bangplee, Samuthprakarn 10540

- E-mail: [pornpimolt@gc.co.th](mailto:pornpimolt@gc.co.th)

When the Company receives the complaints of prohibited acts, the Company shall consider and take action as appropriate and shall take appropriate measure to protect confidentiality and privacy of all individuals involved in the investigation. However, the Company cannot guarantee the confidentiality perfectly because the Company may contact to a person who may be involved in the prohibited operation and may be witnesses to such acts. Finally, if violation of this policy was occurred, employees who are the offenders shall be subject to disciplinary action up to and including the termination.



## 15.6 Treat Employee on Fair Basis

The Company recognizes the importance of development operating business and CSR in process together. Significant factors to meet the target are developing employees at all levels to thrive in their carrier path. The Company strives to develop all employees to be professional and gives an opportunity to perform their full ability, in conjunction with improving the quality of their life to balance of work and life. Therefore, the Company defined policy and practice of development knowledge and capability of employees such as staff training, improving of customer service, having activities to improve all employees throughout the year, evaluation of employees clearly and fairly, employment fairly, and not violate the human rights.

### Policies and practices regarding the development of the knowledge and capabilities of employees

#### ■ Targets of Human Resource

- The Company adheres to run business in accordance with the laws along with the policy of fairness employment including recruitment, hiring, placement, training and development, job rotation, promotion and remuneration and welfare.
- Human resource schemes and policies have been determined in order to achieve goal of the Company's business. Staffs at all levels must comply with the policy that aimed to improve working environment with variety ideas and respect to each other. By relying on good intention of all employees.
- To avoid conflict of interest. The Company had policy to forbid directors' spouse to work with the Company.

#### ■ Practices of Human Resource

- Recruitment process, the Company recognizes the importance of development employee since recruiting staff process by adhering to fairness and merit system of the process and by defining feature of the job, education, experience, expertise, and other of recruitment's position. Moreover, the Company will select person who is appropriate qualifications, and then will pass to interview process by related person. However, the Company had policy to put the right man on the right job by recruit employee from petrochemical and plastic fields to drive the Company's accomplishment. The Company strives to create value added service by providing advice and service to our customers starting from production level down to marketing level 85 percent of total staffs graduated from petrochemical engineering and petrochemical science and another employees graduated from management science with working experienced in plastic and petrochemical industry. The Company has potential employees with sense of Company ownership who growth along with rapid expansion of the Company. Most of them graduated with bachelor's degree or above in petrochemical engineering and petrochemical science which are between 25-40 years old. These employees are young generation that can work for a long time and they will be a part of the Company mechanism to drive the Company for sustainable growth in long-run.



Besides, there is a vacant or a new position, the Company will consider current employees who have a qualification the same as the position to rotation. If there is no current employee to match with the position, the Company will recruit from outsiders as second choice.

The Company has orientation course for new employee to aware their work process and all operating process of the Company. The Company has specific to provide mentor for new staffs in first three months with “On the Job Training” to ensuring them to work with least mistake and utilize such knowledge and competency in appropriate period. The Company recognizes in a career growth opportunities of all employees to maintain good employees of the Company.

- Talent development, the Company had policy to support the training and development of staff to improve the skills of their employees regularly and continuously. The Company had training in-house and public lecturers. For training courses were considered according with position of employees efficiency and appropriately.
- The Company had in-house training by internal speaker and/or expertise outside to share knowledge and valuable experience, public lecturers, going abroad training, and product training from oversea suppliers. Regarding to this policy, employee in every level will be developed and promoted their knowledge in order to serve need and create customer satisfaction and different from any distributor in the market. All of the above of the knowledge content of the training, the course will cover various aspects necessary to perform the duties of employees such as a plastic petrochemical and chemical technical course, a personality of selling course, a management course, a warehouse management course, a financial and accounting course, an internal auditing course, an information technology management course, and others. The Company aims to employees are able to share knowledge training to other staff to achieve the knowledge transferring and experience within the organization.
- Creating opportunities for all employees to increase their knowledge, skill and with regard their ability to perform their jobs. Which take into account the principles of equality, fairness the commitment to the Company and their career path growth together with the Company. In additional, it will lead to customer satisfaction.
- The Company had specific to develop succession plan for all management levels in order to strengthen business in long-run and the Company will be able to cope with unexpected situation that may affect the business
- Talent management development scheme is a one of human resource management tool In order to maintain and develop the “talent staff” for maximum worth and good efficiency.

The Company is in the process of developing a succession plan and talent management at all levels of management in the organization. In order to strengthen the sustainability and long-term business

- To provide effective staff development program and cultivating a sense of ownership to all employees
- The Company shall promote good team working to be conscious and participation of all employees in order to achieve the Company's target.
- Increasing employees communication at all level in order to good working cooperation.
- Provide good welfare for employees as follow ;
  - Healthy and sanitation including medical insurance to help relieve some of the costs of medical care, maternity leave, dental care, fitness and sport center for good health and annual medical check - up.
  - Financial including provident fund and cost of living
  - Recreation including new year party and Company outing.
  - Others including scholarship, team building activities, training and seminar, subvention such as wedding ceremony, maternity, funeral, birthday leave etc.

## ■ To strengthen the capacity and commitment of the employees

### *The development of the company*

People are the most important the company's resources; they are critical in driving the business forward and maintain its leadership in the business and sustainable growth. The company is providing a software development with operations in the field of human resource development in a systematic way. This covers all employees in the target group. And provide adequate funding for the development in order to create solid foundation for our staff development to be "the one with professional, responsible and good attitude" who has knowledge, skills, good attitudes and behaviors consistent with organizational culture in order to meet customer satisfaction with the company's employee development program to support their work.

The company provides a comprehensive program to improve by the position. Employees can take action immediately as follows;

- "The Key to Success by ... Chairman", in order to guide the work of the organization in the same direction. There are relationships between management and employees. Inspiring or creating a positive attitude in the workplace for employees (Proactive) and to establish ownership (Ownership) to employees.
- "Value Centric Selling", in order to guide the work in the same direction as a tool to help sales work more easily and understand the needs of even more customers. During the economic downturn market competition is high and measures to economize your customers.

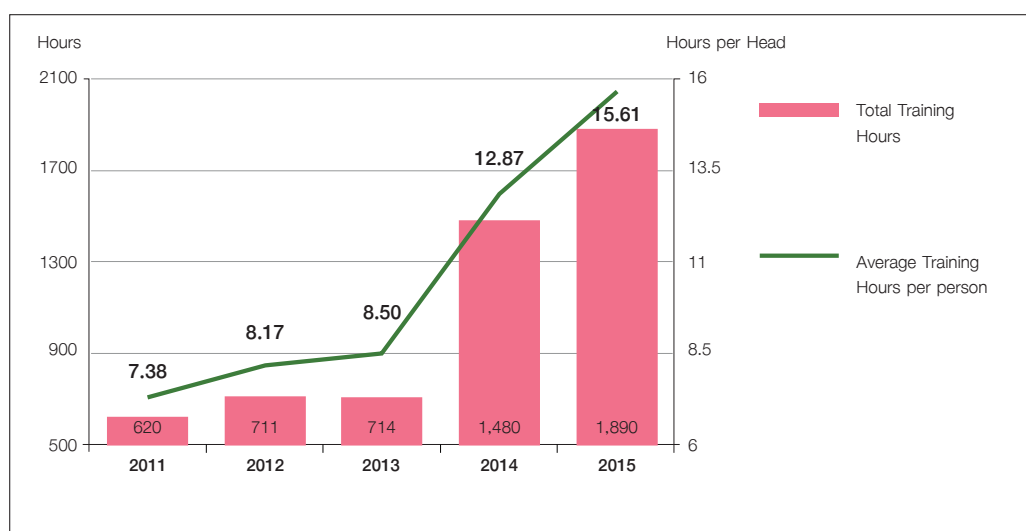


The company also encourages employees to learn through in other ways, such as managed competition program that promotes the wellbeing of employees. The small group activity among employees (Group Activity) is learning all of this was to promote the development, growth, employee organizations (Career Management) and led to the organization of learning (Learning Organization) for the development of their own to lead to career advancement.

## ■ Employee development

Average training hours per staff is increasing for all level of employee for four consecutive years. The Company expects the number of average training hours per person to continuously improving to be one of the areas in organizational learning. For the year ended 2015, the Company had average training 15.6 hours per head.

## ■ Training Hours During 2011 - 2015



## ■ The evaluation justification and clear

The Company believes that the key success factor to achieve business goal is that ability to attract and retain people to work in organization, including building the motivation for employees to perform to their full potential. The Company defines our performance assessment system at functional and individual levels by starting with Work Target setting, planning, follow-up, development, and assessment for individual key performance indicators. This ensures alignment with the performance management of each employee, function and organization by providing the credibility, correctness and fairness that are keys to employee motivation.

- Management performance system of personnel, the Company evaluates employees' performance annually in the form of two levels as Corporate KPI and Individual KPI (KPI & Core Competency)
  - Corporate KPI shall be established based on the principle of Balanced Scorecard (BSC) which is considered to cover all of dimension by all sectors in organization. Then corporate KPI shall pass from Directors to all management levels and staffs respectively.
  - Individual KPI (KPI & Core Competency), all employees shall get individual KPI which reflects to KPI of section, department, and organization and it must be reviewed and consulted by line manager for develop outcome with support in order to define appropriate remunerations.

Our Performance Management System is a continuous process of measuring and assessing knowledge, capability, development progress and effectiveness against specific work targets in line with Functional and Corporate KPI. The performance management system is a tool to measure the performance of each individual at a given moment and assess his or her readiness for promotion in terms of knowledge and capability. The performance management system also enables any knowledge and skill gaps in the next career level to be identified. The results are then used to determine the appropriate next steps of the Career Development Plan in both short and long term. Performance evaluation is conducted 2 times a year: mid-year (June–July) and year-end (November– December).

Performance and progress against Individual Career Plan and Individual Development Plan are annually reviewed by line manager who can then appraise the Career Development Plan of each employee and identify development actions such as training, on the job training etc.

- The Company provides first quartile remunerations and benefits compared to industry peers in a fair manner

**Based compensation of the Company** as follows;

- The Company sets our remuneration levels comparable to other organizations in the same industry to maintain and improve the organization's competitiveness in human resource.
- The Company links corporate performance to individual performance under transparent criteria to establish compensation related to performance (Pay for Performance).
- The Company defines a framework for planning and controlling the budget for remuneration in accordance with the corporate budget plan. The plan is prepared with due consideration of ability to make short - and long-term payment based on a precise database that allows the budget plan to be revised instantly at any time during the year in accordance with corporate performance.



## ■ Employment fairly

The Company recognizes in fairness employment with regard their ability to perform their jobs. Which take into account the principles of equality, fairness the commitment to the Company and their career path growth together with the Company. Moreover, the Company recognizes the importance of quality of life for employees and their families. The Company defined policy of remuneration management and defined practice of employee welfare in long-term that in line with the performance of the Company as follows:

**Remuneration management policy** Implementing in line with the organization's performance and connected to employees' performance as described below;

- Short term compensation: The Company sets our levels of compensation in line with those of other organizations in the same industry in order to maintain and improve our competitiveness in human resource management to the organization. In addition, the Company sets a variable bonus system that is tied to the organization's annual financial performance as well as personal performance in order to motivate employees in management level to achieve the Corporate KPIs each year.
- Long-term compensation: To retain and motivate the employees working for the organization to achieve longer term goals, the Company sets a remuneration policy that includes annual merit pay increases, compensation tied to salary, provident fund, etc.

For the year ended 2015, the Company set the first minimum wage for staff who has no skill and experience amounting to 320 Baht which was more than minimum wage law. Moreover, the Company had other benefits for staff amounting to 70-140 Baht included lunch, diligence, and goods delivery revenue, totaled minimum wage is amounting to 390-460 Baht per day.

## 15.7 Responsibility to customers and consumer

The Company operates CSR activities by starting with the survey of customer satisfaction before and after sales services and image of the Company. The customer come first priority. Because the customer who affected both directly and indirectly from the Company operation. The customer is in various industries related to the use of polymers and additives, and "employees" are also important stakeholders because "employee" as a major driving force for the Company business by delivers quality products and services with social responsibility. As a result, other stakeholders such as public and community partners, shareholders can take benefit from our employees who are responsible and smart with a good conscience.

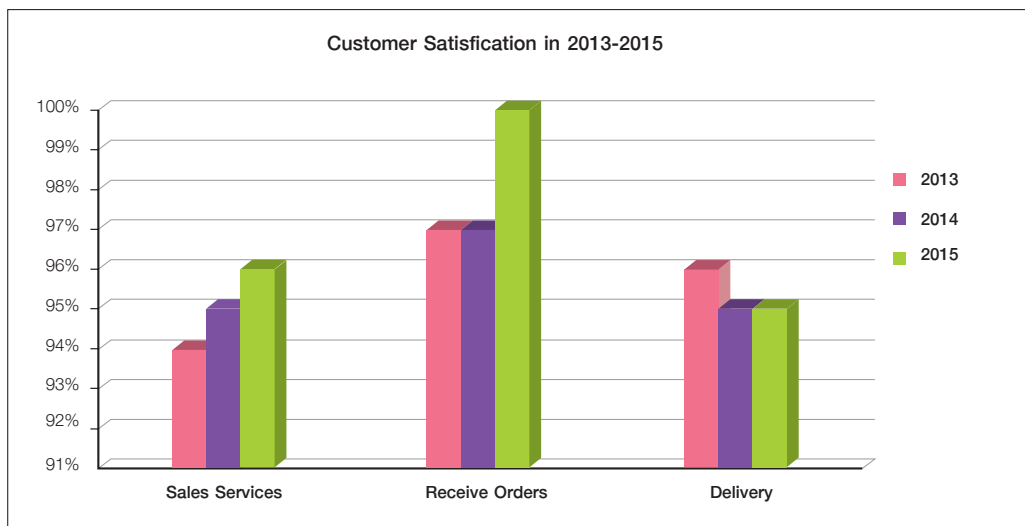


## ■ Operations with responsibility for business process

- 1) **Customers and Consumers** Currently business operation have to compete with the time and information needed to make decisions, we have a way for customers to contact the company and request a hearing on the website of the company [www.gc.co.th](http://www.gc.co.th) is the contact center for information of the company and channels for company stakeholders in all groups are fully included.
  - Customers can access the company's products and services in the **"Products and Services"**.
  - Investors is another group of companies business involved. We create the menu. **"Investor Relations"**.
  - To provide all information need for investors. All investors and funds communication will be efficiency exposure [www.gc.co.th](http://www.gc.co.th) feedback via **"the contact us"** 24 hours a day.
- 2) **The Customer satisfaction survey** The Evaluation of customer satisfaction was created to develop in every work process. Assessment data is divided into three areas.
  - **Services sales:** The surveys show customers opinion in the following; to be eager to solve the problem, the product instructions and recommend, the wide range of products and overall satisfaction with the company the services and products.
  - **Order:** The surveys show customers opinion in the following; the ordering speed, the validity of the orders and the courtesy of the staff.
  - **The delivery:** The surveys show customers opinion in the following ;On time Delivery, the accuracy of the product shipped, documents and the courtesy of the delivery staff.

Customer satisfaction survey covers major customers to explore sales accounted for 63 percent of total sales (Sales amount during January - August 2015). Survey result as follows;

- Satisfaction rating for all customer satisfaction. Average score of 96 percent
- Satisfaction rating for the service sales: Average score of 96 percent
- Satisfaction rating for the orders: Average score of 100 percent
- Satisfaction rating for the delivery: Average score of 95 percent



## 15.8 Take care of environment

The Company is well aware of our full accountability and responsibility to the environment and the community. Therefore, we have developed guidelines to focus on pollution reduction alongside environment improvement which will ultimately preserve the natural environment through the commitment of the company's environmental policy.

### ■ Practice of take care of environment

- 1) The company is engaged and complied in environmental laws and regulations
- 2) The company will promise in introducing and promoting product made from natural resource and/or environment friendly relate in broader application.
- 3) The company will manage and control the product distribution procedures to prevent any harm that may occur to company employees, customer and community in terms of safety and health
- 4) The company will effectively utilize natural resources and energy by promoting energy-saving activity, voluntarily alleviate the global warming problem and enhancing the environmental friendly atmosphere
- 5) The company will strengthen the knowledge and lead the engagement of employees for valuable contribution to environment through various activities and training

## ■ For the year ended 2015, the Company strived all employees regard their social responsibility

- The Company aims to prevent environmental impact by using technology which has environmental standards and regards to pollution control such as maintenance the Company's vehicles emission to a minimum and/or meet the criteria set forth by the Department of Transportation.
- The Company aims to use resources efficiently as follows;
  - Using recycled paper
  - Turn off the air conditioner and the lights in the room which have no person or out of the office a long time.
  - Using recycled material such as plastic bags

All the projects were happened because the Company supported to directors, executives, and all employees have a conscience and responsibility to use resources efficiently. Although these projects can reduce energy costs a little amount but these projects can help cultivate personal habits and brought back to the daily life to be good citizens of society.

## 15.9 Contribute to develop the surrounding communities and society

The Company continues to carry out CSR activities by supporting public organizations, academy, and other such as Children's day and Holy days as well as to contribute to develop community and assist society in the event of disasters according to the Company approval.

### ■ Practice

- Supporting activities and contribute to develop community
 

When the Company receives an invitation letter, the Human resource & admin department will propose to the authority to consider and approve this according to the Company's criteria.
- Disaster
 

The Company will donate to alleviate the suffering of those affected and will inform employees to donate together.



■ **For the year ended 2015, the Company joined development community and society (After Process)** as follows;

- Community School Project

The Company donated on Children's day in 2015 amounting to 18,000 Baht to schools where are near the Company totaled 9 schools included Wat King Kaew School, Wat Bang Plee Yai Nai School, Wat Thong Khung School, Klong Bang Kaew School, Wat Pan Prasittharam School, Park Klong Morn School, Klong Kun Ya School, Wat Nharm Dang School and Bang Rai School.

- Kam Nerd With School Project

The Company donated scholarships to students amounting to 100,000 Baht.

- Give brothers/sisters Project

The Company donated equipment and samples to Department of Metallurgical and Materials Engineering Faculty of Engineering Rajamangala University of Technology amounting to 217,302.04 Baht included 3D printer and raw material, E-Glass R 25 H and Engine Cleaner.

- Military Bonder Project

The Company donated foods, medicine, and cloths through the mail to military.

- Thailand to Nepal Project

The Company donated money amounting to 50,000 Baht to help earthquake victims in Nepal through the Thai Red Cross.

## 15.10 Healthy and Safety

Due to the company concerned for the safety and health of employees is all employees are our most valuable resource. The company has adopted the occupational Health and Safety policy as part of business strategy to achieve maximum efficiency and effectiveness should not harmful to health, be treated fairly and based on the work of the employees happiness by the policy is as follows.

### ■ Practice

- 1) Protect the health and safety of employees, customers who come into contact at office and People who may be affected. To conduct all activities in a manner that is responsible for the environment.
- 2) Safety is the first responsibility of every employee in the performance. there were not accident in 2014
- 3) Company will contribute to improved working conditions and environment for both physical security and conducive to good mental health in the workplace
- 4) Company shall promote safety activities to be conscious and participation of all employees, such as motivation, training, etc.
- 5) Supervisors at all levels to act as a good model for leadership training, coaching and motivating employees with a safe
- 6) All employees must concern safety for their own, colleague and the assets of the company is constantly working.
- 7) Employees shall maintain a clean and orderly work area. Safety and hygiene of all employees.
- 8) Employees shall maintain and to cooperate in projects relating to occupational safety and health of the company

### ■ For the year ended 2015

- The Company had no employees injured at work.
- The Company had in-house training, "Preventive Driving Techniques Accident", for employee because the Company recognizes that accidents on the road are the leading cause of death in Thailand. Moreover, the Company's business is focused sales, service, and logistic, so almost employees have risk to meet an accident and inevitable. These accidents may affect their work and client's appointment. Thus, the Company had organized such course was designed to prevent accidents and minimize damage.



### 15.11 CSR and Innovation (CSR in-Process)

The Company and Technogreen Company Limited collaborated to develop new innovation Biodegradable and Environmentally friendly Product such as Oil & Grease Cleaner/ Water Additive - Scale Prevention & Remover, Product from Botanical Liquid under Micro-Nice brand. On this occasion will be as part of a sustainable business development to build environmental sustainability in to business process. Such an event was one of steps to incorporate the concept of environmental sustainability into the Company business process (CSR in-Process).

#### ■ About MICRO-NICE®

Technogreen Company Limited was established in 1992 to deal with environmental management and waste water treatment. Thus the team research led to the invention of several cleansing products and preventing process based on local botanical extracted under the smart phytochemical name “Micro-Nice®”. with tremendous effort in research and development local botanical source that could help support environmental care

Micro-Nice® is phytochemical mixture of Thailand’s botanic extract that plays an important role. it is also biodegradable not less than 90 percent with no harmful chemical. Hence, toxicity and corrosiveness are out of critical issues, main steps and one additional advantage:

- 1) Penetration: The solution has high penetrating capability in between the substrate’s surface, hence providing higher cleaning reaction.
- 2) Surface Tension Reduction: It reduces the surface tension of foreign bodies on a substrate leaving only the original cleanliness on the surface of the substrate.
- 3) Cleaning : Micro-Nice® Bio 3 MEX being water based, uses small amount of clean water for cleaning sufficient enough to obtain optimum cleanliness.
- 4) Deodorizing: Micro-Nice® has a deodorizing property which binds to the decomposed nitrogen compound ( ammonia and ammine ) in the environment.



## 16.1 Investment in research and development

The Company is a technical advisor to its customers and helped arrange product test by hiring a private firm or institutions/universities which they have tools and equipment to support its customers' research and development

In the present, customers are demanding an increase in research and development. The Company regarded that there is enough potential in knowledge, both theory and practice, and counseling for new approaches according to customer needs effectively and efficiently. In 2015, the Company expanded such service which is research and development by investing in tools and equipment for testing to support its customers and to reduce the time, obtaining test results faster than outsource

End of the year 2015, the Company is installing tools/equipment and calibrating them.

In the first, the Company has tools and equipment to support testing as follows;

- Testing of the softening of the plastic: Test effects of temperature in the short term that it can be bend.



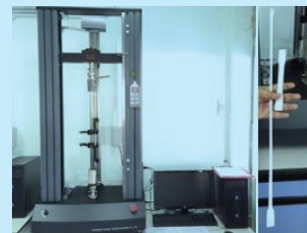
- Testing of the flowing of the polymer



- Testing of the ability to withstand shocks of the plastic



- Testing of the ability to withstand tensile elongation and the ability to bend the plastic



## 16.2 Award of pride



The Company has contested the establishment of the Good Industrial Relations and Labor Welfare. The Company was awarded the National Distinguished establishment four years.



## 17.1 Board of Directors' Opinion on the Company's Internal Control System

Board of Director and executive management recognize s that internal control system is important mechanism in reducing business risk and increasing efficient business operation which is included resource allocation appropriately and achieve objective of the Company.

Board of Director commissioned the Audit Committee has a duty and responsibility in review the appropriateness and effectiveness of internal control system which the executive management provided it to ensure that the Company has adequate internal control system in the risk management, protect the Company's assets from lost or used by unauthorized person, compliance with laws and regulations, and correctness and assurance of the financial statement. In addition, the Audit Committee considers the independence of the internal audit department, and considers the appropriateness and adequacy of personnel in such department, and approves the appointment or dismissal internal audit manager.

Audit Committee reviewed appropriate and efficient the internal control system and the internal audit by considered in conjunction with the internal auditor and reported to Board of Director to inform or consider in quarterly. In the prior year, Audit Committee has expressed their opinion and recommendation to executive management on matters material. Furthermore, the external auditor, who is EY Office Limited and audited financial statement of the Company for the year ended 2015, have jointed meetings with Audit Committee and expressed the opinion that the internal control system of the Company was satisfactory level and not found error/weakness to have significant impact on the opinion of the external auditor.

In Board of Director meeting No. 1/2016 as at 16 February 2016, Audit Committee attended the meeting. Board of Director has assessed the adequacy of internal control system annually by the Securities and Exchange Commission's form in accordance with COSO (The Committee of Sponsoring Organizations of the Tradeway Commission) which included the control environment, the risk management, the control activities, the information and communication, and the monitoring activities. Board of Direct agreed that the Company performed to COSO appropriately.



## 17.2 Different opinions during the Audit Committee and the Board of Director Committee

- None

## 17.3 Information of head of internal audit and compliance department

The Company has appointed Ms. Wallaya Watsarujakorn as internal audit manager since 1 May 2012, which was approved by Audit Committee. The committee had considered her qualification, knowledge, and experience of internal audit task, had concluded that she has the right to perform duties appropriately.

In order to consider and approve the appointment, transfer and dismissal of the incumbent internal audit manager of the Company must be approved by the Audit Committee.

## 18.1 Related transactions

(Unit: Million Baht)

Related Company / Person	Description of Relations	Description of Transactions	Size of Transactions		Necessity and Reasons of Transactions
			2014	2015	
Integrity Plastics Company Limited	Mrs. Nisaporn Sirijantanan is the major shareholder and director of such company. (She is wife of Mr. Aikachai Sirijuntanan, who is the major shareholder and director of the Company.)	The Company sold the instant petrochemical products to such company. As of 31 December 2014 and 2015, the Company has accounts receivable amounted to Baht 0.94 Million and Baht 0.75 Million, respectively.	9.87	4.52	These transactions were normal business between the Company and our customers. Audit Committee considers that they were normal business and selling prices were the related market prices.
		The Company sold its truck to such company. (Truck was second-hand)	0.43	-	These transactions were normal business between the Company and our customers. Audit Committee considers that they were normal business and selling prices were the related market prices.
		The Company hired mix-product to such company. As of 31 December 2014 and 2015, the Company had accounts receivable amounted to Baht 0.18 Million and Baht 0.32 Million, respectively.	3.12	8.67	The Company must to hire mix-product to such company to meet our customer's satisfaction and to develop products. Such company agreed to keep confidential the formula. Audit Committee considers that they were normal business and selling prices were the related market prices.
		As of 31 December 2015, the Company had advance payment for goods amounted to Baht 2.49 Million (31 December 2014: Nil).	48.85	45.58	A supplier defines selling policy that it must to sale products to converter only and cannot sale to agent. Thus, the Company will purchase its product through Integrity Plastics Company Limited who is converter. Such company provide selling price at cost plus margin. Audit Committee considers that they were normal business and selling prices were the related market prices.





(Unit: Million Baht)

Related Company / Person	Description of Relations	Description of Transactions	Size of Transactions		Necessity and Reasons of Transactions
			2014	2015	
New Modern Superpack Company Limited	Mr. Wichan Nanthananonchai is major shareholder and director of such company. (He is an elder brother of Mrs. Boonsri Kulimakin who hold 100 shares capital of such company and is wife of Mr. Somchai Kulimakin who is major shareholder of the Company)	The Company sold petrochemical products to such company. As of 31 December 2014 and 2015, the Company has no outstanding amount.	3.97	0.13	These transactions were normal business between the Company and our customers. Audit Committee considers that they were normal business and selling prices were the related market prices.
Directors and management included - Mr. Bhija Jriyasetapong - Mr. Sumruay Tichachol - Mr. Aikachai Sirijantanan - Mr. Veera Kwanloetchit	The Company's directors and management.	The Company sold car in the position to all directors and management who had right to purchase according to the Company's regulation effective since 2006.	1.25	1.41	Audit Committee considers that they were normal business and selling prices were the related market prices.
Mr. Somchai Kulimakin	Director	Retired Director was signed indefinite employment agreement.	2.40	-	This is related transaction which was approved by the Board of Directors in the meeting no. 1/2013 on 22 February 2013 and was reported to SET already.
Mr. Sumruay Tichachol	Director	Retired Director was signed indefinite employment agreement.	3.84	3.84	This is related transaction which was approved by the Board of Directors in the meeting no. 2/2014 on 8 May 2014 and was reported to SET already.



## 18.2 Procedure of approval related transaction

For the normal business, the Company's policy defines that its transaction should be considered by Audit Committee or External Auditor or Independent Specialist about reasonable price and transactions.

For the related transactions that may occur in the future, the Board of Directors should consider and control to comply with the laws and regulations of the Securities and Exchange Act or the announcement and regulations of the Stock Exchange of Thailand. As well as compliance with the disclosure of related transactions and the acquisition or disposal of significant assets of the Company or the subsidiary in accordance with the Accounting Standards of Federation of Accounting Professions (FAP).

For the abnormal business of related transactions, the Audit Committee considers appropriation of the transactions. If the related transactions are complex, the Audit Committee is able to invite the professional person or the external auditor of the Company to consider together. Furthermore, the Company had disclosure related transactions in note of financial statement which was certified by external auditor of the Company.

Stakeholders who have benefit in the transactions cannot vote or approve such transactions.

## 18.3 Policy and Trend to have related transaction in the future

In the future, the Company has almost related transactions as purchase and selling transactions which must to be complied with procedure of approval related transaction follow Article 18.2.



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## To: The Shareholders

The Audit Committee of Global Connections Public Company Limited has been appointed by the Board of Director's meeting. The committee consists of three independent directors as follows:

1. Dr. Pisit	Leeahtam	Chairman of Audit Committee
2. Assoc. Prof. Chawalee	Pongpatirochna	Audit Committee
3. Mr. Suchart	Suphayak	Audit Committee

In 2015, the committee performed their duties cautiously and independently without the restriction to access the company's information. The committee held totally 4 meetings and joined the discussion with the internal auditor and the external auditor, as summarized as follows:

1. The committee reviewed quarterly and annual financial statements for the year 2015. Each time quarterly and annual financial statements were examined with the external auditor presented. The committee concluded that the company's financial statements had complied with accounting standard requirements under generally accepted accounting principal, and that adequate, complete, reliable information had been disclosed in the financial statements, and that the external auditor performed optimally in accordance with professional accounting standard.
2. The committee reviewed and approved the annual internal audit plan for the year 2016. The committee concluded that the plan was prepared appropriately, and had covered with operating activities and significant risk factors in accordance with the company's risk assessment.
3. The committee reviewed the internal audit activities to ensure that comply with the approved internal audit plan, and had meetings with the internal auditor independently to inquiry, provide useful recommendations for the company, and follow up significant issues as reported in the internal audit report. The committee concluded the company's internal control system was appropriate for its business.
4. The committee reviewed the internal control system of the company and provided recommendations on developing the internal control system and risks that may arise with the company. The committee concluded the company had appropriate the internal control system in order to protect and reduce significant risks that may occur, and had compliance with the internal control system.



5. The committee reviewed compliance with regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand, and other laws which related to the company's business. The committee concluded the company had complied with related laws and regulations.
6. The committee reviewed the connected transactions or transactions of potential conflicts of interest, including the disclosure of certain transactions. The committee concluded such transactions had reasonability, compliance with the company's normal operating business, and an adequate disclosure in accordance with the regulations of The Stock Exchange of Thailand.
7. The committee considered and proposed the appointment of EY Office Limited as the company's external auditor to the Board of Directors, which will in turn submit it, together with its fees, for shareholders' approval at the AGM. The committee had considered the performance, the independence and the qualities of the audit task and recommended the appointment of Ms. Siraporn Ouaanankum or Ms. Chonlaros Suntiasvaraporn or Ms. Sirirat Sricharoensup, Certified Public Accountant (Thailand) No. 3844 and 4523, 5419 respectively for the year ended 31 December 2016.

On the whole, the committee had performed and fulfilled according to the Audit Committee Charter which was approved by the Board of Directors. The committee agreed that the company had an accurate accounting and financial reporting practices and the disclosure connected transactions, an appropriate the internal control system, a compliance with good corporate governance, laws and regulations related to the company's business, and with an ongoing operating system development plan for quality enhancement appropriate for the company's environment and business.

(Dr. Pisit Leeahtam)

Chairman of Audit Committee

Global Connections Public Company Li mited

# CORPORATE GOOD GOVERNANCE, NOMINATION, AND REMUNERATION COMMITTEE REPORT

20

## To: The Shareholders

Corporate Good Governance, Nomination and Remuneration (“CGNR”) Committee of the Global Connections Public Company Limited consists of three directors as follows:

- |                |                                 |                            |
|----------------|---------------------------------|----------------------------|
| 1. Mr. Suchart | Suphayak (Independent Director) | Chairman of CGNR Committee |
| 2. Mr. Somchai | Kulimakin                       | CGNR Committee             |
| 3. Mr. Sumruay | Tichachol                       | CGNR Committee             |

In 2015, CGNR Committee performed their duties cautiously as assigned by Board of Directors. The CGNR Committee held totally 2 meetings to consider the issues in their responsibility as summary as follow:

### Corporate Governance:

- 1) The Committee reviews the result of corporate governance rating and corporate governance policies and Code of Ethics in order to develop and enhance the company corporate governance level.
- 2) Consider the guideline and policy recommendation the code of conduct, according to good corporate governance and propose to the Board of Directors for approval. In order to define the procedures of the company’s practices to be standardized and correct approach.

### Nomination:

- 1) Consider the nomination and selection of candidate to hold the position of the Independent Director and the Company’s director as well as the committee members to replace the member who was retired upon completion of the term. The CGNR Committee shall select personnel who have completed and appropriated qualifications as per specified by the Office of the Securities and Exchange Committee and the Stock Exchange of Thailand who do not have any prohibited characteristics as per specified by the laws by taking into account the qualifications, experiences and capabilities which shall be beneficial to the company to further propose to the Board of Directors’ meeting and the shareholders’ meeting. The CGNR committee who has an interest in any matter considered shall not participate in the meeting and shall not vote in such matter. The CGNR noted that all three of directors who retired upon completion of the term are qualify and work with cautious and perform consistently. As well as provide feedback and opinions that benefit to The Company and its shareholders. For the board of directors resigned CGNR was recruiting a suitable position instead
- 2) Consider the Executive development program as part of the succession plan.



#### Remuneration:

- 1) Consider and propose the remuneration of Directors and other subcommittee to the Board of Directors and the shareholders' meeting.
- 2) Consider the remuneration of the Chief Executive Officer and President with regard to the responsibilities assigned, performance and overall of the company performance.

In 2015, the CGNR Committee has performed the assigned duties with transparency, carefulness, integrity and independently pursuant to corporate governance principles by always taking into consideration the maximum benefits of the Company and all stakeholders.

( Mr. Suchart Suphayak )

Chairman of the Corporate Good Governance,  
Nomination, and Remuneration Committee  
Global Connections Public Company Limited



## STATEMENT OF BOARD OF DIRECTORS RESPONSIBLE FOR THE FINANCIAL STATEMENT

21

The Board of Directors has realized the importance of its role and responsibility on implanting the corporate governance principle into the Company's management. This also means to ensure that the Company's financial statement and financial information in the annual report is accurate, complete and in line with the accounting standard; thus, reflecting the actual financial status and operational results of the Company and disclosing adequate important information to stakeholders and investors.

In this regard, the Board of Directors has focused on improving the management structure and internal control systems to boost the creditability of the Company's financial statement. Such improvement also helps guarantee that the Company is equipped with an effective system to monitor its assets and to prevent serious misconducts and other operational irregularities of the Company.

The Board of Directors has appointed the Audit Committee comprising of a number of independent directors, who are fully qualified under the requirements by the Stock Exchange of Thailand. The Audit Committee is mainly responsible for maintaining the quality of the financial report and internal control systems. It is also responsible for any disclosure of connected transactions. The Committee's reviews on such matters will appear in this Annual Report and form 56-1 under the Audit Committee's Report.

The Board of Directors is of the opinion that the overall internal control systems of the Company can be regarded as "satisfying". Therefore, the Board is confident that the Company's financial statement as of 31 December 2015 reliable and is audited in line with the universally accepted auditing standards by the Company's auditor; so it reflects an accurate financial status and operational results of the Company as required by most accounting standards that are generally accepted.



( Mr. Virah Mavichak )  
Chairman of The Board



( Mr. Somchai Kulimakin )  
Chairman of Executive Committee



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## Analysis of Overall Performance

The distribution business of the plastic resins, plastic, and petrochemical related products needs relatively high working capital. The key success factors of this business depend on the inventory management, the logistic systems that meet the clients' needs in time, cost of capital, receivables management and sales revenue. Due to this business has low gross profit margin, to build up more sales revenue will result in good net profit.

### Sales revenue

The Company had total sales revenue of Baht 3,646.5 million in 2015, decreased Baht 0.9 million from 2014 or equivalent to 0.03%. The sales value of Commodity Polymer business unit was decreased by 1.17%. The sales value of Specialty and Engineering Polymer business unit was increased by 0.92%. And the sales value of Specialty Chemicals business unit was increased by 34.13%. The 0.03% decrease in total sales revenue was derived from the lower selling price led by oil price crisis. However, the sales quantity in 2015 showed 15.44% higher than 2014's resulting from our strategy of preserving high potential customer group.

### Financial Operating Results

In 2015, total cost of sales and operating expenses were Baht 3,546.1 million, decreased by Baht 33.8 million from Baht 3,579.9 million of 2014 or equivalent to 0.95%. Our major expense was costs of goods sold, a decrease of Baht 30.1 million from Baht 3,447.4 million of 2014 to be Baht 3,417.2 million in 2015 or 0.87% from last year's which was higher than sales dropping rate resulting from higher gross profit margin in 2015.

The gross profit in 2015 was increased from Baht 200.0 million to be Baht 229.2 million or equivalent to 14.59%. Therefore, the gross profit margin of 2015 was increased from 5.97% in 2014 to be 6.71%. This was due to the strong competition as a result of slow growth in Thai economy during 2014.

Total selling and administrative expenses decreased from Baht 132.6 million in 2014 to be Baht 128.8 million in 2015, or 2.80% decreased. This was due to the decrease in warehouse rental amounting Baht 1.6 million resulting from lower inventory level and the decrease in software maintenance cost amounting Baht 0.9 million. In addition, there was a reversal of reduction of inventory to net realisable value amounting to Baht 1.0 million in 2015, whereas there was an increase of Baht 1.0 million in 2014.

The interest expenses in 2015 was Baht 14.2 million, or 26.55% decreased from Baht 19.3 million of 2014. This was due to the decrease in short term loan requirement resulting from lower average inventory level as well as the downward trend of interest rate during 2015.

Corporate tax income in 2015 was 20%, conform with the Royal Decree to announce reduction in corporate tax rates.

As a result of the discussed factors, our net profit of 2015 was Baht 79.3 million versus Baht 47.6 million in 2014 or equivalent to 66.57% increased.



## Comparison of Financial Position (FY 31.12.2015 VS 31.12.2014)

**Assets:** As of 31 December 2015, GC recorded total assets of Baht 1,378 million, representing an increase of Baht 207 million from Baht 1,171 million of 31 December 2014 or equivalent to 17.71% increased. The assets with major changed were as follows :

As of 31 December 2015 total current assets showed Baht 1,246 million, an increase of Baht 205 million or 19.75% increased from year-end 2014. This was mainly due to the increase in both trade accounts receivable and inventory. The trade accounts receivable was increased by Baht 124 million or 21.89% from Baht 566 million in year-end 2014 to be Baht 691 million in 2015 resulting from extending longer credit term to our customers.

While inventory showed Baht 502 million as of 31 December 2015, an increase of Baht 66 million or 15.20% from last year-end. This was due to higher inventory purchased volume in according to sales forecast volume.

**Liabilities:** As of 31 December 2015, GC recorded total liabilities of Baht 956 million, an increase of Baht 174 million or 22.25% increased from the previous year-end. The major liabilities was short-term loans from financial institutions and trade accounts payable. The ending 2014 balance of short-term loan was Baht 577 million versus 634 million as of 2015 or equivalent to 9.99% increased. The trade accounts payable as of 2015 was Baht 271 million, an increase of Baht 100 million from Baht 171 million of ending 2014. This was due to inventory purchased during month-end and not yet due. As a result the Debts to Equity Ratio as of 2015 was 2.27 times compared to 2.01 times of ending 2014.

**Sources of Funds:** The structure of GC's funds in 2015 was not much different from those of 2014 as they were in term of short-term liabilities. The major liabilities were short-term loans from financial institutions, bank overdrafts, and trade accounts payable.

**Shareholders' Equity:** As of 31 December 2015, the portion of shareholders' equity amounted to Baht 422 million, an increase of Baht 33 million, or 8.57%, derived from net profit from operations of 2015 Baht 79 million deducted dividend paid out Baht 46 million.

**Liquidity:** In 2015 GC had better liquidity. Since after listed, GC had good fund from the IPO proceeds at the end of 2005 and the working capital from deposits redemption at the beginning of 2006. This caused a better working capital management to reduce the cost of fund.

In 2015 GC had a current ratio at 1.33 times compared to 1.36 times in ending 2014, a little bit decrease resulting from the rise in short-term loan from financial institutions and trade accounts payable.



# REPORT AND FINANCIAL STATEMENTS

23





## To the Shareholders of Global Connections Public Company Limited

I have audited the accompanying financial statements of Global Connections Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related 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.

### 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 Global Connections Public Company Limited as at 31 December 2015, its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Siraporn Ouuanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 16 February 2016



**Global Connections Public Company Limited**  
**Statement of financial position**  
**As at 31 December 2015**

(Unit: Baht)

	Note	2015	2014
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	42,706,683	36,246,583
Trade and other receivables	6,8	690,960,076	566,938,935
Inventories	9	501,803,852	435,583,459
Other current assets	6	10,349,808	1,598,932
<b>Total current assets</b>		<b>1,245,820,419</b>	<b>1,040,367,909</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	123,862,754	121,030,374
Intangible assets	11	2,473,169	3,709,413
Deferred tax assets	18	4,582,522	4,270,922
Other non-current assets		1,660,500	1,660,500
<b>Total non-current assets</b>		<b>132,578,945</b>	<b>130,671,209</b>
<b>Total assets</b>		<b>1,378,399,364</b>	<b>1,171,039,118</b>

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



**Global Connections Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	2015	2014
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	12	634,085,679	576,519,636
Trade and other payables	6,13	285,598,506	179,935,526
Current portion of liabilities under finance lease agreements	14	2,279,447	1,790,895
Income tax payable		8,435,806	4,373,932
Other current liabilities		5,766,113	3,983,122
<b>Total current liabilities</b>		<b>936,165,551</b>	<b>766,603,111</b>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreements - net of current portion	14	5,223,635	3,284,741
Provision for long-term employee benefits	15	14,912,610	12,354,610
<b>Total non-current liabilities</b>		<b>20,136,245</b>	<b>15,639,351</b>
<b>Total liabilities</b>		<b>956,301,796</b>	<b>782,242,462</b>

The accompanying notes are an integral part of the financial statements

**Global Connections Public Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	2015	2014
<b>Shareholders' equity</b>			
Share capital			
Registered			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Issued and fully paid up			
200,000,000 ordinary shares of Baht 1 each		200,000,000	200,000,000
Share premium		56,034,035	56,034,035
Retained earnings			
Appropriated - statutory reserve	16	24,000,000	24,000,000
Unappropriated		142,063,533	108,762,621
<b>Total shareholders' equity</b>		422,097,568	388,796,656
<b>Total liabilities and shareholders' equity</b>		1,378,399,364	1,171,039,118

The accompanying notes are an integral part of the financial statements



**Global Connections Public Company Limited**  
**Statement of comprehensive income**  
**For the year end 31 December 2015**

(Unit: Baht)

	Note	2015	2014
			(Restated)
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales		3,646,458,585	3,647,400,018
Other income		12,910,966	11,318,644
<b>Total revenues</b>		3,659,369,551	3,658,718,662
<b>Expenses</b>			
Cost of sales		3,417,223,865	3,447,358,570
Reduction of inventory to net realisable value (Reversal)		(1,000,000)	1,000,000
		3,416,223,865	3,448,358,570
Selling expenses		30,002,364	29,244,310
Administrative expenses		99,838,669	102,037,091
<b>Total expenses</b>		3,546,064,898	3,579,639,971
<b>Profit before finance cost and income tax expenses</b>		113,304,653	79,078,691
Finance cost		(14,196,158)	(19,326,801)
<b>Profit before income tax expenses</b>		99,108,495	59,751,890
Income tax expenses	18	(19,807,583)	(11,923,001)
<b>Profit for the year</b>		79,300,912	47,828,889
<b>Other comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial loss		-	(277,000)
Less: Income tax effect	18	-	55,400
<b>Other comprehensive income for the year</b>		-	(221,600)
<b>Total comprehensive income for the year</b>		79,300,912	47,607,289
<b>Earnings per share</b>	19		
Basic earnings per share		0.40	0.24

## Global Connections Public Company Limited

### Statement of changes in shareholders' equity

#### For the year ended 31 December 2015

(Unit: Baht)

	Note	Issued and fully paid up ordinary shares	Share premium	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2014</b>		200,000,000	56,034,035	24,000,000	119,155,332	399,189,367
Profit for the year (Restated)		-	-	-	47,828,889	47,828,889
Other comprehensive income for the year (Restated)		-	-	-	(221,600)	(221,600)
Total comprehensive income for the year		-	-	-	47,607,289	47,607,289
Dividend paid	22	-	-	-	(28,000,000)	(28,000,000)
Interim dividend paid	22	-	-	-	(30,000,000)	(30,000,000)
<b>Balance as at 31 December 2014</b>		200,000,000	56,034,035	24,000,000	108,762,621	388,796,656
<b>Balance as at 1 January 2015</b>		200,000,000	56,034,035	24,000,000	108,762,621	388,796,656
Total comprehensive income for the year		-	-	-	79,300,912	79,300,912
Dividend paid	22	-	-	-	(16,000,000)	(16,000,000)
Interim dividend paid	22	-	-	-	(30,000,000)	(30,000,000)
<b>Balance as at 31 December 2015</b>		200,000,000	56,034,035	24,000,000	142,063,533	422,097,568

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



**Global Connections Public Company Limited**  
**Cash flow statement**  
**For the year ended 31 December 2015**

(Unit: Baht)

	2015	2014
		(Restated)
<b>Cash flows from operating activities</b>		
Profit before tax	99,108,495	59,751,890
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities :-		
Depreciation and amortisation	11,666,641	11,910,435
Reduction of inventory to net realisable value (Reversal)	(1,000,000)	1,000,000
Gain on sales of motor vehicles and equipment	(2,009,239)	(1,724,992)
Loss on write-off of equipment	26	55,037
Unrealised gain on exchange	(340,474)	(101,825)
Long-term employee benefit expenses	2,558,000	2,183,000
Interest expenses	14,196,158	19,326,801
Profit from operating activities before changes in operating assets and liabilities	124,179,607	92,400,346
Operating assets (increase) decrease		
Trade and other receivables	(124,021,142)	844,455
Inventories	(65,220,393)	83,710,053
Other current assets	(8,750,875)	9,691,307
Other non-current assets	-	32,000
Operating liabilities increase (decrease)		
Trade and other payables	106,006,986	(55,281,432)
Other current liabilities	1,782,991	2,092,208
Cash flow from operating activities	33,977,174	133,488,937
Cash paid for interest expenses	(13,874,129)	(19,225,718)
Cash paid for corporate income tax	(16,057,308)	(14,114,383)
<b>Net cash flows from operating activities</b>	<b>4,045,737</b>	<b>100,148,836</b>

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



**Global Connections Public Company Limited**  
**Cash flow statement (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

	2015	2014
		(Restated)
<b>Cash flows from investing activities</b>		
Acquisition of motor vehicles and equipment	(7,407,478)	(3,290,006)
Proceeds from sales of motor vehicles and equipment	2,106,738	1,725,017
<b>Net cash flows used in investing activities</b>	<b>(5,300,740)</b>	<b>(1,564,989)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans from financial institutions	57,566,044	(48,485,906)
Cash paid for liabilities under finance lease agreements	(3,850,941)	(3,468,243)
Dividend paid	(16,000,000)	(28,000,000)
Interim dividend paid	(30,000,000)	(30,000,000)
<b>Net cash flows from (used in) financing activities</b>	<b>7,715,103</b>	<b>(109,954,149)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,460,100</b>	<b>(11,370,302)</b>
Cash and cash equivalents at beginning of year	36,246,583	47,616,885
<b>Cash and cash equivalents at end of year</b>	<b>42,706,683</b>	<b>36,246,583</b>
<b>Supplemental cash flows information :-</b>		
Non-cash transactions		
Motor vehicles purchased under finance lease agreements	5,952,825	4,403,728

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



## 1. Corporate information

Global Connections Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the wholesale of plastic and plastic-related products. The registered office of the Company is at 13/1 Moo 2 King-Kaew Road, Rachateva, Bangplee, Samuthprakarn.

## 2. Basis of preparation

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

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

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

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

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allows 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.

The Company has changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period’s transactions and restated the prior period’s financial statements, presented as comparative information, as if the Company had always applied this accounting policy.

The amounts of adjustments affecting the statements of comprehensive income are summarised below.

(Unit: Baht)

For the year ended

	31 December 2014
<b>Other comprehensive income:</b>	
<b>Profit or loss:</b>	
Decrease in actuarial losses	277,000
Increase in income tax expenses	(55,400)
Increase in profit	221,600
<b>Other comprehensive income:</b>	
Increase in actuarial losses	(277,000)
Income tax relating to component of other comprehensive income	55,400
Decrease in other comprehensive income	(221,600)

### 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 financial statements.

### (b) Financial reporting standards 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 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.

### 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 experiences and analysis of debt aging.

### 4.4 Inventories

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

### 4.5 Property, plant and equipment and depreciation

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

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

Buildings	-	20, 30 Years
Office equipment	-	3, 5 Years
Furniture and fixtures	-	5, 10 Years
Tools and equipment	-	5 Years
Motor vehicles	-	5 Years

Depreciation is included in determining income.

No depreciation is provided on land and land improvements.

#### 4.6 Intangible assets

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

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

Intangible assets with finite useful lives are computer software which have finite useful lives of 5 years.

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

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments are recognised as expense in profit or loss on a straight-line basis over the lease term.

#### 4.9 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, 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 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 recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reviews 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### 5. Significant accounting judgements and estimates

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

##### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

##### Allowance for doubtful accounts

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



### Reduction of inventory to net realisable value

In determining a reduction of inventory to net realisable value, the management needs to make judgement and estimates based upon, among other things, slow-moving inventories and net realisable value.

### Property, plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period 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.

### 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

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)

	2015	2014	Transfer pricing policy
<b><u>Transactions with related companies</u></b>			
Sales of finished goods	5	14	Similar to market price
Purchases of finished goods and compound service	54	52	Cost plus margin
<b><u>Transactions with management and directors</u></b>			
Sales of assets	1	1	At a rate set in the Company's regulation

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)		
	2015	2014
<u>Trade and other receivables - related parties</u> (Note 8)		
Integrity Plastics Company Limited	751	945
<b>Total</b>	<b>751</b>	<b>945</b>
<u>Advance payment for goods - related party</u>		
(Included in other current assets)		
Integrity Plastics Company Limited	2,495	7
<b>Total</b>	<b>2,495</b>	<b>7</b>
<u>Trade payables - related party</u> (Note 13)		
Integrity Plastics Company Limited	319	185
<b>Total</b>	<b>319</b>	<b>185</b>

#### Directors and management's benefits

Directors and management benefit expenses are benefits paid to directors and executives of the Company. Executives of the Company are as defined by the regulation of the Securities and Exchange Commission and comprise all directors, the managing director, the four most senior executives below the managing director, and all executives holding equivalent positions to the fourth most senior executive.

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

(Unit: Thousand Baht)		
	2015	2014
Short-term employee benefits	32,057	31,847
Post-employment benefits	3,458	3,452
<b>Total</b>	<b>35,515</b>	<b>35,299</b>



## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	2015	2014
Cash	60	60
Bank deposits	42,647	36,187
<b>Total</b>	<b>42,707</b>	<b>36,247</b>

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.01 and 0.10 percent per annum (2014: between 0.05 and 0.30 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	2015	2014
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	533,134	420,279
Past due		
Up to 1 month	144,034	130,287
1 - 3 months	10,330	16,051
3 - 6 months	2,882	-
6 - 12 months	452	-
Over 12 months	5,927	5,927
<b>Total</b>	<b>696,759</b>	<b>572,544</b>
Less: Allowance for doubtful accounts	(7,000)	(7,000)
<b>Total trade receivables - unrelated parties, net</b>	<b>689,759</b>	<b>565,544</b>

(Unit: Thousand Baht)

	2015	2014
<b>Trade receivables - related parties</b>		
Aged on the basis of due dates		
Not yet due	362	523
Past due		
Up to 1 month	389	422
Total trade receivables - related parties	751	945
Total trade receivables, net	690,510	566,489
<b>Other receivables - unrelated parties</b>	450	450
Total trade and other receivables, net	690,960	566,939

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	413,254	389,489	(8,000)	(9,000)	405,254	380,489
Goods in transit	96,550	55,094	-	-	96,550	55,094
Total	509,804	444,583	(8,000)	(9,000)	501,804	435,583

During the current year, the Company reversed the write-down of cost of inventories by Baht 1 Million, and reduced the amount of inventories recognised as expenses during the year (2014: The Company reduced cost of inventories by Baht 1 Million, to reflect the net realisable value).



## 10. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvements	Buildings	Office equipment, furniture and fixtures	Machines, tools and equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 January 2014	52,715	93,740	16,712	13,678	28,537	-	205,382
Additions	-	-	961	904	5,828	-	7,693
Disposals/write-off	-	-	(452)	-	(6,439)	-	(6,891)
31 December 2014	52,715	93,740	17,221	14,582	27,926	-	206,184
Additions	-	-	1,502	2,252	7,657	1,950	13,361
Disposals/write-off	-	-	(3,772)	(61)	(8,280)	-	(12,113)
31 December 2015	52,715	93,740	14,951	16,773	27,303	1,950	207,432
<b>Accumulated depreciation:</b>							
1 January 2014	-	36,673	14,141	9,378	21,124	-	81,316
Depreciation for the year	-	3,563	1,541	1,380	4,190	-	10,674
Depreciation on disposals/write-off	-	-	(397)	-	(6,439)	-	(6,836)
31 December 2014	-	40,236	15,285	10,758	18,875	-	85,154
Depreciation for the year	-	3,562	1,294	1,645	3,930	-	10,431
Depreciation on disposals/write-off	-	-	(3,771)	(61)	(8,184)	-	(12,016)
31 December 2015	-	43,798	12,808	12,342	14,621	-	83,569
<b>Net book value:</b>							
31 December 2014	52,715	53,505	1,936	3,824	9,051	-	121,030
31 December 2015	52,715	49,942	2,143	4,431	12,682	1,950	123,863
<b>Depreciation for the year:</b>							
2014 (included in selling and administrative expenses)							10,674
2015 (included in selling and administrative expenses)							10,431



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

As at 31 December 2015, certain items of equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 26 Million (2014: Baht 25 Million).

## 11. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Computer software - cost	6,181	6,181
Less: Accumulated amortisation	(3,708)	(2,472)
Net book value	2,473	3,709

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Net book value at beginning of year	3,709	4,946
Amortisation	(1,236)	(1,237)
Net book value at end of year	2,473	3,709

## 12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate	2015	2014
	(Percent per annum)		
Promissory notes	Market Rate	630,000	550,000
Trust receipt payable	Market Rate	4,086	26,520
Total		634,086	576,520

As at 31 December 2015, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 818 Million (2014: Baht 1,094 Million).



### 13. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade payables - unrelated parties	270,850	171,168
Trade payables - related party	319	185
Accrued expenses	14,430	8,583
Total trade and other payables	285,599	179,936

### 14. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2015	2014
Liabilities under finance lease agreements	8,292	5,693
Less: Deferred interest expenses	(789)	(617)
Total	7,503	5,076
Less: Portion due within one year	(2,279)	(1,791)
Liabilities under finance lease agreements - net of current portion	5,224	3,285

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2015		
	Less than 1 Year	1 - 5 Years	Total
Future minimum lease payments	2,642	5,650	8,292
Deferred interest expenses	(363)	(426)	(789)
Present value of future minimum lease payments	2,279	5,224	7,503

(Unit: Thousand Baht)

	As at 31 December 2014		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,078	3,615	5,693
Deferred interest expenses	(287)	(330)	(617)
Present value of future minimum lease payments	1,791	3,285	5,076

## 15. 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)

	2015	2014
		(Restated)
<b>Provision for long-term employee benefits at beginning of year</b>	12,355	9,895
Included in profit or loss :		
Current service cost	2,177	1,870
Interest cost	381	313
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	-	6
Financial assumptions changes	-	509
Experience adjustments	-	(238)
<b>Provision for long-term employee benefits at end of year</b>	14,913	12,355



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

(Unit: Thousand Baht)		
	2015	2014
		(Restated)
Selling expenses	295	252
Administrative expenses	2,263	1,931
<b>Total expense recognised in profit or loss</b>	<b>2,558</b>	<b>2,183</b>

The Company expects to pay Baht 3.4 Million of long-term employee benefits during the next year (2014: Baht 3.4 Million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 6 years (31 December 2014: 6 years)

Significant actuarial assumptions used for the valuation are summarised below:

	2015	2014
	(% per annum)	(% per annum)
Discount rate	3.1	3.1
Future salary increase rate	3.0 - 7.2	3.0 - 7.2

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

(Unit: Million Baht)		
	Increase 1 %	Decrease 1 %
Discount rate	(0.6)	0.7
Future salary increase rate	0.7	(0.6)

## 16. Statutory reserve

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

## 17. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	2015	2014
Salaries and wages and other employee benefits	85,555	82,567
Depreciation and amortisation	11,667	11,910
Rental expenses from operating lease agreements	7,654	9,376
Purchase of inventories	3,424,867	3,359,879
Changes in inventories of finished goods	(23,765)	69,266

## 18. Income tax

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

(Unit: Thousand Baht)

	2015	2014
		(Restated)
<b>Current income tax:</b>		
Current income tax charge	20,120	12,560
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(312)	(637)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>19,808</b>	<b>11,923</b>



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

(Unit: Thousand Baht)

	2015	2014
Deferred tax relating to actuarial loss	-	(55)

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

(Unit: Thousand Baht)

	2015	2014
		(Restated)
Accounting profit before tax	99,108	59,752
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	19,822	11,950
Effects of non-deductible expenses	56	228
Effects of additional expense deductions allowed	(70)	(255)
Income tax expenses reported in the statement of comprehensive income	19,808	11,923

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	2015	2014
<b>Deferred tax assets</b>		
Reduce cost of inventories to net realisable value	1,600	1,800
Provision for long-term employee benefits	2,983	2,471
<b>Total</b>	<b>4,583</b>	<b>4,271</b>



## 19. Earnings per share

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

The following table sets forth the computation of basic earnings per share:

	2015	2014
		(Restated)
Profit for the year (Thousand Baht)	79,301	47,829
Weighted average number of ordinary shares (Thousand shares)	200,000	200,000
Earnings per share (Baht/share)	0.40	0.24

## 20. 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 is organised into business units based on its product categories and has the following three operating segments:

- The Commodity Polymer business unit, which is the segment for distribution of commodity polymers used in the transformation process of general plastic-products.
- The Specialty and Engineering Polymer business unit, which is the segment for distribution of special grade polymers that have unique characteristics, such as enabling hardness, durability, refractory and resistance to chemical substances.
- The Specialty Chemical business unit, which is the segment for distribution of special additive products that add value to products and add unique characteristics to additive compounded products.

The Company has aggregated all operating segments and presented them as the reportable segment. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard. The Company's operation is carried out from the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the year 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 21. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 4 to 15 percent of basic salary. The fund, which is managed by Bangkok Capital Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 4 Million (2014: Baht 3 Million) were recognised as expenses.

## 22. Dividends

Dividends declared in 2015 and 2014 and already recorded consist of the followings:-

(Unit: Baht)			
	Approved by	Total dividends	Dividend per share
Dividends for 2014	Annual General Meeting of the shareholders on 3 April 2015	16,000,000	0.08
Interim dividends for 2015	A Meeting of the Company's Board of Directors on 6 August 2015	30,000,000	0.15
Total for 2015		46,000,000	0.23
Dividends for 2013	Annual General Meeting of the shareholders on 4 April 2014	28,000,000	0.14
Interim dividends for 2014	A Meeting of the Company's Board of Directors on 5 August 2014	30,000,000	0.15
Total for 2014		58,000,000	0.29

## 23. Commitments and contingent liabilities

### 23.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of warehouse and equipment. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments under these lease agreements were as follows.

(Unit: Million Baht)

	As at 31 December	
	2015	2014
Payable:		
in up to 1 year	8	7
in over 1 and up to 4 years	-	7

### 23.2 A commitment under trade credit insurance policy

The Company has entered into a commitment under trade credit insurance policy with an insurance company in which the Company is to pay the minimum insurance premium amounting to approximately Baht 0.7 Million (31 December 2014: Baht 0.7 Million) in 2016.

### 23.3 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 61 Million (2014: Baht 61 Million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These are letters of guarantee to guarantee payments due to creditors and to guarantee electricity use.

## 24. Financial instruments

### 24.1 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, short-term loans, trade and other payables 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 short-term borrowings, cash at banks and liabilities under finance lease agreements. However, since short-term borrowings bear fixed interest rates which are close to the market rate and most of the Company's financial assets and liabilities bear non-interest, the interest rate risk is expected to be minimal.

### *Foreign currency risk*

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company manages its exposure to foreign currency risk by considering purchase/sale of forward contracts from time to time so as to reduce exposure to the foreign currency risk which may incur.

As at 31 December 2015, the Company had foreign currency-denominated trade accounts payable and trust receipt payable of USD 4.9 Million (2014: USD 2.6 Million) and had outstanding forward exchange contracts as presented below.

	Amount (Million)	Maturity date	Contractual exchange rate (Baht per 1 foreign currency unit)
<u>As at 31 December 2015</u>			
Buy US dollar	7.7	11 April 2016 - 29 December 2016	35.65 - 36.72
<u>As at 31 December 2014</u>			
Buy US dollar	2.3	12 May 2015 - 6 July 2015	32.99 - 33.22

## 24.2 Fair values of financial instruments

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

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.

## 25. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

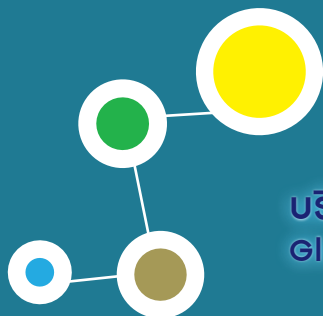
The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2015, the Company's debt-to-equity ratio was 2.27:1 (2014: 2.01:1).

## 26. Event after the reporting period

On 16 February 2016, the Board of Directors passed a resolution to propose the payment of a dividend in respect of the 2015 earnings of Baht 0.35 per share, or a total of Baht 70 Million to its shareholders. The Company paid an interim dividend of Baht 0.15 per share, or a total of Baht 30 Million, in September 2015. The remaining of Baht 0.20 per share, or a total of Baht 40 Million will be paid and recorded after being approved by the Annual General Meeting of the shareholders.

## 27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2016.



**GLOBAL  
CONNECTIONS**  
PUBLIC COMPANY LIMITED

**บริษัท โกลบอล คอนเน็คชั่นส์ จำกัด (มหาชน)**  
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