

2016  
Annual Report



*Our Efficiency, Ethics, Innovation, Quality and Safety  
you can always rely on.*

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## MESSAGE FROM THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

Dear Valued Shareholders,

The Company's operation in the previous year had focused on the strategic business direction as planned, in order for a steady growth of the Organization in the integration of AEC which had been divided into 4 plans, to be clearer and achievable targets in 2017 as follows;

### 1. Acceleration of Development and Preparations

The Company had accelerated the development and preparation of the human resource and the international standard system relating to the inspection and the business operation by adopting the modern technology, communication and management for both the tools, equipment including creating advance innovations in the Organization for the purpose of improving the efficiency of the services for the customers and to empower the capability to compete with the foreign entrepreneurs in the industries with business opportunities. A successful project, to the certain extent, is “ **the Development of technological innovations to enhance the inspection for safety engineering in the industrial sector to the maximum efficiency with the T-RIT (X-Ray Crawler with Magnotape)**”, which is the innovation used for inspecting the pipelines of gas, oil and chemical automatically with the speed that is 20 times faster than the original but utilizing the same amount of personnel. The Company had presented this project in order to receive funding support for the production expansion to the National Innovation Agency, in accordance with the government's policy to encourage innovation development in order to prepare for the growth of this industry within the AEC.

### 2. Service Expansion

The Company had adjusted the business management policy to better suit the situation by expanding the services to new groups of customers and enhancing the scope of inspection including the complete service solutions in various industrial groups such as transportation, constructions, real estates and communications. This also includes being the consultant and the projects joint management which had continuously been in the development plan for no less than 2 years and had received positive feedbacks. However, due to the economic situation that had not yet recovered, the business expansion had not been as well as it should be, but it is expected that in 2017, the operation will be possible commercially.

### 3. Business Expansion

The Company plans to expand its businesses to the AEC where there are business opportunities with Advanced Technologies and newly created innovations such as the Lao People's Democratic Republic, the Socialist Republic of Vietnam, the Republic of the Union of Myanmar and Republic of Indonesia, especially in Indonesia where the Company had been significantly successful by realizing the revenue sooner than expected since the 4th quarter of 2015. Although it is not much, it is likely to be the Company's source of revenue in the future.

### 4. Diversifying to the Energy Business

The Company had established a 20 MW coal power plant together with the local partners in the Republic of the Union of Myanmar. The project is progressing continuously with lands adjustment in preparation for the construction and also preparing the coals which are used as raw materials for the plants. The operation of the projects proceeds according to the MOU of the 25th July 2014 and signed the MOA on the 19th February 2015 and had received the Power Purchase Agreement (PPA) on the 2nd August 2015. The Company and partners had participated in the First Piling ceremony on the 21st January 2016 for the prosperity of the project. Currently, the project had already recognized the Environmental Impact Assessment (EIA) and the Health Impact Assessment (HIA) by the government in Tachileik on the 28th December 2015 and will further request for the certification of Myanmar Investment Commission (MIC). This will take about 3 - 6 months since the documents have already been completely prepared. The project has greatly been supported by the local authorities since it is the project that responds to the demand of the community to use electricity for better quality of life, and also the opportunity for economic expansion. Therefore no obstructions were met from the side of the land owner, including the opportunities to receive financial support from the local financial institution, which is still under the process of being implemented.



## MESSAGE FROM THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

### 4. Expanding into the Energy Business (continue)

However, up until now, there have been no supports from the domestic financial institution, and still cannot use the financial status of being the listed company to operate the said project, despite it being a great opportunity for the Company to grow sustainably. Therefore, in order to secure this project, the Company had utilized some of the Company's capital and personal assets of the Managing Director to guarantee the credit limits in order that the project may continue, which is for the benefits of all shareholders and to respond to the government's policy of investment expansion into neighboring countries.

As for the performance in 2016, the Company was severely affected by the oil and gas price crisis which had rapidly and continuously declined since the year 2015. The crisis resulted in more than 50% decrease in the testing and inspection industry especially the NDT inspections. This led to severe competition both in terms of prices and the strategies to acquire works by the competitors, including the terms for the auctions and hiring of contractors become more complex than the normal practices. The said terms and conditions made it difficult for the Company to adapt. Although the Company was facing low chances to acquire work, there was still not much to worry since some of the Company's works had been postponed to this year. When the new terms of bidding had been established, the Company clearly recognized that the effect on revenue of the Company was more severe than expected, due to lesser works quantity, despite reducing the costs within the Organization, finding other sources of income, including the revenue earned from the Republic of Indonesia to mitigate the violence, but the performance was still decreasing by 20% and the profit also down by 55% when compared to the year 2015. The revenue from the NDT testing services was considered 75% of the total revenue, resulting the crisis was more severe than anticipated. However, the Company is confident that this crisis will soon be over and the situation will turn to normal, together with the existing business plan, the Organization will be able to grow as planned eventually.

With the progress of the projects as mentioned, the Company would like to thank all of the care and support from the investors who have closely followed our operations. The Company would like to thank all organizations in the Republic of the Union of Myanmar that had supported all of our operations as planned, all the projects specialists who have given advices, customers and the trading partners who have given us supports, including all employees of the Organization who have given their help to all activities of the Company. As the Chairman of the Board, the Managing Director and Executives will always adhere to the sustainable growth of the Organization for the future.

Sincerest gratitude to all,

(Mr. Suwat Dangpibulskul)  
Chairman of the Board

(Miss Chomduen Satavuthi)  
Managing Director



## FINANCIAL SUMMARY

### Financial Statement as of December 31, 2016. [The Company Only]

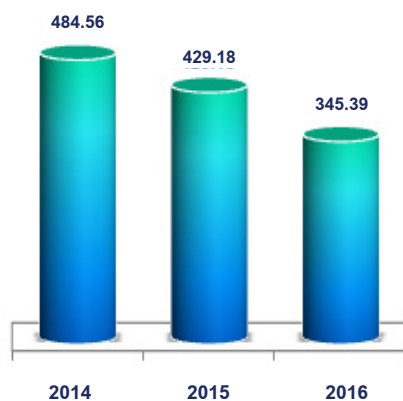
Topic	2014	2015	2016
<b>Financial Position/Operating Results</b>			
(Million Baht)			
Total Revenues	484.56	429.18	345.39
Total Cost and Expenses	393.79	361.47	315.47
Gross Profit	131.38	104.70	84.77
Net Profit	90.16	66.98	29.56
Total Assets	586.70	762.31	861.67
Total Liabilities	93.22	239.11	325.94
Shareholder's Equity	493.48	523.20	535.74
Retain Earning (unappropriated)	332.02	362.00	374.56
<b>Financial Ratio</b>			
Net Profit Margin (%)	18.61	15.61	8.56
Return on Equity (%)	19.33	13.18	5.58
Return on Asset (%)	16.61	9.93	3.64
Debt Equity Ratio (times)	0.19	0.46	0.61
Net Profit per Share (Baht)	0.90	0.67	0.30
Book Value per Share (Baht)	4.93	5.23	5.36

Revenue of Services (Million Baht)	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
1. Revenue of the Service-NDT	453.08	93.50	378.72	88.24	279.26	80.85
2. Revenue of the Service-Inspection	23.76	4.90	41.46	9.66	59.32	17.17
<b>Total Revenue of the Services</b>	<b>476.84</b>	<b>98.40</b>	<b>420.18</b>	<b>97.90</b>	<b>338.58</b>	<b>98.03</b>
3. Other Revenue	7.72	1.59	9.00	2.10	6.81	1.97
<b>Total Revenue</b>	<b>484.56</b>	<b>100.00</b>	<b>429.18</b>	<b>100.00</b>	<b>345.39</b>	<b>100.00</b>

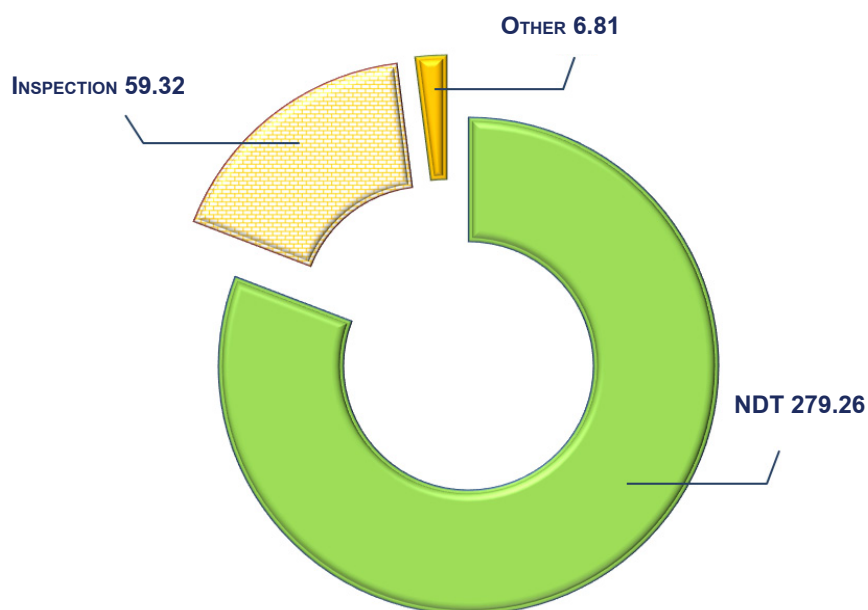


## FINANCIAL SUMMARY

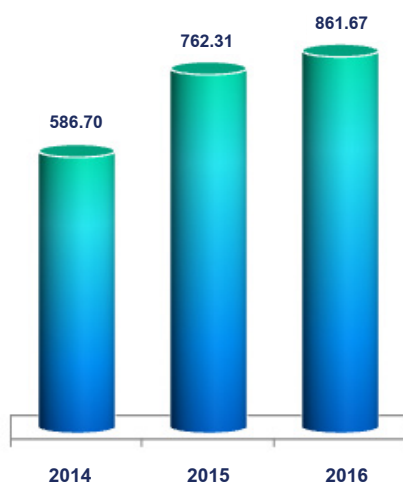
TOTAL REVENUE



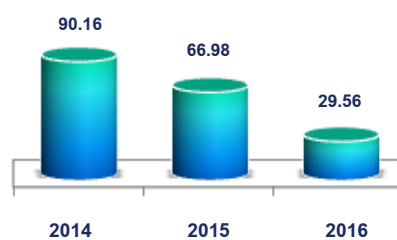
REVENUE OF SERVICE IN YEAR 2016



TOTAL ASSET



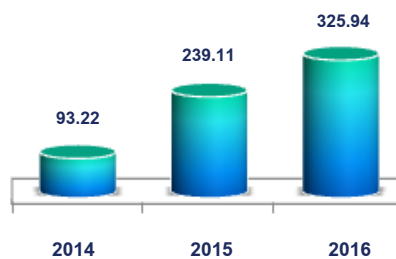
NET PROFIT



SHAREHOLDER'S EQUITY



TOTAL LIABILITIES



## COMPANY INFORMATION AND COMMUNICATION

<b>Company Name</b>	:	THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED
<b>Trading Name</b>	:	TNDT
<b>Established</b>	:	APRIL 21, 1982
<b>Registration No.</b>	:	0107550000025
<b>Type of Business</b>	:	NONDESTRUCTIVE TESTING & INSPECTION SERVICES (NDT)
<b>Capital - Registered</b>	:	100 Million Baht
<b>Capital - Paid - up</b>	:	100 Million Baht
<b>Par Value per Share</b>	:	1 Baht
<b>No. of Share</b>	:	100 Million Ordinary Shares
<b>Head Office</b>	:	19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240
<b>Telephone</b>	:	(66) 0-2735-0801 (Auto 10 lines)
<b>Fax</b>	:	(66) 0-2735-1941
<b>Branch Office</b>	:	29 Banphlong Road, Mabtaput Sub-District, Muang District, Rayong 21150
<b>Telephone</b>	:	(66) 0-3869-2226-7
<b>Fax</b>	:	(66) 0-3869-2229
<b>Home page</b>	:	www.tndt.co.th
<b>E-mail</b>	:	headoffice@tndt.co.th

### Registrar :

THAILAND SECURITIES DEPOSITORY CO.,LTD.  
93 The Stock Exchange of Thailand Building  
Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400  
TEL. (66) 0-2009-9381  
FAX. (66) 0-2009-9476

### Independent Director :

Independent Committee  
19 Soi Suanson 8, Ramkhamhaeng Road,  
Huamark, Bangkok, Bangkok 10240  
E-mail: independent@tndt.co.th

### Investor Relations Office :

MR. SOMOUY TANGCHITTHAVORNGUL  
19 Soi Suanson 8, Ramkhamhaeng Road,  
Huamark, Bangkok, Bangkok 10240  
TEL. (66) 0-2735-0801 (Auto 10 lines)  
FAX. (66) 0-2735-1941  
E-mail: som\_ouy@tndt.co.th

### Company Secretary Office :

MISS SASIPRAPHA SAENGCHAI  
19 Soi Suanson 8, Ramkhamhaeng Road,  
Huamark, Bangkok, Bangkok 10240  
TEL. (66) 0-2735-0801 (Auto 10 lines)  
FAX. (66) 0-2735-1941  
e-mail: secretary@tndt.co.th

### Auditor :

MR. METHEE RATANASRIMETHA  
Registered Auditor No. 3425  
M.R. & ASSOCIATES Company Limited  
705-706 Chaophaya Tower (Shagri-La Hotel)  
89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500  
TEL. (66) 0-2630-7500  
FAX. (66) 0-2630-7506

### Internal Auditor :

MR. KROD SONGMUANG  
1/71 Moo 20, Bangpleeyai, Bangplee,  
Samutprakarn 10540  
TEL. (66) 0-2257-0820  
FAX. (66) 0-2257-0836

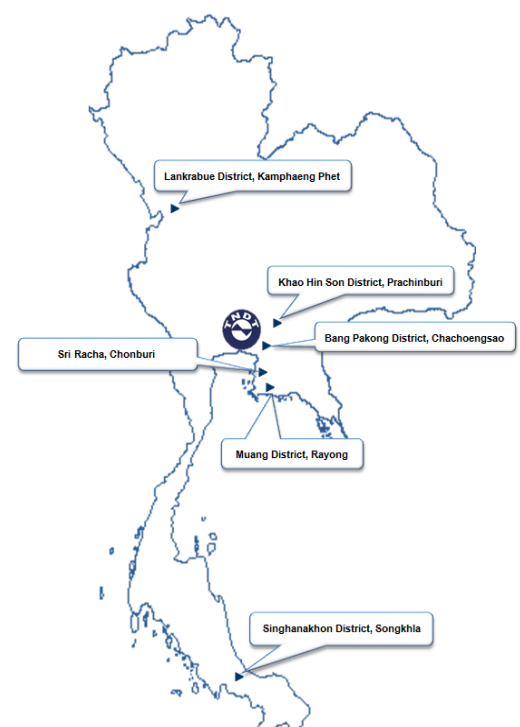
### Other companies in which the proportion of shares held is 10%

or greater : Please see the Business Structure on page 14

Other references : NONE

### Other Information

For more information, please see the Annual Disclosure Information (56-1)  
as presented on the [www.sec.or.th](http://www.sec.or.th) or [www.set.or.th](http://www.set.or.th) and  
the Company Website ([www.tndt.co.th](http://www.tndt.co.th)).





## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

### Dear Valued Shareholders,

The Nomination and Remuneration Committee (NRC) comprises of three members, Mr. Narong Rattana / Chairman of the Nomination and Remuneration Committee (Independent Director), Mr. Vichai Watcharavattanakul / Director of the Nomination and Remuneration Committee (Independent Director) and Mr. Chaya Jivakate Director of the Nomination and Remuneration Committee (Non-executive (non-management)), more than half of its members are Independent Directors. During the year 2016, the Committee convened 2 meetings.

The Committee's responsibilities are to determine guidelines and policies of the nomination of the Company's Directors who retired by rotation and the Top Executives (Managing Director and Deputy Managing Director) with transparency, including to determine appropriate and fairness remuneration of the Directors and Managing Director. All of the Nomination and Remuneration members are knowledgeable on their roles and corporate governance, being independent, honest and careful and time devotee on their duties, being fairness in nomination and selection of the nominated persons, the remuneration are to be considered as well. In addition, on the agenda of the Directors having conflict of interest, those Directors will abstain in that agenda.

### The results of the Nomination and Remuneration Committee's performance on significant issues can be summarized as follows:

#### **1. Determine guidelines and policies of the nomination of the Company's Directors and the Top Executives.**

The Nomination and Remuneration Committee (NRC) determines the guidelines and policies of the nomination and selection of persons to be nominated as Directors to replace those who retired by rotation, the Top Executives are as well. In year 2016, the Committee has carefully considered the qualification of the three members in compliance with the related Rules and Regulations of the Public Company Act B.E.2535 (1992) and the Securities and Stock Exchange Act, Manual of Company's Corporate Governance and Director Qualification which were listed on **the Company Website (www.tndt.co.th)** in the Sustainability section under the title of "Corporate Governance - Corporate Governance Policy - section 5 Board Responsibilities", on **the Annual Report 2016**, the topic of "Selection of Board Members and Top Executives" and **the Annual Disclosure Information 2016**, part 2 Management and Corporate Governance, title of "Selection of Board Members and Top Executives" under the topic "Corporate Governance". Moreover the knowledge, qualifications, past experiences and expertise for the benefits of the Company's operations, the past performance of Directors and the Top Executives would be considered. Then the Nomination would be proposed to the Board of Directors for further consideration, the Members of NRC who had conflict of interest or the Directors who were considered, would abstain in that consideration. Furthermore, the proposed Directors and Top Executives would be proposed for approval by the General Meeting of Shareholders No. 10/2016.

In addition, as the Board of Directors' Meeting No. 5/2016, the Nomination and Remuneration Committee and the Company Secretary were to monitor the Company to allow the shareholders to nominate candidates for election as Directors at the Annual General Meeting of Shareholders for the year 2017, which was distributed to the shareholders through the Stock Exchange of Thailand and **the Company Website (www.tndt.co.th)** during January 4, 2017 to February 3, 2017.

#### **2. Determine guidelines and policies of the remuneration of the Company's Directors and the Managing Director.**

2.1 Remuneration of the Director was determined by taking into careful consideration, compared to other listed companies in the related industry, the survey data on the remuneration of the Stock Exchange of Thailand, the business expansion and results of operations of the Company together with the duties and responsibilities in the past year. They would be presented to the Board of Directors and proposed to the shareholders for approval at the Annual General Meeting of Shareholders.

2.2 Remuneration of the Managing Director was determined by taking into the results of operations, the growth of Company's profits, and the results of the operations including the duties and responsibilities according to strategic objectives in the past year and presented to the Board of Directors for approval and managerial proceeding later.

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

### 3. Development Plan for Directors.

The Nomination and Remuneration Committee has governed the development plan for the Board and Committees to develop their duties for the best interests of the organization, as well as to develop the knowledge in case of any changes of the Laws, Rules and Regulations which was related to the business or set up by the Securities and Exchange Commission, SET, the Capital Market Commission, Thai Institute of Directors and etc. The New Directors were required to attend the orientation of the Board of Directors according to the SET Guidance, in order to acknowledge the significant information of the Company's operations, duties and responsibilities, guidance on the law, rules and regulations, notices and conditions as being the Directors in the listed company of SET.

### 4. Review and Practice on the Charter of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has reviewed the charter of the Nomination and Remuneration Committee in order to comply with the Rules and Guidelines under the principles of good corporate governance, as well as compliance with Rules and Regulations of the Securities and Exchange Commission and other concerned. The Nomination and Remuneration Committee has completely practiced on the Charter of the Nomination and Remuneration Committee.

### 5. Consider and Review the performance assessment forms of the Board of Directors and Managing Director.

The Committee has considered and reviewed the performance assessment forms of the Board of Directors, the assessment of the adequacy of internal control, and the performance assessment forms of the Managing Director by comparison with the assessment of SET in order to develop their duties efficiently and to be partial factor to consider the annual remuneration of the Board of Directors and Managing Director.

### 6. Consider the Self - Assessment.

In the past year, the Nomination and Remuneration Committee has reviewed its performance together with the Board of Directors' opinion in the Nomination and Remuneration Committee 's assessment, the Committee was of the opinion that its entire and individual assessment were excellent, rendered its effectiveness and completely achieved the objectives set by the Board of Directors and reported their annual assessment to the Board of Directors.



(Mr. Narong Rattana)

Chairman of

the Nomination and Remuneration Committee



# REPORT OF THE AUDIT COMMITTEE

## Dear Valued Shareholders,

The Audit Committee of the Thai NDT Public Company Limited comprises of three Independent Directors, Dr. Wicha Jivalai - Chairman of the Audit Committee / Independent Director, Mr. Narong Rattana - Director of the Audit Committee / Independent Director and Mr. Vichai Watcharavattanakul - Director of the Audit Committee / Independent Director. All of the Audit Committee members are not executives, employees, consultants of the Company and possess all required qualifications as stipulated by the Stock Exchange of Thailand. The Committee's policies are to focus the Company on the compliance of Good Corporate Governance, the appropriateness of Risk Management, the efficiency and effectiveness of Internal Control and Internal Audit System, and the development and improvement of audit process in accordance with the modification of circumstances. In all, the Audit Committee has performed its duties independently, in line with the guidelines and practices of the Audit Committee of Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2016, all the Audit Committee members convened four meetings where the executives, internal controllers and auditors were presented and discussed on their relevant topics.

### The results of the Audit Committee's performance on significant issues can be summarized as follows:

#### **1. The Review of the quarterly and annual financial statements of 2016.**

The Audit Committee reviewed the Company's quarterly and annual financial statements, the connected transactions and conflict of interests as well as relevant financial reports of the Company and its subsidiaries. Together with the external auditors, the Committee concluded that the Company's financial statements, financial reports have been prepared with appropriateness in all its major contents according to Thai Financial Reporting Standard - TFRS and legal requirements. The appropriate accounting records, scopes of audit of the auditor and the adequate disclosure as well as the monitoring were done on disclosure of relevant transactions between the Company and its subsidiaries and among the connected persons including the audit of the related party transaction, accompanying with statement of auditors, internal auditors and other officials concerned. These was to ensure that the Company has prepared the financial statements as per the regulations and disclosed all correct relevant transactions to comply with the regulations set forth by the Stock Exchange of Thailand. The meetings attended by only the external auditors, were held without attendance of the Company's management, and allowed the external auditors' independence in their duties and opinions.

Having carried out their responsibilities, the Audit Committee was of the opinion that the financial statements of the Company for the year ended 31 December 2016 has been prepared in accordance with the financial reporting standards of Thailand, reliable, transparency and with adequate disclosure. The external auditors have commented on the report of the independent auditors, which were presented to the Board of Directors of the Company and its shareholders, and no significant observations.

#### **2. Assessment and Monitoring of Internal Control System and Internal Audit.**

The Audit Committee has reviewed the reports of Internal auditors for the internal control system and internal audit, together with determined the scope of work to include all significant and necessary business and working procedures, and given recommendations regarding improvements of internal audit performance to be more efficient by focusing on risk assessment on the activities level to cover the significant and high risk entities. The Committee has also considered the internal audit reports and monitored the correction of essential issues, reviewed of the budget preparation and human resource management, and assessed for annual performance of the internal audit. The Audit Committee agreed that the Company's internal audit was conducted with appropriateness covering risk factors and effectiveness in business performance, efficiency in disclosure of comprehensive information, appropriateness in the Company's assets protection and found no major fraudulent incidents, in line with the external auditors' conduct, reported no major fraudulent incidents on the Company's Financial Statements.

#### **3. Monitoring the assessment of Risk Management.**

The Audit Committee monitored the policies and planning of risks management along with the corporate risk profile in operations, so as to reduce or control the risks both the internal and external factors together with the overseas businesses. Moreover, the Committee monitored the Company's operational system and the adequacy of risks control system in order for everyone in the Company to realize the risk and to be mutual responsible both executives and employees. The Audit Committee found that the system of the Company's risk assessment, risk management of business operations in all internal and external factors, including anti-corruption policy were adequate and efficient to manage the risk, prevented any activities which might cause any corruption of the Company and reduced the impact of any potential risk.

## REPORT OF THE AUDIT COMMITTEE

### 4. Monitoring of Good Corporate Governance and the Concerned Rules & Regulatory Compliance.

The Committee has monitored the code of business conduct and corporate governance and found that the Company has complied with the Code of Business Conduct and Corporate Governance. The Company was committed to sustain the business practices guidelines under corporate governance by adhering to operate on the basis of Corporate Social Responsibility, Community and Environment. The Anti-Corruption Policy was performed on each activity of operations as well. The Committee has self-assessed on anti-corruption measures in accordance with the requirements of Thai Institute of Directors. In 2016, the Company has been assessed for Corporate Governance Responsibility (CGR) on Excellent Level.

The Audit Committee monitored the Company's compliance with the Regulations and the Requirements of the Stock Exchange of Thailand and other relevant laws pertaining to its businesses and performances, and found that the Company has complied with legal and relevant regulatory requirements and no significant deficiencies were found.

### 5. The Review and Practice of the Charter of the Audit Committee.

The Audit Committee has reviewed the charter of the Audit Committee annually in order to comply with the Rules and Practices under the Principles of Good Corporate Governance, as well as the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee has regularly and entirely practiced on the Charter of the Audit Committee.

### 6. Assessment of the performance and the appointment of certified external auditors for the year 2017.

The Audit Committee was satisfied with the results of the independent assessment, the professionalism, and the expertise of the certified external auditors in the past year. The Committee has reviewed all appropriateness and appointed the auditors as well as having determined remuneration and presented those to the Board of Directors seeking for approval of the shareholders on the Annual General Meeting.

1. Mr. Pisit	Chiwaruengroch	Auditor Licence No. 2803	and/or
2. Mr. Akadet	Pienskul	Auditor Licence No. 5389	and/or
3. Mr. Korramann	Jaturapornprom	Auditor Licence No. 6210	

of M.R. & ASSOCIATES Co., Ltd. to be the auditors of the Company and its subsidiaries for 2017. The Audit Committee also expressed its opinion and proposed the auditors remuneration such as quarterly and annual audit fees, monitoring for BOI fee and other services.

### 7. Monitoring of relevant transactions which may have conflicts of interests.

The Audit Committee has monitored the relevant transactions which might have conflicts of interests in order to comply with principles of fairness, transparency, adequate information and timely disclosure, ascertain and best interests of the Company.

The Audit Committee concluded that the connected transactions or the conflict of interests were conducted on appropriate and reasonable business practices, complied with the stipulated business conditions completely as well as the regulations of the Stock Exchange of Thailand.

### 8. Considering the Self-Assessment.

The Audit Committee has performed individually and entirely for self-assessment according to the Good Corporate Governance of the Stock Exchange of Thailand and the opinions upon the Committee performance received from previous practices.

The Audit Committee was of the opinion that its self-assessment was excellent, rendered its effectiveness and achieved the objectives set by the Company's Board of Directors sufficiently and completely.



(Dr. Wicha Jiwalai)  
Chairman of the Audit Committee





## BUSINESS OVERVIEW

### About TNDT

Thai NDT PCL was founded in 1982 by a group of experts from various engineering fields, in order to establish the business in testing and inspection services of safety science and safety engineering for the industrial sector, with a vision that foresees the growth and sustainability of this business. Since Thailand had utilized natural gas for the first time in 1980, the industrial sector businesses had expanded widely and rapidly, especially the energy sector and all other chains of business stemming from it, including large scales structures. Therefore, a variety of new technologies have been introduced, and since all technologies contain certain risks within itself, there must be regulations that govern the safe usage of these technologies in accordance with the international standard. One of the requirements is the periodic testing and safety inspection and the Nondestructive Testing (NDT) is one of the techniques that are used for inspection. As the technologies of the industrial sectors constantly developed as time passes, so does the NDT services which must develop its techniques to conform with the demands of the industry in order for the growth in the same direction.

Other than the attractiveness in terms of business investment, this is clearly a Social Enterprise with the responsibility towards the social and the environment. Moreover, it is paramount that the entrepreneur in this type of business is Thai due to the involvement in overseeing and taking responsibilities to the engineering safety domestically, which is a factor of national security that many countries have reserved to entrepreneurs only for their countries. With these reason in mind, the first Thai owned NDT-business company was formed with the professional intentions that relate to the safety in lives, properties and the environment, operating the business ideally, proceeding on the basis of strict Code of Conduct, Professional Ethics, Morals and Virtues for sustainable growth. Since the Company's business is related to a variety of industries, there are opportunities for development and learning, leading to more appropriate business lines in the future.



# BUSINESS OVERVIEW

## 1. Nature of Business

Thai Non-Destructive Testing Public Company Limited (TNDT) is a technical service company operating engineering safety inspection and testing by means of non-destructive techniques (Non-destructive Testing-NDT). The approach does not cause any changes to the tested objects before, while or after the testing. It is intended to make a thorough inspection and testing of the compositions of equipment or areas that are generally not accessible or visible by human inspection, or not possible by other basic methods. The test results will be used to assess and analyse the completeness and safety level of the equipment in engineering works. In the testing process, both physics and chemical tools are used and based on scientific approaches, especially in the fields of physics, radioactivity substances, and chemistry. The testing has to be carried out under the close supervision of personnel with qualifications and expertise according to internationally-accepted regulations and professional standards. The Company provides services according to customer needs. The services are available as Real Time system, being on-site during the production or assembly processes, according to scheduled timetables or when needed, such as to check for defects caused by other surrounding factors. The safety inspection and testing are necessary to ensure that every equipment and finished product is safe and ready for use, as well as to assist in the planning of maintenance schedules. Most of the customers are entrepreneurs in businesses with a high risk of accidents, as failure can mean the loss of lives, property and environmental damages, precision and accuracy is of paramount importance in this service industry. Inspectors and techniques in this service must be up to internationally-accepted standards, legal requirements, ethical code of conduct and professional practices.

## 2. Organizations concerned with the Business Operation

The Company has to conduct the business under the Rules and Regulation of private and government agencies. The Company is fully qualified according to all the regulations specified by the agencies concerned of the following regulatory organizations:

### 2.1 Department of Energy Business, Ministry of Energy

issues the certificate for inspection of LPG cooking gas and oil cylinder, gas storage tank, gas & oil transportation tank, pipeline, piping systems and re-fuel gas & oil station. The Company is registered and approved as Type 1 Operator according to the Certificate No. Torbor. 1/2555/2558 which is the highest level.

### 2.2 Office of Atoms for Peace, Ministry of Science and Technology

A. the organization which supervises safety aspects incurred from radiation activation maintaining its authority to issue the followings :-

- Certificates to export the special nuclear materials, byproducts, or source materials (Phor Por Sor 6 Kor), (Phor Por Sor 6 Khor).
- Certificate of manufacturing, possessing, and utilising the byproducts (Ir-192) (Phor Por Sor 4Kor-1).
- Certificates to possess or utilise the source materials to be chemically transformed (Dpt.U) (Phor Por Sor 4Khor).

B. service provider of inspection and calibration of survey meters.

### 2.3 Thailand Institute of Nuclear Technology (Public Company Organization)

- provides services of testing of safety standards of radiographic devices and radioactive materials.
- provides analysis services of film badge result.

### 2.4 Bureau of Radiation and Medical Devices, Department of Medical Sciences, Ministry of Public Health

provides analysis services of film badge result (government organizations).

### 2.5 Thailand Industrial Standards Institute (TISI), Ministry of Industry

provides evaluation and certification of internationally accepted quality standards.

### 2.6 Council of Engineers and The Engineering Institute of Thailand

- issues License for Engineering Professional Practice - Juristic Person
- issues License for Engineering Professional Practice - Individual



## BUSINESS OVERVIEW

### 3. Qualifications of Non-destructive Testing (NDT) Personnel

The specifications and qualifications of NDT technicians are required by internationally-accepted and Thai standards, such as those stipulated by the American Society of Non-Destructive Testing (ASNT), International Organisation for Standardisation (ISO). They are certified in both theory and on the job training. Certification is issued to each individual inspector and valid for a specific period of time by Level 3 inspectors of the internationally renowned institutes. The Company is well-equipped with qualified personnel to provide the services according to all the mentioned standards.

### 4. Customer Groups

The Company's customers can be divided into 3 groups as follows:

**4.1 Production Plants:** These include oil refineries, gas separation plants, gas refilling plants, chemical factories, power plants, etc.

**4.2 Construction Contractors:** These include contractors commissioned to construct factories and products assembling e.g. oil and gas pipelines, both onshore and offshore, high-pressure containers, such as spherical tank, oil & gas tanks, oil cylinders, drilling platforms, power plants, suspension bridges, dams, irrigation systems, airports, building complexes, mass transit systems, etc.

**4.3 Operators whose businesses are subject to the specific legal regulations:** such as gas stations, transportation systems. These include business operators using highly flammable agents in their businesses such as gas, oil, chemical substances, hotels, hospitals, restaurants, etc.

### 5. Scopes of Services and Responsibilities

The Company provides 3 types of services as follows:

#### 5.1 Testing Service

The Company will report the result of test-pieces as provided by the customers only. No evaluation of the perfection of specimens are concluded.

#### 5.2 Inspection Service

The Company provides both inspection services and a summary of inspection results, for example, inspection of high-pressure containers as required by Department of Energy Business.

#### 5.3 Consulting Service

The Company provides consulting on engineering safety inspection and testing procedures as required by laws and international technological standards governing the customer's business.

### 6. Efficiency of Technical Services

The Company offers 2 types of NDT technologies which cater to the needs of customers and follow the rules and regulatory standards. They are as follows:

#### 6.1 Conventional NDT: such as RT, MT, PT, UT, etc

The Conventional NDT technologies have long been in use, 80% of the earnings are by the conventional techniques. The advantage is the customers are accustomed and still require these techniques.

#### 6.2 Advanced NDT: such as PA, AE, MFL, RBI, ET, etc.

The effectiveness and efficiency of advanced NDT methods, which are proven to be valuable and more appropriate in some certain situations and surroundings, will be better performances in accuracy and safety than the Conventional techniques. However, the higher cost of advanced NDT equipment and personnel are the result of higher services price as well. The customers, who require the services of advanced NDT, always consider the interests of saving time, which will fall more than 10 times to reduce the opportunity cost of business operations. Nowadays, the advanced NDT methods have gained more recognition and tended to have continued expansion.

## ORGANIZATION POLICIES

### Policy

- a. Provide services based on the principle and the strict guidelines under the international standard and the regulations.
- b. Provide services with modern technologies, in accordance with the demands of the industrial sector. This means the constant development of techniques, personnel, tools and equipment continuously both in terms of the field operations and in the administrative office.
- c. Educate and uphold the principle of code of conduct professional ethics, morals and virtues in all parts of the Organization.
- d. Refuse and oppose all forms of corruption both from the government sector and the private sector.
- e. Raise awareness within the Organization to be the Social Enterprise that takes responsibility towards the society and the environment.
- f. Expand the businesses to the group of ASEAN countries (AEC) as much as possible.

### Vision

To be the leader in Asean Region for Testing, Inspection and Safety Engineering services, by means of Nondestructive Testing techniques and other advanced techniques. To strive for other business lines in AEC, particularly in energy which is essential for developing countries.

### Mission

To service the customers in industrial sector both onshore, offshore, domestic and oversea with prompt services, efficiency and reliability. The services must be under the ethical Code of Business Conduct and Professional Ethics while striving to achieve the customers' highest satisfaction. Accelerated expansion of its business and energy business to success in Asian Countries, especially in the Republic of the Union of Myanmar and The Republic of Indonesia which have already been started.

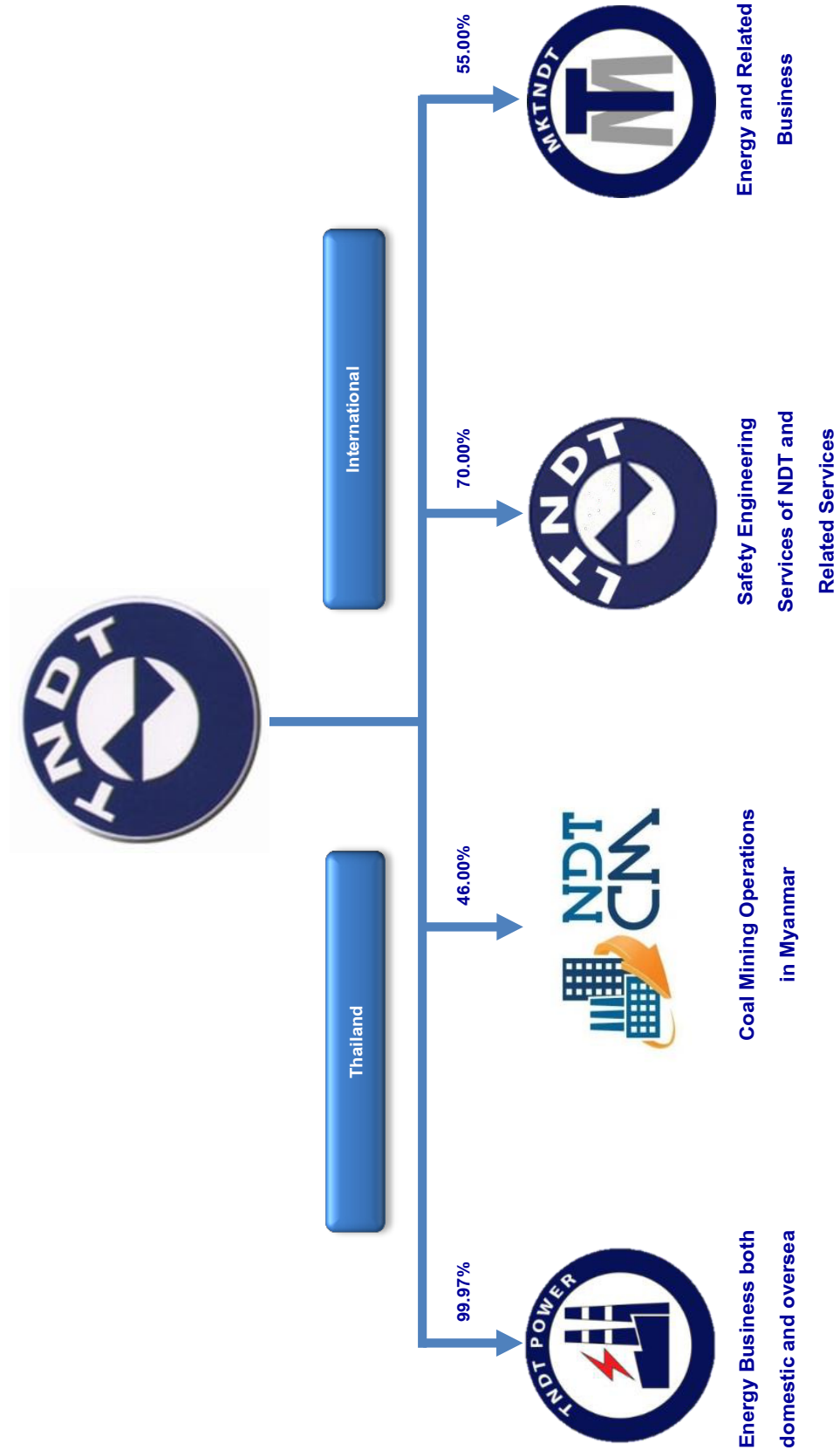
### Commitment

Focus on business management with Good Corporate Governance (CG), Corporate Social Responsibilities (CSR), adhere to Code of Business Conduct, Professional Ethics, Morality and Anti-Corruption both by the public and the private sector.



## BUSINESS STRUCTURE

As of December 31, 2016. (Register)



# GOALS AND BUSINESS STRATEGIES

## 1. The 3 years Business Goal (2015 - 2017) as planned since year 2014.

### 1.1 Inspection Service Business

#### 1.1.1 Domestic

A. Approximately 10% increase in total revenue per annum or maintaining the market shares of no less than 30%. It appears that the Operations Results in year 2015, revenue continued to decline over the year 2016, which the goal was set up in 2014 during the normal conditions of gas and oil price, in accordance to the marketing mechanism of producers and consumers together with politics and economics. In the past, the expansion of industrial sector was depended on the growth of industry and the increase of population. When the crisis of oil and gas prices has been slow down dramatically and rapidly since early 2015 to the present, resulted in the whole entrepreneurs of exploration, production and supply chain, etc. were slow down by reasons of breakeven. These affected the volume of inspection services to decline in same direction. The limitation of workload was severely competed for market shares especially in pricing and the redundancy of hiring by the owners or the contractors. The Company's flexibility-policy in pricing was for retaining the customers base. These led the Company being unable to operate the results as scheduled on the target. However, the policies of expanding its services to the new customer groups earlier, the result have been very well received. The Company expected the revenue of operations would be recognized in 2017. For the overall industry, especially the infrastructure was likely to improve. The Company is confident to retain the same goals set forth in the business plan by focusing on the policy of business expansion to the new customers as mentioned above. The results of achievement would be the performance of year 2017 covering the reduced portion.

B. Approximately 20% increase in revenues of inspection and testing services with advanced technology every year, for 3 consecutive years. In 2015 and 2016, the revenues for this segment have increased 84% from year 2014, abided by the target. The Company will accelerate its services in this segment continual increased.

C. Expand the inspection services line to the maintenance and assessment business with definite goals within 2015. For presenting this service line to the customers, the response was at a certain level since it was also newly experienced to the Company. While the economic crisis has not fluctuated significantly, allowing the customers to postpone the services. However, the Company expected the operations and revenues would be recognized in 2017.

#### 1.1.2 International

A 100% increase in revenue from inspection and testing services internationally every year for 3 consecutive years. From the result of operations, the Company has earned 10 Million Baht from the international services in the Republic of Indonesia in 2015 or 100% and approximately 21 Million Baht or 100% in 2016, abided by the target as planned. The Company plans the target of 50% increase in year 2017.

**1.1.3 Accelerate** the Advanced Technology Business with Innovation to the countries as required in year 2017.

### 1.2 Diversify

To diversify the Business Line in the energy sector, fuel and infrastructure to the countries in AEC at least 1 project as mentioned on the business plan, the Company has operated the energy businesses such as the Coal Power Plant and Coal Mine which were proceeding well. There were the progress in exploring the quality and quantity of coal-mine to be fed to the Power Plant, including the Concession - Power Purchase Agreement (PPA) with the Government of Myanmar on August 2, 2015. Moreover, the Environmental Impact Assessment (EIA) and the Health Impact Assessment (HIA) have been recognized by the Government of Tachileik on December 28, 2016, and the Company planned to apply for the certification of Myanmar Investment Commission (MIC) to the government, which the Company expected to be completed by year 2017.

## 2. Business Strategies

In order to achieve the target of operations, the Company has set up the strategies of business as follows:

- 2.1 Be confident and have faith in the leader.
- 2.2 Be accepted by the Organization and agree with designated goals.
- 2.3 Encourage unity; work together in the same direction to achieve the objectives.
- 2.4 Adjust the attitudes and values with reason, in the case of conflict of opinions.
- 2.5 Prepare the Organization in terms of personnel structure, tools, equipment and technology in all areas be it the capacity, efficiency, quality and the suitable quantity.
- 2.6 Seek for the partners to diversify the services and increase the business lines.



## SIGNIFICANT DEVELOPMENTS OF THE COMPANY

The major developments in 2016 can be summarized as follows:

### 1. Domestic

#### A. Innovation

The Company is aware of and emphasizes on the innovation development in the Organization which had always been practiced in order to increase the efficiency of services for the customers both in terms of the tools and equipment and also in terms of the business operation by focusing on the speed, safety and precision as the core factors. In 2016, the Company was one of the 31 companies elected to participate in the 'Innovation Enhancing Projects' for companies in the Stock Exchange of Thailand with the support of the National Innovation Agency (NIA), Stock Exchange of Thailand, the Market for Alternative Investment and the College of Management Mahidol University. Moreover, the Company also received the **"Innovative Organization of the year 2016"** which guarantees the innovation management within the Organization. The Company is ready to support and cooperate in developing new innovations for both internal and external uses for the benefits of the Nation.

In addition, the Company had proposed innovation projects to the NIA in order to receive financial supports, in accordance with the government's policy to encourage innovation development under **"the Development of technological innovations to enhance the inspection for safety engineering in the industrial sector to the maximum efficiency with the T-RIT (X-Ray Crawler with Magnotape)"**, which is the innovation used for automatic piping inspections (gas, oil and chemicals). The speed is 20 times faster than the original and utilizes the same number of personnel. This increases the accuracy and the safety from radiation exposure for both the operators and the environment, including reducing the risks of accidents from the operation. Moreover, the machine can be operated steadily and continuously during the work and is considered a modern innovation which resulted in precise inspection and is able to increase safety engineering in industrial sector to a certain extent, including raising the level of competition internationally in terms of technology. The aim is for this innovation to be used in other countries which has high business opportunities and also used domestically. This innovation will also lead to commercial production under a Thai brand which can create added values and be a debut for new innovations for the NDT business.



#### B. Office Space Expansion

1. Expand the site office at Larn Kra Bue District, Kampaengphet Province, with the size of 1 rai, has been constructed to support the expansion of the business operation of PTTEP and the customers in the Northern Region.

2. Expand the site office at Singhanakorn District, Songkla Province, with the size of 2 rais 13.7 square wah, has been constructed to support the expansion of the business operation for the customers in Southern Region and to be the Cooperation Center to expand to the Indonesia office later on. The construction will be completely and fully utilized by mid 2017.



## SIGNIFICANT DEVELOPMENTS OF THE COMPANY

### 2. Overseas

#### 2.1 The Republic of the Union of Myanmar

A. On 2nd August 2015, a Power Purchased Agreement (PPA) of the 20 MW Coal-Fired Power Plant had been signed with the Shan State Government under the approval of the Government of the Republic of the Union of Myanmar. On 21st January, 2016, the Company and its partners has formalized the first piling for the prosperity of the power plant. Currently, the implementation of the Report of the Environmental Impact Assessment (EIA) and the Health Impact Assessment (HIA) had already been completely considered by the government of Tachileik on December 28, 2016 and would continue to seek for the Certification of Myanmar Investment Commission (MIC) in January 2017. It should take about 3 - 6 months for approval.

Meanwhile, the Company has prepared areas for the construction of Power Plant which was about 40% completed. For the funding resources, the Company expected to be supported by financial institutions of Myanmar. The projects were still on the process of investor consideration, the Company estimated to be completed by year 2017. For the funding in the stock market, the Company has to comply with the procedures and criteria of the SEC. Nowadays, some of the current investment were by the Company, its Directors, Executives and allies, including funding from the financial institutions in the country.

B. The Provincial Electricity Authority, Mae Sai District, Chiengrai Province was delighted to distribute 6 MW of electricity to the Coal Power Plant Project at BanMaung Dang Tai, Mae Sai District, Chiang Rai, for the purpose of constructing the power plant and distributing to the general public in the vicinity of Tachileik, Shan State, the Republic of the Union of Myanmar. The Company is being on the process or documentation and expected to be completed in 2017.



#### 2.2 The Republic of Indonesia

The Company has expanded the NDT business to the Republic of Indonesia since 2015 and was able to recognised the revenue in the 4th quarter of 2015, even not so much revenue. In 2016, the expansion of NDT business was rapidly increased greater than 50% and was tentative to increased continuously.

#### 2.3 Lao People's Democratic Republic

The Company still retains the rights in developing the Khang Naung Luang area in accordance with the proposal in Memorandum of Understanding (MOU). Due to the uncertain situation of the resources of funding and laws which were the risks of investment, the Company has delayed these projects and expected the more clarification in year 2017.

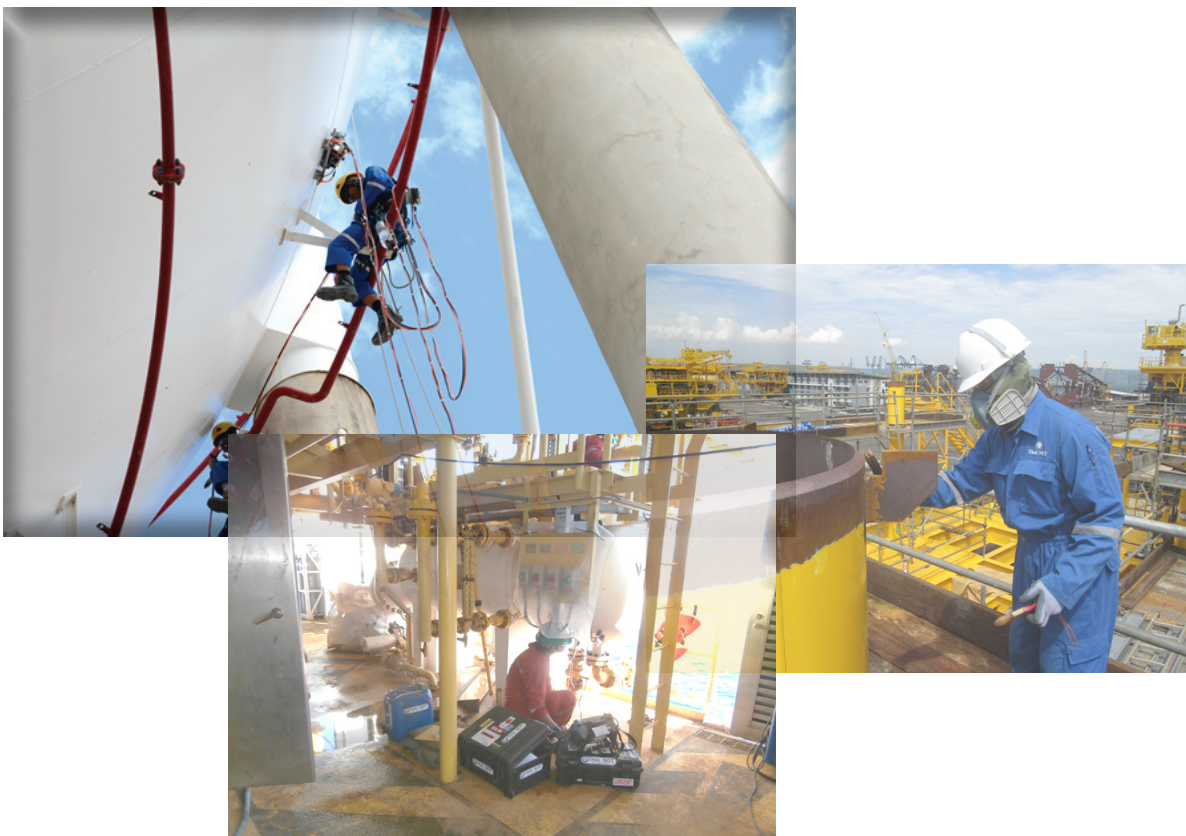
# INDUSTRIAL SITUATION AND COMPETITIVE ENVIRONMENT

## 1. Industrial Situation

For normal situation, the state of oil and gas industry will indicate the growth of the industrial sector as a whole and also be related to the main factors that determines overview of the inspection business in the country. In the past, the oil and gas industry has only been expanding in conjunction with the industrial economics development and the population increase which also led to the growth of the inspection industry as well, being its large or small depending on the state of the economy. Due to the nature of inspection business, the entrepreneurs are very few and not easy to increase. However, from the recent unprecedented fall in the price of oil and gas rapidly and continuously, there have been no production expansions. Rather, the production has instead been cut. These affect the drilling exploration and other business chains such as rigs construction, pipelines, storage tanks, etc. to decline together in the same direction. All of these industries are important factors to the inspection business resulting in the sudden shrink in the inspection industry.

## 2. Competitive Environment

In the past, the competition in the inspection business has not been very severe. But since the situation of the sudden oil and gas price falling down as mentioned above, has led leading to fewer jobs in the market but the same remaining number of entrepreneurs, including some cases of some, construction builders have built and inspect themselves unprofessionally in order to save costs, resulted in the situation where all entrepreneurs must compete for the remaining market shares both in terms of prices, the overlap in procurement, and the mutual benefits. However, there are still many opportunities in the AEC countries such as the Republic of Indonesia and the Republic of the Union of Myanmar for the expansion of NDT businesses. Due to the resource fulness in terms of energy and the fast economic development in the country making the inspection business competition rather low. These are the great opportunity for the Company's policy, having its business expansion plan to the AEC countries for the past 5 years.



# RISK MANAGEMENT AND RISK FACTORS

Risk factors in the business can be divided into the followings:

## 1. Financial Risk

### 1.1 Liquidity

Since the Company is undergoing a period of business expansion both domestically and internationally for the purpose of sustainable growth, it is necessary to rely on loans from financial institutions. The Company chooses the domestic financial institution and makes sure that the risks and debts management are controlled and not paid over due. At the same time, the Company follows up the debtors' repayment strictly as well. As for the investment in the energy business, the structures and the partners of the investment have been taken into consideration and must avoid extremely the impact of the Company's liquidity and be in the appropriate management authority. Throughout the past year, the economic and Industrial sector were shrink significantly, the Company's financial was not as planned. The Company has modified financing plan in accordance with the circumstance continually. Moreover, the revenue of overseas investment has been clearly recognized, the confidence of the liquidity for year 2017 would return to normal situation.

### 1.2 Foreign Exchange Risk:

1.2.1 Purchases of the majority of equipment, tools and raw materials : To reduce foreign exchange risk, all imported equipment, tools and raw materials are purchased in the Baht currency.

1.2.2 Payment of the imported and foreign services : All imported and foreign services are settled in Thai Baht or through a forward contract to specify the fixed costs and minimise the foreign exchange risk.

## 2. Marketing Risk

### 2.1 Raw Material Procurement Risk:

As the majority of raw materials used in NDT business are imported, there are 2 significant factors involved, which are the material price volatility disrupt the Company's service fixed cost and the material shortage disrupt the Company's continued services. Thereafter, the Company puts in place the measures to mitigate the risk exposure as follows:

2.1.1 All purchasing and selling contracts for raw materials must be finalised in advance with mutually agreed-upon terms and conditions regarding quantities and pricing.

2.1.2 Draw a carefully-planned for raw material usage according to the actual project workload and the information assessment in advance to ensure continued availability of required raw materials.

2.1.3 Maintain a close relationship with the suppliers and distributors of raw materials so that every party in the supply chain can jointly solve and minimise adverse impact caused by the tendency of unexpected shortage and price fluctuation of the raw materials.

2.1.4 Some of the materials used are related to the stability of the country such as radioactive materials, the Company increased awareness and pursuance of the government's policies concerned. The Company strictly conformed to the government sector's policies and regulations to prevent any disruption of the law which might result in materials shortage.



## RISK MANAGEMENT AND RISK FACTORS

### 2. Marketing Risk (continue)

#### 2.2 Competition and Industrial Risk:

During normal times, the growth of oil and gas industry will indicate the growth of the industrial sector as well as the inspection industry. The strength of the inspection business is no badly affecting than other businesses. In the past, the growth of oil and gas industry, even more or less, was depended on the politics and economics of the world. However, from the recent unprecedented fall in the price of oil and gas rapidly and continuously, affecting no more production expansions and the production has instead been cut. These affected the drilling exploration and other business chains such as rigs construction, pipelines, storage tanks, etc. to decline together in the same direction, as well as the radical deceleration of inspection industry. While a few job in the market, the remaining number of entrepreneurs were still the same. Moreover, in some cases the constructors built the structures and inspected themselves for their cost saving and survival, the more complicated procurement occurred. The results were ethics of business operations was ignored and all entrepreneurs had to compete severely for the market shares both in terms of prices and mutual benefits

The Company has utilized the risks management policy by maintaining the existing numbers of customers. This was achieved through customers' satisfaction both in terms of services and appropriate prices to the current economic situation, in other words, sharing the damages during the crisis which was a great way to establish partners for the future when the economy turn back to normal. At the same time, there was also a long-term preventive measure by expanding the business into other countries with high potential of NDT business growth, starting with the Republic of Indonesia in order to mitigate the damage from the domestic economic crisis. The result was satisfactory. The Company could recognize its revenue since the end of the year 2015, which it was previously estimated to recognized by early 2016. The plans to develop the inspection business into other industries have been put into place in order to reduce the risks from the oil and gas crisis which may trend to shrink continually.

#### 2.3 Contractor Risk:

Large investment projects, relating to the inspection mostly being the private sectors, are usually awarded to construction contractors through a bidding process of the whole project. For NDT Technique Services, the terms and conditions and service fees are typically determined by these contractors. Acquiring NDT businesses through the contractors in this nature carries some inherent risks; for instance, possible technical issues from what required by the project owner, inappropriate service fees, and credit risk if the contractors have financial difficulties. Therefore, the Company takes caution in this regard in order to avoid such risk by choosing to work with contractors which recognise the importance of NDT services, fully honour the project's safety requirements and have financial stability. Up to 80 percent of the Company's service contracts are awarded by contractors and the rest 20 percent by project owners. For high-risk projects, owners or project consultants are more actively involved in the safety service requirements, process of screening and appointing NDT providers. This is to ensure that they are fully qualified for the job and receive appropriate service fees, thus enhancing the Company's opportunity to acquire business directly from the project owners, reduce reliance on contractors, and decrease debt loss at a certain amount. In addition, the risk factors for contracting by the auction method, which are the a large projects and limited in quantity, any missing of opportunities will mean a significant impact on operations of the year. In year 2016, the Company was affected by these cases as well, the Company had a long-term plan with its partners to manage these risks by reducing administrative costs in the project. This policy would be implemented in 2017.



## RISK MANAGEMENT AND RISK FACTORS

### 3. Management Risk

#### 3.1 Manpower Shortage

In the business of engineering services, the qualified personnel and experts are the most valuable resources and are considered the highest risk factor to the business operations and the industry as a whole. The skilled NDT personnel are necessary and in high demand both in the inspection business and in the industrial sector. Due to the demands in the industry and the amount of qualified personnel do not match, resulting in the lack of human resources, the immoral scramble and migration of qualified employees, and the increase of violation on the remodelling of Industry Overview, in expansion or shrinkage, by emphasizing on the remuneration factor which is easier and not having to waste time and resource for training. This damages the business greatly, coupling with higher costs of service, including not being able to expand the business as planned, affecting the personnel investment plan as well. The Company is well aware of this problem and has tried to solve instantly to lower this risk factor, they are as follows :-

#### 3.2 The personnels in the organization

There are three guidelines :

A. By the policy of its personnel self-training, encouraging and promoting for more qualified, being trained by the instructors, specialists, experts, etc. both internal and external of the Organization, for the purpose of accumulating a variety of knowledge and expertise that is up to date. The training intervenes in the principle of professional ethics, morals, and virtues and to oppose corruption in all training courses so as to cultivate the employees, having a consciousness and motivation in performance, so as to reduce the shortage of employees migration

B. Seeking for the qualified personnel with knowledgeable, experience and expertise, correspond directly to reduce the cost and time in forming the personnel and minimizing damage when migrating, including utilizing the policy of immigrating international NDT personnel are to reduce the time and labour law obligations, they are to enhance the services.

C. Accelerating to develop and create innovation, to enhance competitiveness and reduce reliance on personnel

#### 3.3 Roles of maintaining qualified personnel with the Organization

A. Manage the Organization to show constant stability in order to create confidence to the employees that their future, family and an improved ways of life can be placed with the Organization.

B. Remunerate the abilities, success and pride of being a part of the Organization by praising, honouring, respecting, accepting, allowing higher career paths, giving rewards including compensation in terms of security in everyday life and eventually the opportunity to be part of or own the business, etc.





## RISK MANAGEMENT AND RISK FACTORS

### 4. Operational Risk (continue)

#### 4.1 Impact on Employee and other concern.

The NDT Testing and Inspections have always been done in various workplaces, on the ground, the sea, high places, cramped spaces or places filled with chemicals including a regular testing and inspection with radiation. Therefore, in order to protect the employees and the environment from possible dangers, the Company has set up declaration, policy statements and safety measures, including following the related rules and regulations strictly. Moreover, the Company fully provides the safety protection for employees, consisting of the Personal Protective Equipment (PPE), the Pocket Dosimeter and OSL, the Survey Meter and other emergency equipment. The Company holds trainings for correct and safety operations, including how to deal with emergency cases for the employees and reviews regularly. There are also seminars to create a mutual understanding of the operation between the contractors and the customers in order to ensure the safety and the confidence in the services of the Company.

In addition, the Company is aware of the health and safety of the operating employees and will perform a monthly radiation dose check by the HSEQ department and also the Company's annual health check-up. This also includes the rotation of the operators, in order to control the radiation values of the employees not being higher than the standard level.

#### 4.2 Impact on Community, Society and Environment.

The Company is aware of, and strictly upholds the code of conduct and professional ethics, including the emphasis on rigorously following the rules and regulations set by both the public and the private sectors in all activities that involves the Company's business, for example the regulation on radiation usage by the Office of Atoms for Peace, Ministry of Science and Technology, the regulations set by the Department of Business Energy, Ministry of Energy, and the international standard guidelines, including how to correctly dispose of the wastes left over from the services. Additionally, operating employees, contractors and customers must attend the meeting prior to the operation in order to ensure the understanding of roles, procedures and how to proceed in the case of an emergency and provide safety protection in radiation areas such as flags, warning signs, equipment and alarms in the case of an emergency, radiation shelter, including following the regulations of the area diligently and transport with a specialized vehicle promptly to prevent the impacts on the lives, properties, communities and the surrounding environment. For the past 35 years of being in the business, the Company has never once been filed a complaints or face any disputes regarding the environment.

### 5. Risks from Other Factors

#### 5.1 Political Risk:

Political stability helps to support economic and social development. At the same time, political uncertainty retards confidence and motivation to investors, both domestic and international. It affected both the whole industry and the inspection industry. In the past the Company was affected by the political crisis, but not so much severe. It is an experience to plan the risk management continually by regularly accelerate the development of NDT personnel with potentiality and efficiency and expand our business to other countries with high economic growth, and without the political crisis, which has already been performed, for examples in Lao People's Democratic Republic (PDR. Laos), the Republic of the Union of Myanmar and the Republic of Indonesia.

#### 5.2 Governance Agency Risk

The Company's business is a professional service which adheres strictly to code of conduct and ethics, including the regulatory announcements of government regulations. Even some governance officials may consider personally and interpret differently in laws and regulations that may be a risk as well. The Company is still adhered to the accuracy operations, and the strong protection in integrity, dignity and righteousness of the organization, together with the relentless to the power or any influence which the Company has adopted thoroughly.

## RISK MANAGEMENT AND RISK FACTORS

### 5. Risks from Other Factors (continue)

#### 5.3 Regulatory Risk:

NDT business and personnel performing NDT services are strictly subject to regulatory requirements as they involve safety and security of human lives, property and the environment. In Thailand, the business is regulated by many legal requirements from the governmental organizations concerned. These regulations, though incurring additional compliance costs to both operators and customers, provide sources of business to the Company as industrial customers are required to use NDT services to comply with them. Therefore, the Company continues to monitor the government policies and regulatory requirements closely to accommodate any consequences and allow effective business management.

#### 5.4 Risk associated with labour wage increase:

The government's policy on minimum wage increase since 2012 affected directly to the Company's employee wage and increase in proportion to the increasing service costs. The Company reduces this risk by quickly implementing strategies to accelerate the development of NDT personnel with more potential and efficiency to serve the customers for more volumes of work, customers' satisfaction, higher service fees in reasonable prices. Therefore, the cost of increasing wages, for the knowledgeable and expertise personnel to compensate for the shortage of personnel of organization, is not a risk anymore.

#### 5.5 Business Management Policy

Since the Company has been operating in the safety inspection and testing business using the non-destructive techniques continuously for 35 years, the Company has not received a loss in revenue due to the stability of the business and its unique characteristics. But as time passes on, more competitors have emerged in the business, the heavy competition may potentially affect the commercial unfavourable operation, including the evolving age of technology, consumers' behaviour and new opportunities which constantly arises. If the business management policy is remodeling appropriately to the situation, it is necessity to the growth of the Organization. Therefore, this risk is managed by considering the expansion of services to other industries such as transportation, property, communication, etc. and diversify to the familiar business group that the Company has the experiences of inspection for a long time such as the energy business, etc. The Company had continued its business operations for approximately 3 years and estimated to have a result in no later than year 2017.

#### 5.6 Shareholders Meeting's votes control from the major shareholders.

The major shareholder of the Company is the Miss Chomdeun Satavuthi family, consisting of Miss Chomdeun Satavuthi / Mr.Krirkkiat Satavuthi / Mrs.Juraisri Satavuthi / Mr.Anusorn Satavuthi / Miss Rassiya Satavuthi and Mr.Suwat Dangphibulskul, herein referred to as **"the Major Shareholders"**, control the percentage of the shares equal to 54.20% of the total shares already sold and is considered acting in concert, according to the Capital Market Commission Board announcement (TorJor.7/2552) under "The specifications of relationship or behaviour described as 'acting in concert' in order to assert the owner's rights to vote and still maintains the authority as the signatory and the Executive of the Company. Therefore, the Major Shareholders has the authority in management and control the votes in most of the significant meetings, except legal matters or the Company's regulations which states that the accepted votes of the shareholders meeting must be no less than 3 in 4 of the number of shareholders present and has the right to vote in the case of a refusal. In other words, other shareholders in the meeting which has the right to vote may not be able to gather enough vote to refuse or balance out the management of the Major Shareholders.

However, the Board of Directors have set up the policies and the transaction procedures by the directors, the Major Shareholders or the authorized personnel including individuals that may have conflicts of interests, must report and be granted an approval from the Audit Committee in all cases before presenting it further to the Board of Directors meeting for consideration and notify the Stock Exchange of Thailand within the next working day immediately in order to prevent the leakages of internal data and investment related information to be used for personal gains and to stop any possible conflict of interests that may arise. As a result, any approvals for the transactions must be beneficial, fair and reasonable, including being within the limitation and prices of the market, to which the Audit Committee will follow up all related transactions every quarter. This is done by having the internal auditor conduction an inspection and the directors who are related and/or have the stakes will not be in the meeting and cannot vote during the Board of Directors meeting.





## INTERNAL CONTROLS

In the Board of Director's meeting No. 2/2017, held on 26 February 2017, of which comprised a quorum of 8 Directors of the Board, the Audit Committee of which comprised 3 independent directors were attended to monitor and review the Company's result of operations of the internal control system. All of the Directors and Executives recognized the importance of the continuity of the Company's internal control to cover all activities of business operations adequately and appropriately.

The Board of Directors has monitored the performance of internal control system by questioning Managing Director and assigning the Audit Committee to monitor, review and assess the effectiveness and adequacy of the risk management. The Audit Committee has improved the audit process by focusing on risk assessment on the activities for more efficiency, including reviewed the internal control system by the meeting and reporting the performance assessment of the independent internal auditors who reviewed the transparency and accuracy of information on each quarter. The assessment reports should contain determining the appropriate scope of responsibilities, operational plans, and assessments of the adequacy, quality of risk managements and the internal control systems, review of the financial statements, Good Corporate Governances and the Concerned Rules & Regulatory Compliances related to the business operations and articles of association, the relevant transactions which might have conflicts of interests. The reports should be presented to the Board of Directors every quarter. In case of any suggestions or significant defects, the internal auditors should report to the Audit Committee and the Committee would present to the Board of Directors for any suggestion or further improvement.

The Audit Committee has assessed the adequacy of internal control systems to develop the systems including improve the efficiency and effectiveness of operations continually. The system has to cover the Good Corporate Governances (CG), Corporate Social Responsibilities (CSR) and Code of Ethics and Business Conducts, in which the framework of The Committee of Sponsoring Organization of the Treadway Commission (COSO) has been integrated and the 5 key elements required to control were (1) Control Environment (2) Risk Management (3) Activities Control, (4) Informational and Communication and (5) Activities Monitoring.

In year 2016, The Audit Committee was of the opinion that the internal control system was efficient in governance, monitoring and assessing to prevent the improper deployment of the Company's assets by the Executives and prevent any activities which might cause any corruption of the Company. In the past, the transaction was approved on the basis of the best interest of the Company. However, the Company has increased more caution that the future transaction would be considered by the persons who would have no conflict of interest and have authority of approval only.

### Chief of Internal Audit

The Audit Committee's responsibilities are to consider the independence of Internal Audit Unit as well as to appoint, transfer and dismiss the Chief of Internal Auditor. For the Company, the Audit Committee had proposed the Board of Directors to appoint Mr.Krod Songmuang / Chief of Internal Auditor to monitor the internal control since Quarter 4/2014.

The Internal Auditors have performed their duties independently for the review of internal control system, review of the financial report including the operations system to cover all activities of business operations, as well as covering the significant and high risk departments. The Internal Auditors have also coordinated with the Auditors, Executives and Employees in the relevant departments in order for monitoring their duties to be fully in line with all systems as appropriate, provided the sufficient and reliable information and reported to the Audit Committee. The Audit Committee reviewed, suggested the issues of operations to correct, prevent and develop the systems and then presented to the Board of Directors in every quarter. For the audit process, if there was any suspect that might affect or could damage and require the correction, the Chief of Internal Auditors or the assigned person must notify the relevant departments or the Audit Committee immediately for auditing and further correction.

The details of education, experiences and training of the Chief of Internal Audit are shown on the attachment 3 of "Detail of Cheif of Intenal Audit" of **the Annual Disclosure Information 2016** and on **the Annual Report 2016** in the title of "The Management - Company Secretary and Chief of Internal Audit", Page 58.

### Compliance Unit

The Company does not set up the Compliance Unit. However, the Company has assigned the Company Secretary Office to be responsible for governance, monitoring BOD activities and reporting to the Board of Directors. The Company Secretary's duties and responsibilities was to ensure the Board of Directors, Executives and Employees to comply correctly with Rules and Regulations of the SEC, the SET and the Public Company Limited Act and other relevant laws.

## ANTI - CORRUPTION

The Board of Directors aims to operate the business with honesty, integrity and emphasizes the responsibility to the community and to all groups of stakeholders and strictly complies on the good corporate governance policies, including ethics, code of business conduct and the Company's work regulations.

### Anti-Corruption Policy

"The Directors, Executives, the Company's employees are prohibited from engaging or accepting corruptions in all forms, be it for the direct or indirect benefits to self, customers or any groups of stakeholders. This includes all businesses and departments relating to the Company with no regards of any consequences to the profits or any other assets of the Company and monitor the Anti-Corruption Policy, review at least once a year, as well as the practical and requirements revision of the procedures in accordance with the changing of the business, Regulations and the Legal Requirements".

In all, the Company has publicized to the employees in the organization and the related persons for better understanding of the procedure guideline, responsibility and compliance under the same policy.

### Guidelines for Prevention and Anti-Corruption

The Company has taken measure to prevent and anti-corruption for the Directors, Executives and Employees to adopt as a guideline and performed the Anti-Corruption Policy along with each operations activity. The Company assessed the risk of fraud and corruption that might arise in each process regularly. In case of fraud or misconduct action was found, all employees could inform through the Company designated to conduct the audit and find solutions and protection later. Those whistle blower / complaints could consider and inform appropriately.

In addition, the Company's internal auditors have also monitored and reviewed the quarterly monitoring plan and reported to the Audit Committee for consideration, as well as presented to the Board of Directors for appropriate solution and determination.

### Clues / Complains / Comments or Suggestions

The Board of Directors respect all of the stakeholders to participate in the matters which benefit to the business development of the Company, or the complaints in case of rights violation. The channels for all stakeholders to submit their clue / complains / comments or suggestions together with the supporting contact data are as below:

- Independent Committee : independent@tndt.co.th
- Company Secretary Officer : secretary@tndt.co.th
- Postal : Independent Committee / Company Secretary Officer  
Thai Nondestructive Testing Public Company Limited.  
19 Soi Suason 8, Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240
- Tel. : +662-735-0801 (Auto 10 lines)
- Fax : +662-735-1941

The Company Secretary / the Secretary of the Independent Committee / the Audit Committee will collect the information and propose the Independent Committee / the Audit Committee and the Board of Directors to consider consequently.

### The Whistle-blowers / Complaints Protection Policy

The Company has the policy to defend the whistle blowers by keeping their information as secrecy. The whistle blowers are able to choose not to reveal themselves if the disclosure will cause insecurity or damage. In case of the whistle blowers are disclose themselves, the Company will retain personal information such as secrecy and corrective action. The action plans are to review the information as well as reporting to the Board of Directors on the matters affecting significantly, in order to consider the recommendations and remedial actions or legal proceedings for such violation later.



## CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2015 and 2016 are as follows:

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
<b>1. Munja Company Limited</b> Business of medical equipment sales and repair service. The company was initially established to be selling agent for NDT products. Some of the products are not available in Thailand then, and the company could earn discount from supplier. Those problems are no longer an issue for the company as there are many NDT product distributors. So the company changes its product, not concern to the NDT market anymore.	The Company shares 2 Directors and 1 executive / shareholder with Munja Company Limited. Miss Chomduen Satavuthi and Mr. Suwat Dangpibulskul are authorized directors of Munja Co., Ltd. and hold 49.98% and 49.97%, respectively, of the paid-up capital. Miss Vajana Sakulramrung, who is the Company's shareholder, has a share in Munja Co., Ltd.	The transaction did not occur in 2015 and 2016.	If necessary, the transaction will be done to acquire tools and equipment used in normal business operation from this company. The transactions will be done in normal business practice similar to other suppliers, and will be done at a fair and market price. In case of product pricing exceeding the approval of the Executives Committee, the transaction will be rational under the Audit Committee's evaluation.
<b>2. Property lease from Mrs. Kongmuang Dangpibulskul</b>	Mrs. Kongmuang Dangpibulskul is related to Mr. Suwat Dangpibulskul, who is the Company's Chairman of Director and President of Executive Board.	The Company leased 2 units of 3 -storey shop-houses on Land Deed No.40803 and 40804 with area 21.2 and 17 square wah, respectively. The property is located on 267/157-8 Sukhumvit Road, Maptaput Sub-District, Muang District, Rayong Province to be used as employee's residence. The lease rate was at Baht 20,000 a month. The Company paid Baht 0.24 million during each of 2015 and 2016.	This transaction is to lease employee's residence to facilitate the operation and customer service. The lease rate is fair when compare to the same location. The Audit Committee evaluated the transaction and believed that the transaction is rational and done at a fair price.
<b>3. Property lease from Mr. Thanun Satavuthi</b>	Mr. Thanun Satavuthi, Deputy Managing Director, is son of Mr. Suwat Dangpibulskul, Chairman of the Boards and President of Executive Board. and Ms. Chomduen Satavuthi, Director / Executive Director / Managing Director and nephew of Mr. Krikkiat Satavuthi, Directors / Executive Director	The Company leased 2-storey houses on Land Deed No.80399 and 80400 with area 81 and 81 square wah, respectively. The property is located on Huamark Sub-District, Bangkok District, Bangkok Province to be used for office buildings expansion. The lease rate was at Baht 18,000 a month. The Company paid Baht 0.216 million for 2015 and Baht 0.216 million for 2016.	This transaction is to lease for the expansion of office buildings to accommodate the office expansion, ie. Finance / Account, CRD and NDT inspection for more efficiency. The lease rate is fair when compare to the nearby location. The Audit Committee evaluated the transaction and believed that the transaction is rational and done at a fair price.
<b>4. Use Mr. Thanun Satavuthi personal assets as collateral for the Company's loan. (Transaction occurred in 2016)</b>	Mr. Thanun Satavuthi, Deputy Managing Director, is son of Mr. Suwat Dangpibulskul, Chairman of the Boards and President of Executive Board. and Ms. Chomduen Satavuthi, Director / Executive Director / Managing Director. and Nephew of Mr. Krikkiat Satavuthi, Directors / Executive Director	In 2016 the transactions occurred by using the personal assets on Land Deed No.80399 and 80400 with area 81 and 81, total at 162 square wah were guaranteed on credit limit and mortgage loan to the financial institution as the second and the third sequence of the Assets increased, according to the mortgage contracts of the company in the credit lines of Baht 70.00 million and Baht 188 million respectively.	The Company has loaned from a financial institution for the significant business expansion and in full amount existing necessity. The Audit Committee evaluated the transaction and believed that the transaction is necessary for the Company's business operations.

## CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2015 and 2016 are as follows: (continue)

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
<b>5. Directors guarantee the Company's loan.</b>	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director. and Mr. Suwat Dangpibulskul, Chairman of the Board and President of Executive Board.	Joint personal guaranteed on overdraft credit in full amount of Baht 12.00 million, letter of guarantee credit limit of Baht 11.00 million as required by a financial institution, the guarantee covered partial amount of credit limit. For 2015, the 2 directors guaranteed credit limit in another financial institution, Mr. Suwat guaranteed credit limits of Baht 60.00 million (m.) and Miss Chomduen guaranteed Baht 33.00 m.. In 2016, the 2 directors also guaranteed the increased credit limits of Baht 268.00 m., the credit limit of Baht 68.00 m., 25.00 m., 20 m. respectively.	The Company has loaned from financial institutions for the significant business expansion and in full amount existing necessity. The Audit Committee evaluated the transactions and believed that the transactions are necessary for the Company's business operations.
<b>6. Use directors' personal assets as collateral for the Company's loan.</b>	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director.	In 2015, the transactions occurred as follows: 1. Lands of NorSor 3 Kor No. 1266 and 1481 BeungNaRang District, Pichit Province were guaranteed on credit limit and mortgage loan of Baht 70 without increasing the credit limit.00 millionin to the financial institution. The guarantee had been withdrawn in December, 2015 and In 2016, the lands have been mortgaged to the other financial institution for increasing the asset guarantee with the company asset ,without increasing any credit limit or mortgage loan. 2. Lands of NorSor 3 Kor No. 610, 611, 1242 and 1243 Sri MaHaPoo District, Prachinburi Province were guaranteed on credit limit and mortgage loan of Baht 23.0 million to the financial institution. 3. Land Deeds No. 33733 and 33734 MabKah Sub-district, NikomPattana District, Rayong were guaranteed on credit limit and mortgage loan to the financial institution. The collaterals were to increase values of assets and not add value of mortgage. 4. Land Deeds No. 143218, Saphansung Sub-district, Bangkapi District, Bangkok with area 250 square wah has been mortgaged to the the financial institution for increasing the asset guarantee as the second sequence of the mortgaged debt of the company. 5. Land Deeds No. 77654, Banna Sub-district, Kabinburi District, Prachinburi with area 30 Rais was guaranteed on mortgage loan of Baht 25 million to the financial institution.	The Company has loaned from a financial institution for business operation. The Audit Committee evaluated the transaction and believed that the transaction is necessary for the Company's business operations and its subsidiaries' activities.



## CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2015 and 2016 are as follows: (continue)

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
<b>7. Use directors' personal assets as collateral for the Company's loan.</b>	Mr.Suwat Dangpibulskul, Chairman of the Board and President of Executive Board.	In 2015, Pledge personal assets, the building and Land Deeds No. 17663, 17764, 17665 and NorSor 3 Kor No. 1981 Kudkhao Sub-district, Munjakeree District, Khonkaen were guaranteed on overdraft credit of Baht 5.00 million, mortgage loan of Baht 50 million to the financial institution. The guarantee covered full amount of all credit limit. The collateral land at such numbers were mortgaged as the second sequence.  In 2016, The transaction did not occur.	The Company has loaned from a financial institution for business operations. The Audit Committee evaluated the transaction and believed that the transaction was necessary for the Company's business operation.
<b>8. Enspect Group Co.,Ltd.</b>	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director, is authorized Directors of Enspect Group Co.,Ltd. and hold 75%	The transaction did not occur in 2015 and 2016.	Due to Enspect Group Co.,Ltd has experiences and expertise in building and construction control. If necessary, the company had to hire the construction controller which was for the expansion project as planned, the transactions would be done in normal business practice similar to other suppliers, and would be done at a fair and market price. The transaction would be rational under the Audit Committee's evaluation.
<b>9. OIS (Thailand) Co.Ltd.</b>	The Company invested in 5% preferred shares or 102,000 shares at 10 Baht / share. While OIS (Thailand) Co.Ltd.'s Registered Capital were at 20,000 shares, totally at 2 million baht.	OIS has been inactive since 2003. By the resolutions of the Board of the company, OIS (Thailand) had registered the dissolution on December 30, 2015.	OIS (Thailand) Co.,Ltd. was the engineering advisory services business. The Company has considered and realized the impairment loss on the entire amount of such investment since 2005.
<b>10. LTNDT Co., Ltd.</b>	The Company invest and held 70%, the Company in Lao PRD held 30% of the paid up capital.	The transaction did not occur in 2015 and 2016.	LTNDT Co.,Ltd was the a Nondestructive Testing and Inspection company and already got the Lao's BOI License for 15 years. The Audit Committee has evaluated the transaction and believed that the transaction was rational.

## CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2015 and 2016 are as follows: (continue)

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
<b>11. TNDT CM Co., Ltd.</b>	The Company invest and held 46%, Mr.Songyos Jormsri (Unrelated Person) held 46% and Min Khit Thit Mining Company Limited, Myanmar held 8% of the paid up capital.	As of December 2015, there were the advances payment at the amount of Baht 51.71 million, included the total advances payment to prepare land in construction area of the power plant at the amount of Baht 29.09 million. These were the transaction of the subsidiaries as shown in the financial statement of the Company. In 2016, there were total advances payment at the amount of 57.71 million.	TNDT CM Co.,Ltd was the Company registered in Thailand. The Business are Coal and Mineral Trading and Mine Business in Republic of the Union of Myanmar. The Audit Committee has evaluated the transaction and believes that the transaction is rational. The project was suitable for investing and it was beneficial to the Company.
<b>12. MKTNDT Company Limited</b>	The Company invest and held 55%, and Min Khit Thit Mining Company Limited, Myanmar held 45% of the registered capital.	As of December 2015, there were total advances payment at the amount of 11.30 million and shown as the company's investment at the amount of Baht 15.581 million and In 2016, there were advances payments at the amount of Baht 11.30 million during the year, concerning to the supply of energy business in Republic of the Union of Myanmar. These were the transaction of the subsidiaries as shown in the financial statement of the Company.	MKTNDT Company Limited was the Company registered in Republic of the Union of Myanmar. The Business was to supply and provided utilities systems and other related businesses in Republic of the Union of Myanmar. The Audit Committee has evaluated the transaction and believed that the transaction was rational. The project was suitable for investing and it was beneficial to the Company.
<b>13. TNDT POWER Company Limited</b>	The Company invest and held 99.97% with 1 Director / Miss Chomduen Satavuthi and 2 Executives / Mr. Thanun Satavuthi and Miss Vajana Sakulraemrungs, are authorized directors of TNDT Power Co., Ltd. and hold 0.01% each.	As of December 2015, there were total advances payment at the amount of Baht 106.48 million. In 2016, there were advances payment at the amount of Baht 162.00 million to deposit the equipments, prepare the area and others of the power plant project in Republic of the Union of Myanmar. These were the transaction of the subsidiaries as shown in the financial statement of the Company.	TNDT POWER Company Limited was the Company registered in Thailand. The Business are Energy businesses both Domestic and International. The Audit Committee has evaluated the transaction and believes that the transaction is rational. The project was suitable for investing and it was extremely beneficial to the Company in the present and the future.



## CONNECTED TRANSACTIONS

### Measures and Procedures for Connected Transaction Approval

The Company has determined the measures and procedures to approve the connected transaction. In order to engage in any transaction that may involve the person who may have conflict of interest, the transaction must be examined by the Audit Committee and approved by the Board of Directors, whereby the Audit Committee must be presented. To resolve such transaction, the Director who has potential conflict of interest cannot vote on the agenda.

### Policy or Tendency for the Future Connected Transactions

In the future, if it is necessary for the Company to have connected transaction with person who may have conflict of interest, the Company has a policy to determine various requirements to ensure normal business practice at the market price that could be compared if done with the other party. In all, the Company shall assign the Audit Committee, the Company's accounting auditor, or independent specialist to evaluate the rational of the transaction and the pricing.

For the future connected transaction, directors must comply with the stipulated requirements. The Directors must not approve any transaction that he or the related person may have potential conflict of interest with the Company. Directors must disclose the transaction to the Board of Directors for consideration and approval. The Company shall comply with the Securities and Securities Exchange Regulations and any relevant regulation, announcement or order of the Stock Exchange of Thailand. The Company shall also comply with the regulation concerning information disclosure of the connected transaction and asset acquisition or disposal of the Company or subsidiaries. The Company shall not carry out the connected transaction on the activities irrelevant to the normal business operation.

In all, if there is any connected transaction between Thai NDT Public Company Limited and a person that may risk conflict of interest or may cause the conflict in the future, the Company shall assign the Audit Committee to comment on the pricing, compensation, and the necessity and appropriateness of the transaction. In the case where the Audit Committee are not proficient enough to consider the transaction, the Company shall have independent specialist or accounting auditor commenting on the transaction to assist decision making process of the Board of Directors or shareholders. The Company shall, disclose the connected transaction in the notes to financial statements of the audited financial statements from the Company's auditor.

### Investor's Protection Measures

To protect investors, if there will be connected transaction between the Company and the persons that may risk conflict of interest, connected transaction, or may create conflict in the future, the Company's Board of Directors, with participation of the Audit Committee, shall oversee the transaction approval process to ensure that the transaction is done fairly at appropriate price. The Company shall comply with the Securities and Securities Exchange Regulations and any relevant regulation, announcement or order of the Stock Exchange of Thailand. The Company shall also comply with the regulation concerning information disclosure of the connected transaction and major asset acquisition or disposal of the Company or subsidiaries.



## SHAREHOLDING STRUCTURE

As of December 31, 2016, the Company's issued and paid-up capital of Baht 100,000,000 divided into 100,000,000 common shares with a par value of Baht 1 per share.

### 1. Major Shareholders

List of top 10 major shareholders, as of the book-closing date (XO) on March 1, 2017, comprised of:

Name	Number of Shares	%
<b>1. The Ms. CHOMDUEN SATAVUTHI consist of<sup>1</sup></b>		
1.1 Ms. Chomduen Satavuthi	43,833,940	43.83
1.2 Mr. Krirkkiat Satavuthi	4,270,000	4.27
1.3 Mr. Anusorn Satavuthi	1,822,500	1.82
1.4 Mrs. Juraisri Satavuthi	1,810,000	1.81
1.5 Mr. Suwat Dangpibulskul	1,742,800	1.74
1.6 Ms. Rassiya Satavuthi	722,200	0.72
<b>Total</b>	<b>54,201,440</b>	<b>54.19</b>
<b>2. The PAN-NGUM consist of</b>		
2.1 Mr. Ittiphol Pan-ngum	3,570,000	3.57
2.2 Mrs. Wattanee Pan-ngum	2,461,000	2.46
<b>Total</b>	<b>6,031,000</b>	<b>6.03</b>
3. Mr. Charoen Vattasingha	4,100,000	4.10
4. Mr. Sompong Wongkusonlerd	2,235,000	2.24
5. Ms. Vajana Sakulraemrung	1,974,000	1.97
<b>6. The WATHANAKUL consist of</b>		
6.1 Mr. Chan Wathanakul	1,600,000	1.60
6.2 Mr. Witthanard Wathanakul	428,000	0.43
<b>Total</b>	<b>2,028,000</b>	<b>2.03</b>
<b>9. The SATHIENSAKPONG consist of</b>		
9.1 Mr. Muangthong Sathiensakpong	1,506,000	1.51
9.2 Mrs. Pimpaka Sathiensakpong	82,000	0.08
9.3 Mr. Chaipreuk Sathiensakpong	9,200	0.01
9.4 Mr. Surin Sathiensakpong	2,000	0.00
9.5 Mr. Nutthun Sathiensakpong	1,900	0.00
<b>Total</b>	<b>1,601,100</b>	<b>1.60</b>
8. Mr. Borworn Jirasuk	1,516,400	1.52
<b>9. The THADA-THAMRONGVECH consist of</b>		
7.1 Mr. Korakod Justin Thada-Thamrongvech	1,429,100	1.43
7.2 Ms. Aornnicha Thada-Thamrongvech	30,000	0.03
<b>Total</b>	<b>1,459,100</b>	<b>1.46</b>
10. Miss Janthawan Charoontham	1,016,000	1.02
<b>Total top 10 major shareholders</b>	<b>76,162,040</b>	<b>76.16%</b>
<b>Others</b>	<b>23,837,960</b>	<b>23.84%</b>
<b>Total</b>	<b>100,000,000</b>	<b>100.00%</b>



## SHAREHOLDING STRUCTURE

### 1. Major Shareholders (Continue)

#### Remark:

<sup>-1</sup>A group of majority shareholders of the Company, namely, the Ms.CHOMDUEN SATAVUTHI consisted of Ms. Chomduen Satavuthi, Mr. Krirkkiat Satavuthi, Mrs. Juraistri Satavuthi, Mr. Anusorn Satavuthi, Mr. Suwat Dangpibulskul, and Ms. Rassiya Satavuthi (collectively called “the Majority Shareholders”) were a group of acting in concert, according to the Capital Market Commission Board announcement (TorJor.7/2552) under “The specifications of relationship or behavior described as “acting in concert” and the provision of Section 246 and Section 247 of the Securities and Exchange.

- Investors can view the current information as of the Book closing date at **the Company Website (www.tndt.co.th)**, “Investor Relations” section of “the shareholders information”.

### 2. Distribution of Shareholders by Nationality on March 1, 2017.

Shareholders	Grand Total			Corporations			Individuals		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Thai Shareholders	1,396	99,998,989	100.00	4	814,000	0.81	1,392	99,184,989	99.19
Foreign Shareholders	3	1,011	0.00	0	0	0.00	3	1,011	0.00
Total	1,399	100,000,000	100.00	4	814,000	0.81	1,395	99,186,000	99.19

### 3. Dividend Policy

The Company has the policy to pay dividend to shareholders in the amount of no less than 40% of net profits after allocating legal reserves as determined by the Company’s regulations and relevant laws given that the Company has no other important use of such fund, and such dividend payment does not significantly affect the normal operations of the Company.

## SHAREHOLDING STRUCTURE

### 4. The information of securities holding of the Directors and the Executives in year 2016.

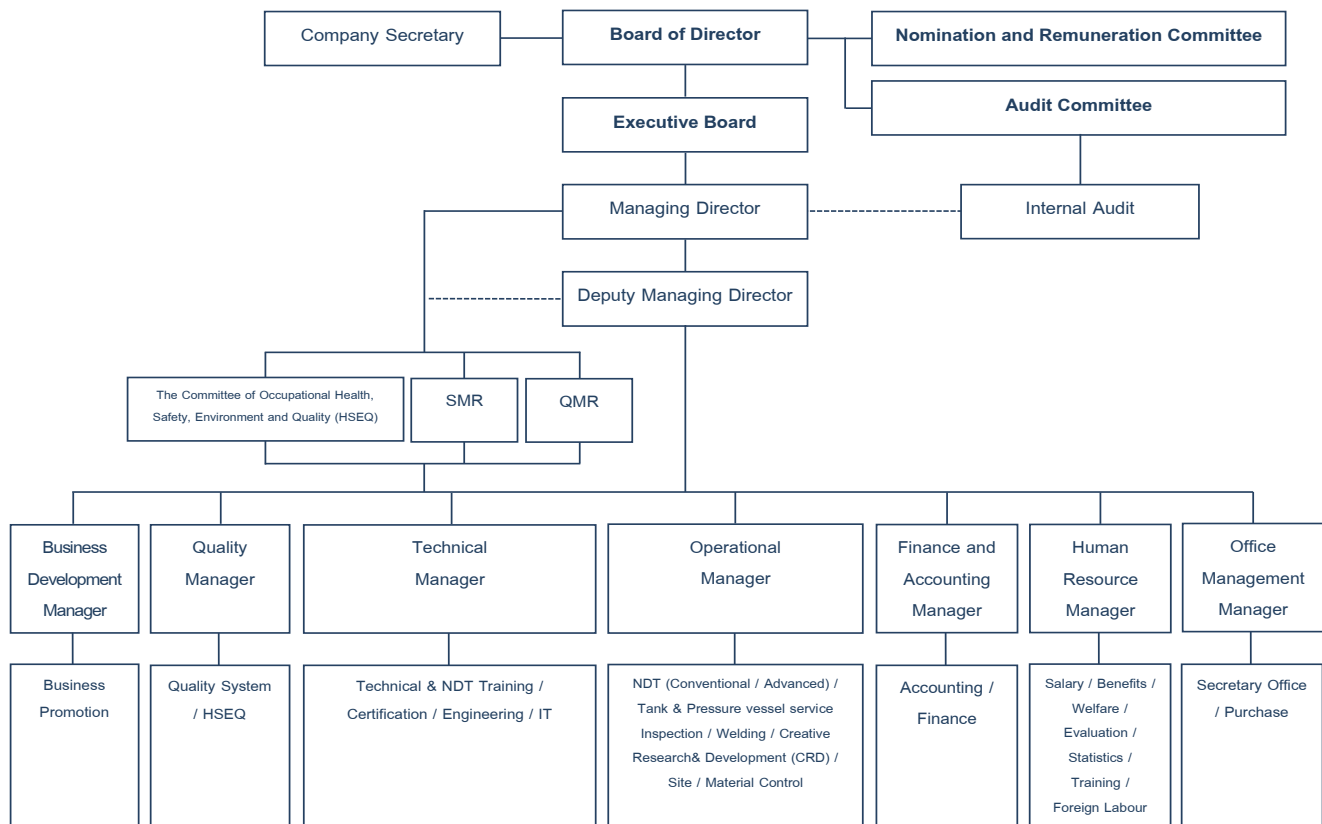
No.	The Directors and the Executives Name	Position	As December 31, 2016 (Ratio / No.of Shares)	As December 31, 2015 (Ratio / No.of Shares)	Increase/ (Decreases)	% Change
1.	Mr. Suwat Dangpibulsukul	- Chairman of the Board - President of Executive Board	1.81% / 1,810,000	1.81% / 1,810,000	-	00.00
	Spouse / Immature Children		43.83% / 43,833,940	43.83% / 43,833,940	-	00.00
2.	Mr. Chaya Jivacate	- Vice Chairman of the Board - Director of Nomination and Remuneration Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
3.	Miss Chomduen Satavuthi	- Director / Executive Director / Managing Director	43.83% / 43,833,940	43.83% / 43,833,940	-	00.00
	Spouse / Immature Children		1.81% / 1,810,000	1.81% / 1,810,000	-	00.00
4.	Mr. Krirkkiat Satavuthi	- Director / Executive Director	4.27% / 4,270,000	4.27% / 4,270,000	-	00.00
	Spouse / Immature Children		-	-	-	00.00
5.	Squadron Leader Anek Panturaks	- Director	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
6.	Dr. Wicha Jiwalai	- Independent Director / Chairman of the Audit Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
7.	Mr. Narong Rattana	- Independent Director / Director of the Audit Committee / Chairman of the Nomination and Remuneration Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
8.	Mr. Vichai Watcharavathanakul	- Independent Director / Director of the Audit Committee / Director of Nomination and Remuneration Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
9.	Mr. Thanun Satavuthi	- Deputy Managing Director	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
10.	Mr. Sahawat Techachan	- Business Development Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
11.	Mr. Tin Maung Aye	- Technical Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
12.	Mr. Somouy Tangchithavornkul	- Operations Manager / HSEQ Manager Quality Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
13.	Mr. Thammarath Sroysomboon	- Operations Manager and Material Control Division	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
14.	Miss Vajana Sakulraemrungs	- Office Management Manager (Secretary Office and Purchasing Division) / Human Resource Manager	1.97% / 1,974,000	1.97% / 1,974,000	-	00.00
	Spouse / Immature Children		-	-	-	00.00
15.	Mr. Niyom Minivathakorn	- Finance and Accounting Manager	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00

#### Remark:

As of December 31, 2016 and December 31, 2015, the Company's issued and paid-up capital of Baht 100,000,000 divided into 100,000,000 common shares with a par value of Baht 1 per share.



## MANAGEMENT STRUCTURE



The Company in year 2016 has 4 boards as follows:

Director 's Name		Board of Directors	Nomination and Remuneration Committee	Audit Committee / Independent Director	Executive Board
1. Mr. Suwat	Dangpibulskul	x	-	-	x
2. Mr. Chaya	Jivacate	/	/	-	-
3. Miss Chomduen	Satavuthi	/	-	-	/
4. Mr. Krirkkiat	Satavuthi	/	-	-	/
5. Squadron Leader Anek	Panturaks	/	-	-	-
6. Dr. Wicha	Jiwalai	/	-	x	-
7. Mr. Narong	Rattana	/	x	/	-
8. Mr. Vichai	Watcharavatanakul	/, ***	/	/, ***	-

หมายเหตุ / Remark :

x = Chairman

/ = Director

\*\*\* = A Director proficient and graduate in accounting.

# MANAGEMENT STRUCTURE

## **Board of Directors**

- 3 Executive Directors
- 5 Non-Executive Directors (including 3 Independent Directors)

### **Authorized Directors**

Miss Chomduen Satavuthi co-signs with Mr. Chaya Jivacate, Mr. Suwat Dangpibulskul, Mr. Krirkkiat Satavuthi, or Squadron Leader Anek Panturaks with the Company's seal affixed.

### **Authority and Responsibilities of Chairman of the Board of Directors**

- 1) To be responsible as the leader of the Board of Directors to oversee, monitor and supervise the operations of the Executive Board and other Committees to make them achieve the objectives pursuant to the specified plan.
- 2) To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.
- 3) To have a casting vote in case the Board of Directors' meeting has a tie vote.

### **Authority and Responsibilities of the Board of Directors**

- 1) Operate in compliance with the laws, the Company's objectives and regulations, and the shareholders' resolution honestly and prudently for the Company's best interest.
- 2) Responsible for shareholders' right on equitable basis and operate with the shareholders' best interest at heart. Ensure accurate, complete, and adequate information disclosure.
- 3) Determine, review and approve the Company's vision, mission, policies and directions yearly.
- 4) Approve authority plan.
- 5) Supervise, control and ensure that the management will effectively and efficiently proceed along the determined policies to maximize the Company economic value.
- 6) Approve business expansion investment and joint venture with other operators.
- 7) Report of the Board of Directors' Accountability to Financial Report.
- 8) Appoint Executive Board and determine its authorities and responsibilities of the Executive Board.

In all, the Directors or any persons who might potentially have conflict of interest with the Company are not allowed to vote on the relevant agendas.

Moreover, the Company would need Board's approval and at least 75% of the shareholders' votes from the participating shareholders to approve the following decisions.

- Sell or transfer parts or all of the Company's crucial businesses.
- Buy or acquire other company's business or private company to be a part of the Company.
- Make, amend or terminate contracts concerning leasing parts or all of the Company's crucial businesses. Assign a third party to operate the Company's operation or join operation with other person to share profits or losses.
- Amend or add any item in the Company's Memorandum of Association or Regulations.
- Increase or decrease capital, issue bond, and merge down - size or close the Company.

### **Company Secretary**

Ms. Sasiprapha Saengchai, Company Secretary, Office Management Department was appointed as Company Secretary according to the resolution of the Board of Directors Meeting No. 4/2012 on November 8, 2012.



## MANAGEMENT STRUCTURE

### Nomination and Remuneration Committee

#### **Authority and Responsibilities of the Nomination and Remuneration Committee**

- 1) Consider the guidelines and policies in nominating the Board of Directors and other Committee Members, including the qualifications of Board Members and Executives on the Company's Good Corporate Governance Manual.
- 2) Nominate the candidates for the position of Directors, Committee Members who retired by rotation and / or appointed to the appropriateness of the structure and qualifications of the Board of Directors to meet the required specifications.
- 3) Support the Company to allow the shareholders to nominate directors to replace those who retired by rotation prior to the Annual General Meeting.
- 4) Prepare and review the Succession Plan and continuity of proper management for the executives or the importance position in the management structure annually, and report to the Board of Directors for acknowledgement.
- 5) Prepare the Development Plan for Committee
- 6) Consider remuneration for Board and Committee, which also includes Meeting Allowance, Remuneration Allowance, with principles or guidelines and management structure which are fair and reasonable, then propose to the Shareholders' Meeting for approval.
- 7) Consider remuneration for the Managing Director which includes wages, yearly bonus and other benefits, both monetary and non-monetary with principles or guideline and structure which are fair and reasonable.
- 8) Consider the Self Assessments of Board, Committees and Executives.
- 9) Assess the performance of Managing Director and propose to the Board of Directors for approval.
- 10) Act in other issues as may be delegated by the Board of Directors with the consent of the Nomination and Remuneration Committee.

#### **Nomination and Remuneration Committee Secretary**

Ms. Sasiprapha Saengchai, Company Secretary, Office Management Department was appointed as Nomination and Remuneration Committee Secretary according to the resolution of the Nomination and Remuneration Committee Meeting No. 1/2014 on November 11, 2014.

### Audit Committee

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

- 1) Review the Company's financial report and monitor the disclosure appropriateness.
- 2) Review the Company's internal control and audit systems adequately and efficiently, appoint and dismissal internal audits, and determine operating framework for internal audit and determine internal audit schedule.
- 3) Review the Company compliance with the law concerning Securities and Securities Exchange, the Stock Exchange of Thailand's regulations and any relevant regulations concerning the business operation.
- 4) Consider, select, nominate, dismiss and propose accounting auditors and their remuneration, and establish operation guideline with the certified public accountant.
- 5) Ensure accurate and complete information disclosure in case of connected transaction or any transaction that may raise conflict of interest issues.
- 6) Prepare the Audit Committee's Report to be published in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee.
- 7) Consider other issues that may affect the Company's business and propose them to the Board of Directors for consideration.
- 8) Act in other issues as may be delegated by the Board of Directors with the consent of the Audit Committee.

#### **Company Secretary**

Ms. Sasiprapha Saengchai, Company Secretary, Office Management Department was appointed as Audit Committee Secretary according to the resolution of the Audit Committee Meeting No. 4/2012 on November 8, 2012.



# MANAGEMENT STRUCTURE

## Executive Board

### **Authority and Responsibilities of the Executive Board**

- 1) Command, plan and ensure that the Company's operations are consistent with policies provided by the Board of Directors.
- 2) Determine business strategies.
- 3) Plan investment and capital raising process according to the Company's policies.
- 4) Approve appointment of consultant as necessary for business operations.
- 5) Determine employee's benefits as appropriate to situations, cultures and relevant regulations.
- 6) Approve procurement, cancellation, or selling of assets, investments and other expenses necessary for business operations, details are mentioned in the authority plan.
- 7) Approve asset procurement, expenses due to the Company's operation, and/or contracts with the business partners, details are mentioned in the authority plan.

In all, the aforementioned authorities of the Executive Board do not cover approval of any transaction that the Executive Board or related person may potentially have conflict of interests with the Company or subsidiaries (if any). The transaction with such nature must be proposed to the Board of Directors or the Shareholders' meeting (depending on the issue) for approval according to the Company's regulations or relevant laws.

### **Executive Board Secretary**

Ms. Sasiprapha Saengchai, Company Secretary, Office Management Department was appointed as Executive Board Secretary according to the resolution of the Board of Directors Meeting No. 4/2012 on November 8, 2012.

## Company Secretary

To be in comply with The Securities and Exchange Act B.E. 2535 (amendment) The Resolutions of the Board of Directors to appoint Miss Sasiprapha Seangchai as Company Secretary and Executive Board Secretary by the meeting No. 4/2012 held on November 8, 2012, commencing on November 8, 2012 onwards. This person is successfully participated in training, seminars and related courses required, and being able to carry out the duties of the Company Secretary so that the Company adheres to related laws and Good Corporate Governance regulations.

### **Duties and Responsibilities of the Company Secretary**

- 1) Being a Secretary to the Board of Directors by coordinating with all parties in organizing Board of Directors Meetings and Shareholders Meetings so as to adhere to principles of Good Corporate Governance and related regulations, the Company's Articles of Associations and best practices, and related laws such as the Securities and Exchange Act and the Public Limited Company Act B.E. 2535.
- 2) Coordinating and take responsibility for disclosing the Company's information in line with the SET's and SEC's regulations, and other regulatory bodies.
- 3) Providing basic advice to the Board of Directors and Management who have to follow the Company's Articles of Association, rules of the SEC and SET, and any new regulations that may be relevant to the Company.
- 4) Preparing and storing important documents such as the registration of the Company's directors, the invitation letter and minutes of the Board of Directors Meeting, the invitation letter and minutes of the Shareholders Meeting, the Annual Disclosure Information (56-1), the Annual Report (56-2), shares holding report of directors and management team, and reports of conflicts of interest filed by directors and the management.
- 5) Supervising various activities and events performed by the Board of Directors to ensure the efficiency and effectiveness of their works, and the greatest benefits to the Company.



## MANAGEMENT STRUCTURE

### Company Secretary (continue)

#### **Duties and Responsibilities of the Company Secretary (continue)**

- 6) Coordinating and Arrange new director orientation.
- 7) Coordinating with related parties to ensure that the resolutions from the Board of Directors Meetings and the Shareholders Meetings are carried out.
- 8) Executing additional duties as assigned by the Board of Directors and the Securities and Exchange Commission announcement.

### Executives

Executives' Name		Position
1. Ms. Chomduen	Satavuthi	Managing Director
2. Mr. Thanun	Satavuthi	Deputy Managing Director
3. Mr. Sahawat	Techachan	Business Development Manager
4. Mr. Tin Maung Aye		Technical Manager
5. Mr. Somouy	Tangchithavornkul	Operational Manager / HSEQ Manager / Quality Manager
6. Mr. Thammarath	Sroysomboon	Operational Manager and Material Control Division
7. Ms. Vajana	Sakulraemrungs	Office Management Manager (Secretary Office and Purchasing Division) and Human Resource Manager
8. Mr. Niyom	Minivathakorn	Finance and Accounting Manager

#### **Authority and Responsibilities of the Managing Director**

The Managing Director shall have authorities and responsibilities as assigned by the Board of Directors within the Company's regulations Responsibilities of the Managing Director can be summarized as follow.

- 1) Manage and control the Company's normal business operations.
- 2) Implement on any issue as assigned by the Board of Directors.
- 3) Oversee an overall business operation to be consistent with the policies provided by the Board of Directors.
- 4) Approve procurement, cancellation, or selling of assets, investments and other expenses necessary for business operation, details are mentioned in the authority plan.
- 5) Approve asset procurement, expenses due to the Company's operation, and/or contracts with the business partners, details are mentioned in the authority plan.
- 6) Consider business strategies and funds raising plan to propose to the Board of Directors by priority.
- 7) Hire, appoint and terminate employees, determine remuneration rate, give award, raise salary, remuneration and bonus for employees at all level according to the remuneration policies.
- 8) Open and close bank deposit accounts with financial institutions to facilitate normal business operation. The decision must be made base on the Company's best interest.
- 9) Approve the appointment of consultant as necessary for business operation through the Company's Board of Directors.

In all, the Managing Director must comply with the Company's regulations and the Board's resolution. The Managing Director must not approve any transaction that she or related person may potentially have conflict of interests with the Company or subsidiaries. The transaction with such nature must be disclosed to the Board of Directors for consideration.

The Managing Director cannot approve any actions other than what are mentioned above, unless assigned by the Board of Directors.

## SELECTION OF THE BOARD MEMBERS AND EXECUTIVES

The Nomination and Remuneration Committee has the authority and responsibility in nominating and selecting. In all, the persons who will be appointed to be the Company's Directors and Executives must have qualifications according to the Section 68 of the Public Company Act B.E. 2535 and the Company's regulations. Moreover, the Directors and Executives must not have prohibited characteristics according to the Notification of Capital Market Supervisory Board No. Tor.Jor. 28/2551 concerning Request and Permission for New Share Issuance dated 15 December 2008, the selection process and criteria are as follows:

### 1. The Board of Directors Selection

#### Process and Relevant Issues

Board member selection, appointment and termination process and relevant issues are determined in the Company's Regulations, which can be concluded as follows:

1. The Board of Directors shall comprise of no less than 5 members and no more than 15 members. The board members are appointed by the shareholders' meeting. The Board must consist of at least 3 directors, and at least half of the board members must reside in Thailand.

2. Independent Director must be qualified in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (Vol. 2).

#### Definition of "Independent Director"

Independent Director refers to a Director whose qualifications are in line with the requirements of the Office of the Securities and Exchange Commission and the Stocks Exchange of Thailand, as follows;

1) Holding shares not exceeding 0.5% of the total shares with voting right of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that the shares held by the related parties of such Independent Director shall be included. (including the connected persons as stipulated in section 258 of Securities and Exchange)

2) Being not or has never been an Executive Director, staff, employee, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same level subsidiaries, major shareholders, controlling parties of the Company or entities may have a conflict. Unless it is clear from the mentioned manner for not less than 2 years before his appointment as a Director.

3) Being not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of executives, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the Company or its subsidiaries.

4) Having no or never have business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, controlling parties of the Company or entities may have a conflict in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant share holder, or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, controlling parties of the Company or entities may have a conflict. Unless it is clear from the mentioned manner for not less than 2 years before his appointment as a Director.

5) Being not the Director who is nominated to be the representative of Directors of the Company, major shareholders, or any other shareholder related to the major shareholders.

6) Being not or has never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company. Unless it is clear from the above manner for not less than 2 years before his appointment as a Director.



# SELECTION OF THE BOARD MEMBERS AND EXECUTIVES

## 1. The Board of Directors Selection (continue)

### Definition of “Independent Director” (continue)

7) Being not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 million per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms. Unless it is clear from the mentioned manner for not less than 2 years before his appointment as a Director.

8) Doing not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, advisor who receives salary, nor holds share for more than 0.5 of the total shares with voting right of any other company which operates same and competitive business with the business of the Company, or its subsidiaries.

9) Being no any characteristic which is unable to have the independent opinion regarding the business operation of the Company.

#### **Remark:**

The definition of Independent Directors of the Company which specify the configuration of the shareholding of Independent Director as on item 1) / 8) are more intensive than the minimum requirements of the Securities and Exchange Commission or the SET in regard to the shareholding in the company, not more than 1 percent of share.

3. The shareholders' meeting shall select the board members using criteria and procedures as follow.

(1) A shareholder shall have one vote for each share held.

(2) A shareholder shall have votes according to the item (1) to vote for a candidate or multiple candidates, but, for the latter case, the vote may not be distribute for any particular candidates in any particular order.

(3) Candidates who receive highest numbers of vote, in ranking order, will be appointed as the directors according to the amount of vacant positions that must be appointed in such particular time. In case the selected candidates have equal votes exceed numbers of vacant positions in such particular time, the Chairman of the meeting shall make final decision.

4. During every Annual General Shareholders' Meeting, a-third of Board members at that time must retire by rotation. If the amount of directors cannot be indivisible by 3, the closest number to a-third shall be used. The retired directors during the first and second years will be selected by taking draws. For the following years, the directors who are in the longest position shall be retired. The retired directors may be re-appointed to the positions.

5. Any director who wishes to resign from the position must submit the resignation letter. Such letter shall be effective on the date it reaches the Company.

6. To vote any director out of the position prior to the rotation period, the motion require 75% of total participating votes in the shareholders' meeting with shares no less than half of total shares held by participating shareholders.

## 2. Nomination and Remuneration Committee Selection

### **Process and Relevant Issues**

The Company's Nomination and Remuneration Committee is consist of three members, they are 1 Non-Executive (Non-Management) Director and 2 Independent Directors. The Resolutions of the Board of Directors to appoint the Nomination and Remuneration Committee by the meeting No. 6/2014 held on November 10, 2014 and has qualifications as determined by the Securities and Securities Exchange Regulations and any relevant announcement, regulations, and/or order of the Stock Exchange of Thailand.

## SELECTION OF THE BOARD MEMBERS AND EXECUTIVES

### 3. Audit Committee Selection

#### Process and Relevant Issues

The Company's Audit Committee must be of the Company's Directors appointed by the Board of Directors. All of the Audit Committee members are not Executives, Employees, Consultants of the Company and possess all required qualifications as stipulated by the Stock Exchange of Thailand and any relevant announcement, Regulations, and/or order of the Stock Exchange of Thailand. The Audit Committee shall consist of no less than 3 members with at least a member proficient in finance and accounting.

(see definition of "Independent Director" on item 1. The Board of Directors Selection)

### 4. Executive Board Selection Process and Relevant Issues

#### Process and Relevant Issues

The Board of Directors shall appoint the Executive Board from the Board members and/or management team as appropriate. The Board of Directors shall appoint a board member to preside over the Executive Board as the President of the Executive Board.

#### Development and Succession Planning

The Company realizes the important of the selection of personnel to succeed in all levels with transparency and fairness in order to ensure that the operations of the Company will be continually managed and be capable to expand its operations and customers instantly. The Nomination and Remuneration Committee shall be responsible for governing and enforcing the Company to issue and review the development and succession plan of the key positions which will be beneficial to the business operations, for instance the position of Managing Director, Chief Executive Officers and Key Positions which will be essential to the Managerial Structure, position of unique skills, depth expertise and hard to replace. The Committee will assess the situation in the business and the personnel efficiency along with the Company's strategy in short-term and long-term. These are for planning the recruitment and selection of the qualified personnel with knowledge, skills and expertise, as well as leadership skills adequately in order for developing and preparing in all aspects, so as to comply with the human resource development plan and the assessment of potential performance as expected and scheduled, and then propose to Board of Directors for approval and/or acknowledgement.

For more information, please visit **the Company Website ([www.tndt.co.th](http://www.tndt.co.th))** in the "Sustainability" section under the title of "Corporate Governance", subtitle "Corporate Governance Policy"

#### Policy of Board Diversify

The Company and the Nomination and Remuneration Committee shall be responsible for nominate the qualified directors of each Board/Committee, with the policy of board diversify by the features of knowledge, skill, expertise in the Company's businesses and the related industries, specific profession, beneficial experiences for the business, Board Skill Matrix, age, sex etc. The Professional Search Firm or the Director Pool of Thai Institute of Director (IOD) is the channels of nomination as well.



## REMUNERATION AND BENEFITS

### 1. Remuneration of Directors

#### A. Remuneration in Cash

During the Extraordinary Shareholders' Meeting No. 10/2016 on April 25, 2016, the shareholders' meeting approved the Directors, Nomination and Remuneration Committee and Audit Committee remuneration package of Baht 2,500,000.- in total for normal meeting and remuneration allowance. However, the Company had already paid Baht 2,500,000.- in total, which the meeting allowance of

- Chairman of the Board, Chairman of the Nomination and Remuneration Committee and Chairman of the Audit Committee were at Baht 15,000.- each

- Directors, Nomination and Remuneration Committees and Audit Committees were at Baht 10,000.- each.

included in the Directors' remuneration for year 2016. Details of the allowances paid for each board members are as follows:

(Unit : Bath)

Director's Name		Position	Meeting Allowance	Remuneration	Total
1. Mr. Suwat	Dangpibulskul	- Chairman of the Board - President of Executive Board	75,000.-	250,000.-	325,000.-
2. Mr. Chaya	Jivacate	- Vice Chairman of the Board - Director of the Nomination and Remuneration Committee	70,000.-	240,000.-	310,000.-
3. Miss Chomduen	Satavuthi	- Director - Executive Director - Managing Director	50,000.-	225,500.-	275,500.-
4. Mr. Krirkkiat	Satavuthi	- Director - Executive Director	40,000.-	225,500.-	265,500.-
5. Squadron Leader Anek Panturaks		- Director	50,000.-	225,500.-	275,500.-
6. Dr. Wicha	Jivalia	- Independent Director - Chairman of the Audit Committee	110,000.-	253,000.-	363,000.-
7. Mr. Narong	Rattana	- Independent Director - Director of the Audit Committee - Chairman of the Nomination and Remuneration Committee	120,000.-	230,000.-	350,000.-
8. Mr. Vichai	Watcharavatanakul	- Independent Director - Director of the Audit Committee - Director of the Nomination and Remuneration Committee	110,000.-	225,500.-	335,500.-
Total of 8 Directors			625,000.-	1,875,000.-	2,500,000.-

#### Remark:

The meetings in year 2016, there were

- 5 meetings of the Board of Directions
- 4 meetings of the Audit Committee
- 2 meetings of the Nomination and Remuneration Committee
- 6 meetings of the Executive Board (no meeting and remuneration allowances).

#### B. Other Remunerations

No any other benefits and compensation than the meeting and remuneration allowances under item A.



## REMUNERATION AND BENEFITS

### 2. Managing Director' Remuneration

#### **A. Remuneration in Cash**

Managing Director's remuneration in cash from the Company are salary and other income, bonus and providence fund.

#### **B. Other Remunerations**

- Vehicles for the Company Management Affairs.
- Other expenses and benefits according to the Company's Rules and Regulations.

### 3. Executives' Remuneration

#### **A. Remuneration in Cash**

In year 2016, total of 8 Executives from division managers or higher received total remuneration in cash from the Company. They are salary and other income, bonus and providence fund.

#### **B. Other Remunerations**

- Vehicles for the Company Management Affairs.
- Other expenses and benefits according to the Company's Rules and Regulations.

Item	Amount (Bath)		
	2014	2015	2016
Salary + Other Income	8,626,915.00	9,092,439.00	9,377,852.00
Bonus	1,073,595.00	1,277,140.00	1,344,371.75
Providence Fund	813,612.00	869,652.00	888,796.00
Welfare	275,471.10	222,976.34	156,873.51
<b>Total</b>	<b>10,777,131.00</b>	<b>11,572,731.00</b>	<b>11,937,019.75</b>

### 4. Employees' Remuneration

#### **A. Remuneration in Cash**

The Company's policy in remunerating for its employees is on the basis of appropriateness, fairness, knowledge, capability, performance, and compatibility with the industry's average pay scale. Moreover, the employees' remunerations must be appropriate to the business expansion and the Company's growth.

In year 2016, total remuneration which the employees received in cash from the Company are salary and other income, bonus, providence fund and professional fee.

The Company has established provident fund in the Company's name for all the Company's employees by appointing Kasikorn Fund Management Company Limited as the fund manager, starting from 1 January 2005. The Company would contribute to the fund at the amount 5-10% of employees' salary, depending on working duration. The employees shall contribute no less than 5% of salary, but will not exceed amount contributed by the Company.

Since January 1, 2017 onwards, the Company's provident fund will be transferred to K Master Pool Fund of Kasikorn Fund Management. The employees will contribute at 5-15% of employees' salary since starting the membership, while the Company still contributes to the fund the same rate at 5-10%. The purposes are for the employees' capabilities to select individual investment as appropriate, in order to generate the good returns in both short and long term. The returns are based on the age and type of funds they select, so as them to save for future and / or financial security after retirement.



## REMUNERATION AND BENEFITS

### B. Other Remunerations

Moreover, the Company has provided various benefits for employees according to the law. The Company has adjusted and increased its welfare and fringe benefit offering to the employees, for example, healthcare payments, group life and accident insurance and annual health check for employees, and other types of financial and non-financial assistance such as funds for the funeral arrangements of employees, their parents, children or legal spouse, the marriage, the monk ordinations, emergency loan, preparing reliable sources providing the loan with special interest rate for housing, etc.

Item	Amount (Bath)		
	2014	2015	2016
Salary + Other Income	134,150,600.24	141,490,262.02	107,741,641.59
Bonus	8,225,994.66	10,425,610.75	8,119,484.25
Providence Fund	1,787,724.43	2,182,115.00	2,506,239.00
Welfare	2,232,317.67	2,536,655.35	3,116,184.00
Professional Fees	964,899.08	904,645.86	800,675.81
<b>Total</b>	<b>156,336,599.27</b>	<b>166,449,515.85</b>	<b>131,339,664.67</b>

### C. Significant changes in the number of employees in the past 3 years

- None -

### D. Major labor disputes in the past 3 years

- None -

### Number of Employees

Item	Amount (Person)		
	2014	2015	2016
Male	379	250	243
Female	84	74	69
<b>Total</b>	<b>463</b>	<b>324</b>	<b>312</b>

# HUMAN RESOURCE DEVELOPMENT POLICY

## 1. In-house Training

The Company has trained the technicians for several methods of NDT technics to serve the customers' requirements. The technicians and engineers were to be taken examination and certified for the standard criteria of "The American Society of Nondestructive Testing (ASNT)" and other International Organizations such as ISO. Moreover, the local and foreign experts were invited to train the technicians and engineers for more knowledges, for example, Advanced Technologies, Radiation Safety, International Standards for Welding in Industrial such as ASME Code, Confined Spaces, etc.

The Company recognized the importance of training. The training center was built to support the employees' training, both theoretical and practical, for more efficiency and in accordance with the International standards practices.

Course by Lecturer of the Company	Level of attendees - Number of participants (Person)						
	Admin	Operation	Technical	Admin Supervisor	Technical Supervisor	Engineering	Asst.- Manager (Division)
Orientation for New Employee	7	10	41	2	0	10	1
PMI and Hardness Testing	-	-	20	-	2	3	-
Magnetic Particle Testing & Liquid Penetrant Testing Level I	1	-	43	-	-	10	-
Magnetic Particle Testing Level II	-	-	31	-	1	8	-
Liquid Penetrant Testing Level II	-	1	35	-	-	9	-
Radiographic Testing Level I	-	-	27	-	-	8	-
Radiographic Testing Level II	-	1	9	-	-	4	-
RT Safety	-	6	55	-	-	10	-
Safety Driving Training Course	-	3	8	1	1	6	-
Intro Safety Working Practices	-	-	4	-	-	-	-
ความปลอดภัย อาชีวอนามัย และสภาพแวดล้อมในการทำงาน (8 ชม.)	10	15	75	2	1	16	-

In addition, the Company has invited specialists both local and international to strengthen their knowledge on various aspects for the employees in all levels so as to develop knowledges and related skills, to support the performance of the individual employee. It also created and shared ideas and new perspectives between the outside organizations, created relationships between departments within the organization and applied to develop and perform their duties within the organization efficiently even more.

หลักสูตรการอบรมภายใน โดยวิทยากรภายนอก	Level of attendees - Number of participants (Person)								
	Admin	Operation	Technical	Supervisor Admin / Technical	Engineering	Asst.-Manager		Company Secretary	TOP Executive
						Division	Dept.		
Introduction and Awareness to ISO9001:2015	1	5	3	3 / 3	5	-	6	1	-
ISO 9001:2015 Internal Quality Audit	1	5	3	3 / 3	5	-	6	1	-
คณะกรรมการความปลอดภัย อาชีวอนามัยและสภาพแวดล้อม ในการทำงาน	-	5	-	4 / 2	3	2	12	1	2
จป. บริหาร-เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับบริหาร	-	1	-	3 / 4	5	4	13	1	2
ความปลอดภัยในการทำงานในตึกอาคาร 4 หน้าที่ (สำหรับผู้อนุญาต ผู้ควบคุมงาน ผู้ช่วยเหลือ และผู้ปฏิบัติงาน)	-	1	52	0 / 1	6	-	-	-	-
ความปลอดภัยในการทำงานบนที่สูง	-	-	19	0 / 1	1	-	1	-	-
การฝึกอบรมการดับเพลิงขั้นต้น การฝึกซ้อมดับเพลิงและการฝึกอพยพหนีไฟ - สำนักงานใหญ่	29	29	60	11 / 9	19	5	15	1	3
การฝึกอบรมการดับเพลิงขั้นต้น การฝึกซ้อมดับเพลิงและการฝึกอพยพหนีไฟ - สำนักงานระยอง	9	20	60	0 / 8	8	1	3	-	-



# HUMAN RESOURCE DEVELOPMENT POLICY

## 1. In-house Training (continue)

In 2016, the Company held the in-house training courses for 19 programs or 46 times at the amount of 626,431.95 Baht or 15,026.00 Hrs. / year. There were 987 employees attended (double counting) (or 335 people - individual counting), the average cost at 634.68 Baht / person / year (or 1,869.95 Baht / person / year) and the average number of hours 15.22 hours / person / year (or 44.85 hours / person / year - individual counting).

## 2. External Training

The Company has provided opportunities for employees' outside training, both local and foreign organizations which should be standardize and international acceptance. These training were to keep pace with the develop and rapid change of technologies and were to meet the customers' requirements. Due to the business involved in the safety of lives, properties and environments, the precision and accuracy of the test results would determine the customers' satisfaction and trust, the future of the Company. By the availabilities of these reasons, the Company could be expanded up till the present time.

### 2.1 Engineering : 16 Courses, Total 1,136 Hrs. as follows;

1. สำนักงานนวัตกรรมแห่งชาติ ร่วมกับตลาดหลักทรัพย์ mai และมหาวิทยาลัยมหิดล : โครงการอบรมและพัฒนาศักยภาพทางนวัตกรรมขั้นสูงสำหรับผู้ประกอบการ

2. ศูนย์วิจัยและบริการวิศวกรรมการเชื่อม (มจร. KINGWELD) :

2.1 Basic of Replica Technique for microstructure

2.2 AE I - Acoustic Emission Testing Level I

2.3 ET I - Eddy Current Testing Level I

2.4 ET II - Eddy Current Testing Level II

3. สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (องค์การมหาชน) : การป้องกันอันตรายจากรังสี ระดับ 1

4. สำนักงานมาตรฐานผลิตภัณฑ์อุตสาหกรรม : ข้อกำหนดทั่วไปสำหรับหน่วยตรวจตามมาตรฐาน ISO/IEC 17020

5. บริษัท ปิโตรแก๊ส แมนเนจเม้นท์ แอนด์ คอนซัลแตนท์ จำกัด :

5.1 จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน

5.2 จป.เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค

6. Technical Petroleum Training Institute : BOSIET-Basic Offshore Safety Induction & Emergency Training

7. NPC Safety and Environmental Service Co.,Ltd :

7.1 Confined Space - ความปลอดภัยในการทำงานในที่อับอากาศ 4 หน้าที่

7.2 เทคนิคการชั่งอันตรายและประเมินความเสี่ยง

7.3 จป. บริหาร - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับบริหาร

7.4 จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน

7.5 จป.เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค

8. TWI Training & Service Co.,Ltd. (Malaysia) : RE - Exam TOFD

### 2.2 Technical : 24 Courses, Total 2,653 Hrs. as follows;

1. ศูนย์วิจัยและบริการวิศวกรรมการเชื่อม (มจร. KINGWELD) :

1.1 Basic of Replica Technique for microstructure

1.4 ET II - Eddy Current Testing Level II

1.2 ET I - Eddy Current Testing Level I

1.5 Re - Certification VT Lv II

1.3 ET I - Eddy Current Testing Level I + (Exam)

1.6 Visual Inspection Level I, II

1.7 AE I - Acoustic Emission Testing Level I

2. Dacon Inspection Service Co.,Ltd :

2.1 Industrial Rope Access Trade Association

2.2 Re - Assessment IRATA

3. Technical Petroleum Training Institute

3.1 CA - EBS Compressed Air Emergency Breathing System

3.2 Defensive Driving Course

3.3 Further Offshore Emergency Training

3.4 Further Offshore Training

3.5 BOSIET - Basic Offshore Safety Induction & Emergency Training

3.6 Refresh Defensive Driving

4. TWI Training & Service Co.,Ltd. : Renewal CSWIP3.0 (5 Years)

5. NPC Safety and Environmental Service Co.,Ltd :

5.1 Confined Space - ความปลอดภัยในการทำงานในที่อับอากาศ 4 หน้าที่

5.2 จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน

5.3 จป.เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค

## HUMAN RESOURCE DEVELOPMENT POLICY

### 2. External Training (continue)

#### 2.2 Technical : 24 Courses, Total 2,653 Hrs. as follows; (continue)

6. สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (องค์การมหาชน) : Ultrasonic Testing Level I
7. สำนักงานปรมาณูเพื่อสันติ : การใช้เครื่องมือวัดทางรังสีแบบมืออาชีพ ตามข้อกำหนด ISO/IEC 17025
8. บริษัท ปิณฑองกรุป แมนเนจเม้นท์ แอนด์ คอนซัลแตนท์ จำกัด :
  - 8.1 จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน
  - 8.2 จป.เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค
9. สมาคมการทดสอบโดยไม่ทำลายแห่งประเทศไทย (สม.ท) : สอบ RT II - Radiographic Testing Level II

#### 2.3 Admin Supervisor : 17 Courses, Total 132 Hrs. as follows;

1. ตลาดหลักทรัพย์แห่งประเทศไทย
  - 1.1 CS Sharing 2/2016 เลขานุการบริษัทมืออาชีพ : เทคนิคการจัดประชุม Board อย่างมีประสิทธิภาพ
  - 1.2 การอบรมการใช้งานระบบการเปิดเผยข้อมูลของบริษัทจดทะเบียน (SET Portal) ที่ปรับปรุงใหม่
  - 1.3 Company Snapshot : เครื่องมือใหม่ตอบโจทย์การลงทุน
  - 1.4 การอบรมการใช้งานระบบ SCP Straight through
  - 1.5 Sustainable consumption reform the next growth
  - 1.6 Smart Disclosure Program (SDP)
  - 1.7 สานพลังภูมิปัญญา สร้างงาน สร้างอาชีพคนพิการ 10,000 อัตรา
2. ตลาดหลักทรัพย์แห่งประเทศไทย และ สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย : งานประกาศผลสำรวจการกำกับดูแลกิจการของบริษัทจดทะเบียนไทย ประจำปี 2559
3. สมาคมส่งเสริมผู้ลงทุนไทย :
  - 3.1 โครงการการประเมินคุณภาพ การจัดประชุมผู้ถือหุ้นสามัญประจำปี ตอน "ตัวเข้มให้เต็ม 100" ประจำปี 2559
  - 3.2 โครงการการประเมินคุณภาพ การจัดประชุมผู้ถือหุ้นสามัญประจำปี ตอน "ตัวเข้มให้เต็ม 100" ประจำปี 2559 (ฉบับปรับปรุง เพื่อใช้ประเมิน AGM ปี 2560)
4. HR Dee Solution : จะประเด็นสำคัญด้านกฎหมายแรงงานที่ฝ่ายบุคคลหรือเจ้าของกิจการต้องรู้
5. ศูนย์ความปลอดภัยในการทำงานเขต 12 สำนักความปลอดภัยแรงงาน : โครงการสร้างวิทยากรเครือข่ายความปลอดภัยแรงงานสู่สถานประกอบการกิจการ
6. สำนักงานประกันสังคมเขตพื้นที่ 9 : จัดทำข้อมูลเป็นสื่ออิเล็กทรอนิกส์
7. สำนักพัฒนามาตรฐานแรงงาน กรมสวัสดิการและคุ้มครองแรงงาน : มาตรฐานแรงงานไทย ระดับสมบูรณ์
8. สำนักงานสวัสดิการและคุ้มครองแรงงาน กทม.เขต 2 : โครงการเสริมสร้างสันติสุขในสถานประกอบการเพื่อเป็นองค์กรแห่งคุณภาพหลักสูตร "แรงงานสมานฉันท์ มั่นคง มั่งคั่ง และยั่งยืน"
9. สำนักงานสวัสดิการและคุ้มครองแรงงาน กทม.เขต 9
  - 9.1 การจัดทำระบบมาตรฐานการป้องกันและการแก้ไขปัญหาเสียดัดในสถานประกอบการ
  - 9.2 การพัฒนาความเข้มแข็งให้แก่คณะกรรมการสวัสดิการในสถานประกอบการ

#### 2.4 Technical Supervisor : 12 Courses, Total 144 Hrs. as follows;

1. สมาคมส่งเสริมเทคโนโลยี (ไทย - ญี่ปุ่น)
  - 1.1 เตรียมพร้อมสู่การเป็นหัวหน้างาน
  - 1.2 เทคนิคการเป็นผู้บังคับบัญชา
2. สมาคมการทดสอบโดยไม่ทำลายแห่งประเทศไทย (สม.ท)
  - 2.1 Magnetic Particle Testing Level II (Exam)
  - 2.2 Liquid Penetrant Testing Level II (Exam)
  - 2.3 Radiographic Testing Level II (Exam)
3. ศูนย์พัฒนากลยุทธ์ทางธุรกิจ : Project Management
4. สมาคมส่งเสริมความปลอดภัยและอนามัยในการทำงาน (ประเทศไทย) : จป. บริหาร - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับบริหาร
5. NPC Safety and Environmental Service Co.,Ltd : จป. บริหาร - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับบริหาร
6. สำนักพัฒนามาตรฐานแรงงาน กรมสวัสดิการและคุ้มครองแรงงาน : มาตรฐานแรงงานไทย ระดับสมบูรณ์
7. Technical Petroleum Training Institute:
  - 7.1 BOSIET - Basic Offshore Safety Induction & Emergency Training
  - 7.2 Refresh Defensive Driving
8. TWI Training & Service Co.,Ltd. : Renewal RI (Exam 10 Years)

#### 2.5 Admin Officer : 25 Courses, Total 238 Hrs. as follows;

1. ตลาดหลักทรัพย์แห่งประเทศไทย
  - 1.1 การเตรียมความพร้อมการนำเสนอการเงินในรูปแบบ อิเล็กทรอนิกส์
  - 1.2 ทิศทาง CSR ปี 2559: New SD Paradigm
2. ศูนย์พัฒนาความรับผิดชอบต่อสังคม ตลาดหลักทรัพย์แห่งประเทศไทย : S05 หลักสูตรการประเมินผลและการจัดการข้อมูลด้านความรับผิดชอบต่อสังคม (CSR Evaluation and Data Management)
3. อุตสาหกรรมพัฒนามูลนิธิเพื่อสถาบันรับรองมาตรฐาน ISO : Introduction and Internal Auditor



# HUMAN RESOURCE DEVELOPMENT POLICY

## 2. External Training (continue)

### 2.5 Admin Officer : 25 Courses, Total 238 Hrs. as follows;

4. สถาบันรับรองมาตรฐาน ISO (MASCI) : ISO 9001:2015 Introduction and Internal Auditor
5. บริษัท ฝึกอบรมและสัมมนาธรรมนิติ จำกัด : 28 ประเด็นปัญหาการปิดบัญชี ตามมาตรฐานการบัญชี
6. บริษัท สำนักพัฒนาการบริหารธรรมนิติ จำกัด :
  - 6.1 เจาะลึก 70 ประเด็นปัญหาที่พบบ่อยที่สุดในการปฏิบัติงานของบัญชี
  - 6.2 การจัดทำงานการเงินปี 2559 เพื่อนำส่งงบการเงินในปี 2560
7. สถาบันพัฒนาบริหารศาสตร์ :
  - 7.1 เรียนรู้ศาสตร์พระราชาด้านการพัฒนาทรัพยากรมนุษย์และองค์กร
  - 7.2 การบริหารค่าตอบแทนในกลุ่มประเทศ AEC
8. บริษัท เอช อาร์ เซ็นเตอร์ จำกัด : Career Path and Succession Planing
9. HR Dee Solution :
  - 9.1 HR Mega Vision 2016
  - 9.2 The Strong HR
10. กองบังคับการตรวจคนเข้าเมือง 1 : ประชุม เรื่องการไม่อนุญาตให้คนต่างด้าวบางจำพวกเข้ามาในราชอาณาจักร
11. สำนักพัฒนามาตรฐานแรงงาน กรมสวัสดิการและคุ้มครองแรงงาน : มาตรฐานแรงงานไทย ระดับสมบูรณ์
12. กรมสวัสดิการคุ้มครองแรงงาน : พัฒนาศักยภาพตามข้อกำหนดมาตรฐานแรงงานไทย
13. สำนักงานประกันสังคมเขตพื้นที่ 9 : จัดทำข้อมูลเป็นสื่ออิเล็กทรอนิกส์
14. กระทรวงแรงงาน : อบรมเชิงปฏิบัติการยื่นคำขอรับรองหลักสูตรและค่าใช้จ่ายในการฝึกอบรมฝีมือแรงงาน
15. สำนักงานสวัสดิการและคุ้มครองแรงงาน กทม.เขต 2 : โครงการเสริมสร้างสันติสุขในสถานประกอบการเพื่อเป็นองค์กรแห่งคุณภาพ หลักสูตร “แรงงานสมานฉันท์ มั่นคง มั่งคั่ง และยั่งยืน”
16. สำนักงานสวัสดิการและคุ้มครองแรงงาน กทม.เขต 9 : การพัฒนาความเข้มแข็งให้แก่คณะกรรมการสวัสดิการในสถานประกอบการ
17. สำนักงานกองทุนสนับสนุนการสร้างเสริมสุขภาพ : Key Failure Factors of Happy Workplace
18. กองส่งเสริมการพัฒนาฝีมือแรงงาน : โครงการพัฒนาขีดความสามารถหัวหน้างานเพื่อรองรับประชาคมเศรษฐกิจอาเซียน ภายใต้พระราชบัญญัติส่งเสริมการพัฒนาฝีมือแรงงาน พ.ศ. 2545
19. สมาคมส่งเสริมเทคโนโลยี (ไทย - ญี่ปุ่น) :
  - 19.1 กฎหมายสิ่งแวดล้อมและเทคนิคการประเมินความสอดคล้องตามข้อกำหนด ISO 14001:2004
  - 19.2 ความปลอดภัยในการทำงานและการจัดทำคู่มือข้อบังคับการปฏิบัติงานเกี่ยวกับไฟฟ้าตามกฎหมายใหม่ พ.ศ 2558
  - 19.3 การสร้างนวัตกรรมความปลอดภัยด้วย BBS

### 2.5 Operating Officer : 3 Courses, Total 36 Hrs. as follows;

1. บริษัท ชันเด โซลูชั่นส์ จำกัด : เทคนิคการเจรจาต่อรองงานจัดซื้อ
2. สำนักงานสวัสดิการและคุ้มครองแรงงาน กทม.เขต 2 : โครงการเสริมสร้างสันติสุขในสถานประกอบการเพื่อเป็นองค์กรแห่งคุณภาพ หลักสูตร “แรงงานสมานฉันท์ มั่นคง มั่งคั่ง และยั่งยืน”
3. NPC Safety and Environmental Service Co.,Ltd : จป.เทคนิค

No.	Level of attendees	Training Development			
		Number of Courses	Number of participants (Person)	Total (Hrs.)	AVG / Person / Year (Hrs.)
1.	Director	8	8	70.50	8.81
2.	Top Executive	15	21	246.50	11.74
3.	Executive Department	26	31	395.00	12.74
4.	Executive Division	14	14	117.00	8.36
5.	Company Secretary	25	25	132.00	5.28
6.	Engineering	16	42	1,136.00	27.05
7.	Technical	24	120	2,653.00	22.11
8.	Admin Supervisor	17	18	132.00	7.33
9.	Technical Supervisor	13	15	144.00	9.60
10.	Admin Officer	25	32	238.00	7.44
11.	Operating Officer	3	3	36.00	12.00



# HUMAN RESOURCE DEVELOPMENT POLICY

## 2. External Training (continue)

In 2016, the Company held the in-house training courses for 123 programs or 189 times at the amount of 3,357,172.94 Baht or 5,308.00 Hrs. / year. There were 308 employees attended (double counting) (or 134 people - individual counting), the average cost at 10,900.00 Baht / person / year (or 25,054 Baht / person / year) and the average number of hours 17.23 hours / person / year (or 39.61 hours / person / year - individual counting).

## 3. Board of Director

The Directors would attend the training courses and seminars, concerned to their roles and responsibilities which would be in accordance with the rules and regulations of SEC, SET and the relevant authorities which were organized by SEC, SET, IOD, TIA, Thaipat, MaiA, etc. in order to perform the duties, advise, improve and develop for the Company's operations, as well as report in the Board of Directors' meetings.

In 2016, the training courses and seminars were

### 1. Miss Chomduen Satavuthi Director / Executive Director / Managing Director

6 Courses, Total 64.5 Hrs.

- สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ : การปรับปรุงหลักเกณฑ์การทำการรายการที่มีนัยสำคัญ (MT) และการทำการรายการที่เกี่ยวข้องกัน (RPT) ของบริษัทจดทะเบียน
- สำนักงานนวัตกรรมแห่งชาติ และตลาดหลักทรัพย์แห่งประเทศไทย : การส่งเสริมความสามารถทางนวัตกรรมสำหรับผู้บริหารระดับสูง
- สำนักงานพัฒนาวิทยาศาสตร์และเทคโนโลยีแห่งชาติ (สวทช.) : CEO Innovation Forum 2016 และเปิดตัวมาตรการยกเว้นภาษี 300% สำหรับการวิจัย พัฒนา และนวัตกรรม
- ธนาคารสแตนดาร์ดชาร์เตอร์ด (ไทย) จำกัด (มหาชน) : The South Asia Connection
- สำนักงานคณะกรรมการส่งเสริมการลงทุน : Thailand Oversea Investment Forum 2016
- สำนักงานนวัตกรรมแห่งชาติ ร่วมกับตลาดหลักทรัพย์ mai และมหาวิทยาลัยมหิดล : โครงการอบรมและพัฒนาศักยภาพทางนวัตกรรมขั้นสูงสำหรับผู้ประกอบการ

### 2. Dr. Wicha Jivalai Independent Director / Chairman of the Audit Committee

1 Course, Total 3 Hrs.

- สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) : Audit Committee Forum "New Auditor's Report : What's in it for You?"

### 3. Mr. Vichai Watchravathanakul Independent Director / Director of the Nomination and Remuneration Committee / Director of the Audit Committee

1 Course, Total 3 Hrs.

- สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ ร่วมกับสภาวิชาชีพบัญชี และตลาดหลักทรัพย์แห่งประเทศไทย : The UK Experience on Implementing the Enhanced Auditor Reporting

## 4. Executives and Company Secretary

For the training courses of the Executives and Company Secretary would be determined properly and participants annually, concerned to their responsibilities and the Company business which would be in accordance with the rules and regulations of SEC, SET and the relevant authorities which were organized by SEC, SET, IOD, TIA, Thaipat, MaiA, etc. in order to contribute to improve, develop and apply for the Company's operations later on.

In 2016, the details of training courses were as follows :-

### 4.1 Top Executives : 15 Courses, Total 246.5 Hrs. as follows;

1. Director Certification Program (DCP 217/2016) โดยสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
2. The South Asia Connection โดย ธนาคารสแตนดาร์ดชาร์เตอร์ด (ไทย) จำกัด (มหาชน)
3. สำนักงานคณะกรรมการส่งเสริมการลงทุน : การประชุมวิชาการ ASEAN Comprehensive Investment Agreement (ACIA) Forum : Transforming Investment in Thailand through ACIA และ Thailand Oversea Investment Forum 2016



# HUMAN RESOURCE DEVELOPMENT POLICY

## 4. Executives and Company Secretary (continue)

### 4.1 Top Executives : 15 Courses, Total 246.5 Hrs. as follows; (continue)

4. สำนักงานพัฒนาวิทยาศาสตร์และเทคโนโลยีแห่งชาติ (สวทช.) : CEO Innovation Forum 2016 และเปิดตัวมาตรการยกเว้นภาษี 300% สำหรับการวิจัย พัฒนา และนวัตกรรม

5. สำนักงานนวัตกรรมแห่งชาติ และตลาดหลักทรัพย์แห่งประเทศไทย : การส่งเสริมความสามารถทางนวัตกรรมสำหรับผู้บริหารระดับสูง

6. สำนักงานนวัตกรรมแห่งชาติ ร่วมกับตลาดหลักทรัพย์ mai และมหาวิทยาลัยมหิดล : โครงการอบรมและพัฒนาศักยภาพทางนวัตกรรมขั้นสูงสำหรับผู้ประกอบการ

7. สภาอุตสาหกรรมแห่งประเทศไทย : นักอุตสาหกรรมรุ่นใหม่ (Young F.T.I.Elite)

8. สำนักงานคณะกรรมการส่งเสริมการลงทุน : Thailand Oversea Investment Forum 2016

9. สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ :

9.1 การปรับปรุงหลักเกณฑ์การทำการค้าที่มีนัยสำคัญ (MT) และการทำการค้าที่เกี่ยวข้องกัน (RPT) ของบริษัทจดทะเบียน

9.2 Hearing New CG Code

10. สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ร่วมกับสภาวิชาชีพบัญชี และตลาดหลักทรัพย์แห่งประเทศไทย :

The UK Experience on Implementing

11. ตลาดหลักทรัพย์แห่งประเทศไทย :

11.1 Quarter Economic Wrap-Up for Listed Companies Q3/2016 /Set Talk : Cambodia Investment and Business Opportunities

11.2 Thailand Focus 2016

11.3 กฎหมายหลักทรัพย์ฉบับใหม่ ปฏิบัติอย่างไรให้ถูกต้อง

11.4 บทบาทความสำคัญของตลาดทุนและกรอบแนวทางการจัดทำแผนพัฒนาตลาดทุน

### 4.2 Executives of the Department : 26 Courses, Total 395 Hrs. as follows;

1. สำนักงานนวัตกรรมแห่งชาติ ร่วมกับตลาดหลักทรัพย์ mai และมหาวิทยาลัยมหิดล : โครงการอบรมและพัฒนาศักยภาพทางนวัตกรรมขั้นสูงสำหรับผู้ประกอบการ

2. ตลาดหลักทรัพย์แห่งประเทศไทย :

2.1 How to write an effective MD&A

2.2 Sustainable consumption reform the next growth

2.3 มือใหม่ หัดทำรายงานความยั่งยืน

2.4 เทคนิคการจัดการอินไซด์แบบฉบับนักบริหารมืออาชีพ

2.5 SD Forum 1/2016: “ทิศทางก้าวสู่เศรษฐกิจตามเป้าหมายการพัฒนาที่ยั่งยืน”

2.6 CG Forum 1/2016 “จริยธรรม : จิตสำนึกหลักบรรษัทภิบาล”

2.7 ผู้ตรวจสอบภายใน : กลไกสำคัญในการกำกับดูแลและการสร้างคุณค่าเพิ่มทางธุรกิจ

3. ศูนย์พัฒนาความรับผิดชอบต่อสังคม ตลาดหลักทรัพย์แห่งประเทศไทย: P01 หลักสูตร การบริหารความรับผิดชอบต่อสังคมเพื่อการพัฒนาที่ยั่งยืน (CSR for Corporate Sustainability)

4. ฝ่ายกองทุนสำรองเลี้ยงชีพ บลจ. กสิกรไทย :

4.1 Build a Bridge : Bridging the Generation Gap บริหารอย่างไร...ให้ได้ใจคนทุก Gen

4.2 Money Expert : อยากมีชีวิตทางการเงินที่ดี ต้องรู้วิธีบริหาร

5. สถาบันพัฒนาบริหารศาสตร์ : สร้างคน สร้างสุข ด้วยวัฒนธรรมองค์กร

6. HR Dee Solution :

6.1 HR Mega Vision 2016

6.2 The Strong HR

7. สำนักงานสวัสดิการคุ้มครองแรงงาน กทม.เขต 9 : การจัดทำระบบมาตรฐานการป้องกันและการแก้ไขปัญหาเสพตติในสถานประกอบการ

8. กรมสวัสดิการคุ้มครองแรงงาน ร่วมกับ สำนักงานประกันสังคม กทม.เขต 2 : โครงการเสริมสร้างสันติสุขในสถานประกอบการเพื่อเป็นองค์กรแห่งคุณภาพ หลักสูตร “แรงงานสมานฉันท์ มั่นคง มั่งคั่ง และยั่งยืน”

9. สำนักงานกองทุนสนับสนุนการสร้างเสริมสุขภาพ : Key Failure Factors of Happy Workplace

10. บริษัท ฝึกอบรมและสัมมนาธรรมนิติ จำกัด : ข้อผิดพลาดทางด้านบัญชีของกิจการที่ได้รับการส่งเสริมการลงทุน

11. สมาคมส่งเสริมเทคโนโลยี (ไทย - ญี่ปุ่น) :

11.1 เทคนิคและวิธีการหลีกเลี่ยงปัญหาสิ่งแวดล้อมตามมาตรฐานใหม่ ISO14001:2015 ร่วมกับการประเมินความเสี่ยงตามมาตรฐาน OHSAS/TIS.18001 และตามกฎหมายการประเมินความเสี่ยงของกรมโรงงานอุตสาหกรรม

11.2 การกำหนดตัวชี้วัดในด้านอาชีวอนามัยและความปลอดภัย

11.3 ช่างสอบเทียบเครื่องมือวัดอุตสาหกรรม

12. บริษัท ไอเอสอีที (ประเทศไทย) จำกัด : Introduction and Awareness to OHSAS 18001:2007

13. American Petroleum Institute (API) : Re - Certification API 510

# HUMAN RESOURCE DEVELOPMENT POLICY

## 4. Executives and Company Secretary (continue)

### 4.2 Executives of the Department : 26 Courses, Total 395 Hrs. as follows;

14. สำนักงานปรมาณูเพื่อสันติ : การใช้เครื่องมือวัดทางรังสีแบบมืออาชีพ ตามข้อกำหนด ISO/IEC 17025
15. ศูนย์ความปลอดภัยแรงงาน เขต 12 : โครงการสร้างวิทยากรเครือข่ายความปลอดภัยแรงงานสู่สถานประกอบการ
16. มูลนิธิสถาบันสิ่งแวดล้อมไทย (มสท.) : ผู้ควบคุมระบบบำบัดมลพิษทางอากาศ

### 4.3 Executives of the Division : 14 Courses, Total 117 Hrs. as follows;

1. สำนักงานกองทุนสนับสนุนการสร้างเสริมสุขภาพ : Key Failure Factors of Happy Workplace
2. ตลาดหลักทรัพย์แห่งประเทศไทย :
  - 2.1 การเตรียมความพร้อมการนำเสนอการเงินในรูปแบบอิเล็กทรอนิกส์
  - 2.2 ทิศทาง CSR ปี 2559 : New SD Paradigm
3. ศูนย์พัฒนาความรับผิดชอบต่อสังคม ตลาดหลักทรัพย์แห่งประเทศไทย :
  - 3.1 P01 : หลักสูตรการบริหารความรับผิดชอบต่อสังคมเพื่อการพัฒนาที่ยั่งยืน (CSR for Corporate Sustainability)
  - 3.2 S01 : หลักสูตรการบริหารความรับผิดชอบต่อสังคมเชิงกลยุทธ์ (Strategic CSR Management) - รุ่น 3
  - 3.3 S02 : หลักสูตรการเชื่อมโยงห่วงโซ่อุปทานและผู้มีส่วนได้เสีย (Supply Chain and Stakeholder Engagement) - รุ่น 3
  - 3.4 S03 : หลักสูตรการพัฒนานวัตกรรมเชิงกลยุทธ์เพื่อการพัฒนาอย่างยั่งยืน (Corporate Social Initiatives for Sustainable Development) - รุ่น 3
  - 3.5 S04 : หลักสูตรการวิเคราะห์ความเสี่ยงและประเด็นสำคัญด้านความยั่งยืน (Sustainability Risk and Materiality Analysis) - รุ่น 3
  - 3.6 S05 : หลักสูตรการประเมินผลและการจัดการข้อมูลด้านความรับผิดชอบต่อสังคม (CSR Evaluation and Data Management)
  - 3.7 S06 : หลักสูตรการจัดการทำรายงานแห่งความยั่งยืน (Sustainability Reporting)
  - 3.8 กลยุทธ์ทางธุรกิจเบื้องต้น - รุ่น 1
4. บริษัท ฝึกอบรมและสัมมนาธรรมนิติ จำกัด :
  - 4.1 ข้อผิดพลาดทางด้านบัญชีของกิจการที่ได้รับการส่งเสริมการลงทุน
  - 4.2 เทคนิคการจัดทำและจัดซื้อผิดพลาดในงบการเงิน พร้อมการนำเสนอการเงินทาง E-Filing
5. NPC Safety and Environmental Service Co.,Ltd : เทคนิคการขั้บอันตรายและประเมินความเสี่ยง

### 4.4 Company Secretary : 25 Courses, Total 132 Hrs. as follows;

1. บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด : การประชุมบริษัทผู้ออกหลักทรัพย์ประจำปี
2. สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ : เทคนิคการจัดการอินไซด์แบบฉบับนักบริหารมืออาชีพ
3. ตลาดหลักทรัพย์ mai : Company Snapshot : เครื่องมือใหม่ตอบโจทย์การลงทุน
4. ตลาดหลักทรัพย์แห่งประเทศไทย :
 

4.1 How to Write an Effective MD&A	4.2 Smart Disclosure Program (SDP)
4.3 การอบรมการใช้งานระบบ SCP Straight through	4.4 Good Practices for IR webpage
- 4.5 SD Forum 1/2016 : ทิศทางการขับเคลื่อนธุรกิจตามเป้าหมายการพัฒนาที่ยั่งยืน
- 4.6 CG Forum 1/2016 จริยธรรม : จัดสำนักหลักบรรษัทภิบาล
- 4.7 CS Sharing 2/2016 เลขานุการบริษัทมืออาชีพ : เทคนิคการจัดประชุม Board อย่างมีประสิทธิภาพ
- 4.8 ผู้ตรวจสอบภายใน : กลไกสำคัญในการกำกับดูแลและการสร้างคุณค่าเพิ่มทางธุรกิจ
- 4.9 การอบรมการใช้งานระบบการเปิดเผยข้อมูลของบริษัทจดทะเบียน (SET Portal) ที่ปรับปรุงใหม่
- 4.10 มือใหม่ หัดทำรายงานความยั่งยืน
5. ตลาดหลักทรัพย์แห่งประเทศไทย และสมาคมส่งเสริมสถาบันกรรมการบริษัทไทย : งานประกาศผลสำรวจการกำกับดูแลกิจการของบริษัทจดทะเบียนไทย ประจำปี 2559
6. ศูนย์พัฒนาความรับผิดชอบต่อสังคม ตลาดหลักทรัพย์แห่งประเทศไทย :
  - 6.1 S01 : หลักสูตรการบริหารความรับผิดชอบต่อสังคมเชิงกลยุทธ์ (Strategic CSR Management) - รุ่น 3
  - 6.2 S02 : หลักสูตรการเชื่อมโยงห่วงโซ่อุปทานและผู้มีส่วนได้เสีย (Supply Chain and Stakeholder Engagement) - รุ่น 3
  - 6.3 S03 : หลักสูตรการพัฒนานวัตกรรมเชิงกลยุทธ์เพื่อการพัฒนาอย่างยั่งยืน (Corporate Social Initiatives for Sustainable Development) - รุ่น 3
  - 6.4 S04 : หลักสูตรการวิเคราะห์ความเสี่ยงและประเด็นสำคัญด้านความยั่งยืน (Sustainability Risk and Materiality Analysis) - รุ่น 3
  - 6.5 S06 : หลักสูตรการจัดการทำรายงานแห่งความยั่งยืน (Sustainability Reporting)

# HUMAN RESOURCE DEVELOPMENT POLICY

## 4. Executives and Company Secretary (continue)

### 4.4 Company Secretary : 25 Courses, Total 132 Hrs. as follows; (continue)

6. ศูนย์พัฒนาความรับผิดชอบต่อสังคม ตลาดหลักทรัพย์แห่งประเทศไทย :

6.6 กลยุทธ์ทางธุรกิจเบื้องต้น - รุ่น 1

7. สมาคมส่งเสริมผู้ลงทุนไทย :

7.1 โครงการการประเมินคุณภาพ การจัดประชุมผู้ถือหุ้นสามัญประจำปี ตอน "ตัวเข้มให้เต็ม 100" ประจำปี 2559

7.2 โครงการการประเมินคุณภาพ การจัดประชุมผู้ถือหุ้นสามัญประจำปี ตอน "ตัวเข้มให้เต็ม 100" ประจำปี 2559

(ฉบับปรับปรุง เพื่อใช้ประเมิน AGM ปี 2560)

8. กรมสวัสดิการคุ้มครองแรงงาน ร่วมกับ สำนักงานประกันสังคม กทม.เขต 2 : โครงการเสริมสร้างสันติสุขในสถานประกอบการ เพื่อเป็นองค์กรแห่งคุณภาพ หลักสูตร "แรงงานสมานฉันท์ มั่นคง มั่งคั่ง และยั่งยืน"

9. ฝ่ายกองทุนสำรองเลี้ยงชีพ บลจ. กสิกรไทย :

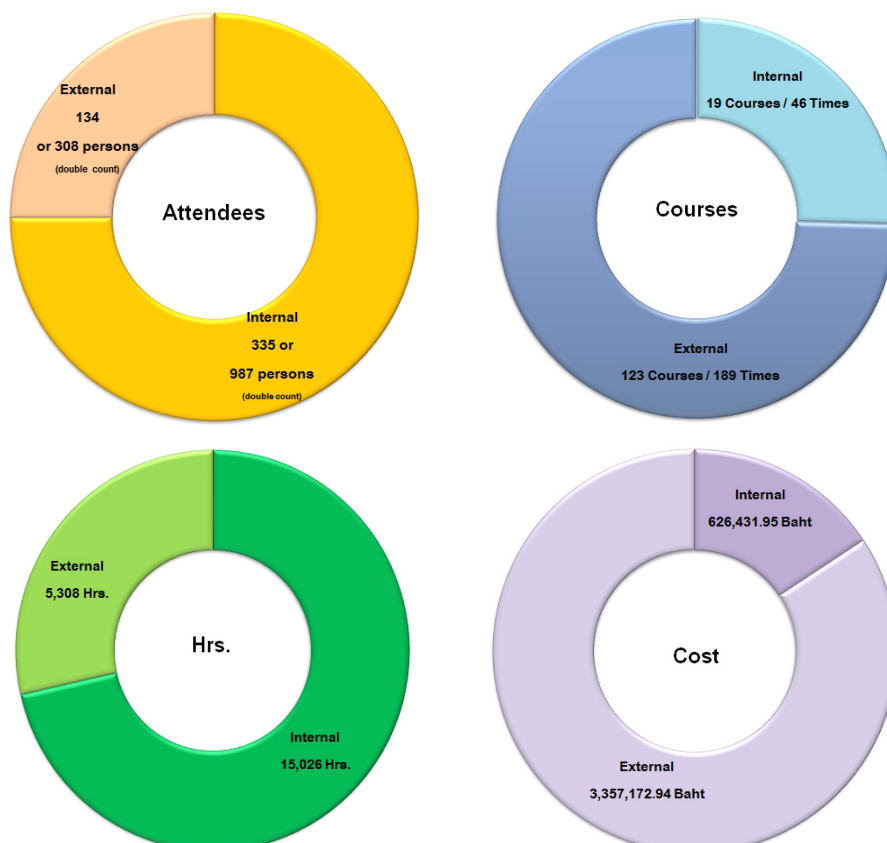
9.1 Build a Bridge : Bridging the Generation Gap บริหารอย่างไร...ให้ได้ใจคนทุก Gen

9.2 Money Expert : อยากมีชีวิตทางการเงินที่ดี ต้องรู้วิธีบริหาร

## 5. Orientation of a New Director

In assuming the position of New Director, he/she will receive manual and orientation of all important information about the Company's businesses and structures, along with the advice concerning the laws, rules, regulations and condition relating to being a Director of a listed company on the Stock Exchange of Thailand (SET), as well as the relevant announcement, requirements, acts and the articles of association of the Company related to the roles and responsibilities of the Board of Directors, in accordance with the Board Orientation Guideline of SET.

The Board of Directors promote and support the New Directors to attend the periodical training and seminar concerning to the roles and responsibilities of Directors, provided by Thai Institute of Director (IOD) especially the Director Certification Program (DCP) and the Director Accreditation Program (DAP) including the program arranged by the SEC, SET or the related parties, in order to increase knowledge, skills and benefit of the directors on their duties to comply with rules and regulations. The activities will also be reported to the Board of Directors in the meeting.



## DETAILS OF DIRECTORS

### 1. Mr. Suwat Dangpibulskul

Age 75 years

**Appointed:** 26 April 2007

**Position:**

- Chairman of the Board
- President of Executive Board

**Education:**
**Bachelor Degree**

- Medical Science, Mahidol University
- Law, Ramkamheang University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program No. 61/2007

**Shareholding:** 1.81

**Board Member / Management in Other Listed Company:**

- None-

**Board Member / Management in Non-Listed Company:** 1 company

1. Director of Munja Company Limited

**Family Relation to Executive Directors:**

- Spouse / no marriage registration  
of Miss Chomduen Satavuthi

**Experience (In the past - present) :**

- 2007 - Present : - Chairman of the Board / President  
- Consultant - Radiation Technics  
- Law and Finance  
Thai NDT Public Company Limited
- 1982 - 2007 : - Consultant - Radiation Technics  
- Law and Finance  
Thai NDT Public Company Limited
- 1978 - 1982 : - Trainer, Nondestructive Testing - Both  
institutions, government agencies  
and enterprises.  
: - Radiography Products Specialist
- 1970 - 1988 : - Sales Manager  
Medical & Industrial Radiography Market Dept.  
and Motion Picture and Audio Visual Market Dept.

**Tenure of Directors in TNDT:** 10 years

26 April 2007 - 28 April 2008  
28 April 2008 - 26 April 2010  
26 April 2010 - 22 April 2013  
22 April 2013 - 22 April 2015  
27 April 2015 - Present

### 2. Mr. Chaya Jivacate

Age 79 years

**Appointed:** 27 April 2009

**Position:**

- Vice Chairman of the Board
- Member of Nomination and Remuneration Committee

**Education:**
**Master Degree**

Microwave Physics, University of Surrey, U.K.

**Bachelor Degree**

B.Sc.(2nd class honour) in Electrical Engineering,  
Chulalongkorn University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program No. 80/2009

**Shareholding:** - None -

**Board Member / Management in Other Listed Company:** - None -

**Board Member / Management in Non-Listed Company:** - None -

**Family Relation to Executive Directors:** - None-

**Experience (In the past - present):**

- 2014 - Present : - Vice Chairman of the Board  
- Member of Nomination and Remuneration  
Committee  
Thai NDT Public Company Limited
- 2009 - Present : - Vice Chairman of the Board  
Thai NDT Public Company Limited
- Past - Present : - HONORARY FELLOW, AESIEP  
: - Chairman of the Advisory  
Energy for Environment Foundation (EforE)  
: - Director of Joint Research, Thailand Institute of  
Scientific and Technological Research (TISTR)  
: - Director of Project Management  
Center for Energy and Clean Technology  
(EC-TEC), National Science and Technology  
Development Agency (NSTDA)  
: - Director (Honorary Director/Expert)  
The Joint Graduate School of Energy and  
Environment (JGSEE)  
: - Consultant of CES Solar Cells Testing  
Center - CSSC  
: - Consultant of Department of Alternative  
Energy Development and Efficiency  
: - Renewable Energy Consultant  
King Mongkut's University of Technology  
Thonburi (KMUTT)  
: - Secretary General of the Association of the  
Electricity Supply Industry of East Asia and  
the Western Pacific -AESIEAP  
: - Assistant Governor in Energy Management  
Electricity Generating Authority of Thailand

**Tenure of Directors in TNDT:** 8 years

27 April 2009 - 23 April 2012  
23 April 2012 - 27 April 2015  
27 April 2015 - Present



## DETAILS OF DIRECTORS

### 3. Miss Chomduen Satavuthi

Age 71 years

Appointed: 26 April 2007

## Position:

- Director
- Executive Director
- Managing Director

## Education:

Master Degree

Engineering - Nuclear Technology,  
Chulalongkorn University

Bachelor Degree

Chemistry Science,  
Chiang Mai University

## Training organized by Thai Institute of Directors (IOD):

Director Accreditation Program No. 61/2007

Shareholding: 43.83

## Board Member / Management in Other Listed Company:

- None -

## Board Member / Management in Non-Listed Company: 4 companies

1. Director of Munja Company Limited
2. Director of Enspect Group Company Limited
3. Director of Sermasch Company Limited
4. Director of Phuttharaksa Power Company Limited  
(previously known as TNDT Ricebran oil Company Limited)

## Family Relation to Executive Directors:

- Spouse / no marriage registration  
of Mr. Suwat. Dangpibulskul
- Younger Brother of Mr. Krirkkiat Satavuthi

## Experience (In the past - present):

- 2015 - Present : - Honorary to Participate in Nuclear Technology (M.Sc.), Bachelor of Engineering course, Chulalongkorn University
- Nomination Committee, Chairman and Honorary Director in Executive Board Ministry of Science and Technology of Thailand
- Neutrality Committee issues the certificate for NDT personnel according to ISO Standard. Thai Society for Non-Destructive Testing
- 2013 - Present : - Subcommittee in Nuclear Program, Council of Science and Technology Professionals
- 2012 - Present : - Director mai Listed Company Association.
- 2006 - Present : - Director Nuclear Society of Thailand

### 3. Miss Chomduen Satavuthi

## Experience (In the past - present) (continue):

- 2007 : - Participate in Non-destructive Testing - Qualification and Certification of Personnel TIS. ISO 9712:2005
- 2005 - 2009 : - Chairman Thai Society for Non-Destructive Testing
- 2002 - 2004 : - Director Thai Society for Non-Destructive Testing
- 2007 - Present : - Director / Executive Director / MD Thai NDT Public Company Limited
- 1982 - 2007 : - MD Thai NDT Company Limited
- 1989 : - Participate in Drafting the Standard of "Qualification of inspectors of LPG cooking gas and oil cylinder, gas storage tank, gas & oil transportation tank, pipeline and piping systems and certificate for inspectors." (Notification in the Gazette) (Presently called "Notification of the Department of Energy Businee, Ministry of Energy).
- 1982 : - Participate in Establishment of "Non-Destructive Testing Association" to disseminate the knowledge and training NDT Personnel according to international standards.
- 1978 - 1982 : - Trainer, Non-destructive Testing - Both institutions / government agencies and enterprises.
- : - Radiography Products Specialist KODAK (Thailand) Company Limited
- 1970 - 1977 : - Researcher, Medical Research Center - SEATO, Phramongkutkloa Hospital
- 1969 - 1970 : - Government Scientist - Science Department, Ministry of Industry

## Tenure of Directors in TNDT: 10 years

26 April 2007 - 27 April 2009  
27 April 2009 - 27 April 2011  
27 April 2011 - 22 April 2014  
22 April 2014 - Present



## DETAILS OF DIRECTORS

### 4. Mr. Krirkkiat Satavuthi

Age 70 years

**Appointed:** 26 April 2007

**Position:**

- Director
- Executive Director

**Education:**

**Master Degree**

Civil Engineering, Brigham Young University, U.S.A.

**Bachelor Degree**

Civil Engineering, Kasetsart University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program No. 61/2007

**Shareholding:** 4.27

**Board Member / Management in Other Listed Company:**

- None -

**Board Member / Management in Non-Listed Company:**

- None -

**Family Relation to Executive Directors:**

Younger Brother of Miss Chomduen Satavuthi

**Experience (In the past - present):**

- |                |   |   |
|----------------|---|---|
| 2007 - Present | : | - Director                              |
|                |   | - Executive Director                    |
|                |   | Thai NDT Public Company Limited         |
| 2002 - 2007    | : | - Director / Senior Consulting Engineer |
|                |   | Thai NDT Company Limited                |
| 1970 - 2007    | : | - Professional Engineers, 9 worchor     |
|                |   | Department of Highways                  |

**Tenure of Directors in TNDT: 10 years**

26 April 2007 - 28 April 2008  
 28 April 2008 - 27 April 2011  
 27 April 2011 - 22 April 2013  
 22 April 2013 - 25 April 2016  
 25 April 2016 - Present

### 5. Squadron Leader Anek Panturaks

Age 82 years

**Appointed:** 26 April 2007

**Position:**

Director

**Education:**

**Bachelor Degree**

Mechanical Engineering (honor row),  
 Chulalongkorn University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program No. 61/2007

**Shareholding:** - None -

**Board Member / Management in Other Listed Company:**

- None-

**Board Member / Management in Non-Listed Company:**

- None-

**Family Relation to Executive Directors:**

- None-

**Experience (In the past - present):**

- |                |   |   |
|----------------|---|---|
| 2007 - Present | : | - Director / Senior Advisor Engineer      |
|                |   | Thai NDT Public Company Limited           |
| 2002 - 2007    | : | - Senior Advisor Engineer                 |
|                |   | Thai NDT Public Company Limited           |
| 1987 - 1996    | : | - Head of Research and development,       |
|                |   | aerospace and automotive.                 |
|                |   | Institute of Scientific and Technological |
| 1972 - 1987    | : | - Service Manager                         |
|                |   | The International Engineering             |
|                |   | Company Limited                           |
| 1968 - 1972    | : | - Field Engineers                         |
|                |   | Ray Lam Battery Company Limited           |
| 1956 - 1968    | : | - Head of Lathing and Casting Section     |
|                |   | Air Engineering Department                |

**Tenure of Directors in TNDT: 10 years**

26 April 2007 - 26 April 2010  
 26 April 2010 - 23 April 2012  
 23 April 2012 - 28 April 2014  
 28 April 2014 - 25 April 2016  
 25 April 2016 - Present



## DETAILS OF DIRECTORS

### 6. Dr. Wicha Jiwalai

Age 73 years

Appointed: 26 April 2007

## Position:

Independent Director / Chairman of the Audit Committee

## Education:

Ph.D. degree

Geodetic Science (honor row),  
Ohio State University, U.S.A.

Master degree

Cartography Engineering, ITC Institute, the Netherland.

Bachelor Degree

Civil Engineering, Chulalongkorn University  
(Bhurachatra Scholarships throughout the study.)

## Training organized by Thai Institute of Directors (IOD):

- |                                    |             |
|------------------------------------|-------------|
| - Director Certification Program   | No. 14/2002 |
| - Director Accreditation Program   | No. 8/2004  |
| - Finance for Non-Finance Director | No. 10/2004 |
| - Audit Committee Program          | No. 11/2006 |
| - The Role of Chairman             | No. 13/2006 |
| - Chartered Directors              | No. 1/2007  |

Shareholding: - None -

## Board Member / Management in Other Listed Company: 2 companies

- Chairman of the Audit Committee  
STP&I Public Company Limited
- Audit Committee  
Thai Optical Group Public Company Limited

## Board Member / Management in Non-Listed Company: 2 companies

- Chairman of Salitara Company Limited
- Director of World Resort Company Limited

Family Relation to Executive Directors: - None -

## Experience (In the past - present):

- Private Sector** :
- Independent Director /  
Chairman of the Audit Committee  
Thai NDT Public Company Limited
  - Chairman of the Audit Committee  
STP&I Public Company Limited
  - Audit Committee  
Thai Optical Group Public Company Limited
  - Chairman of Salitara Company Limited
  - Director of World Resort Company Limited

- Professional Association** :
- Chairman  
Surveying and Mapping Society of Thailand
  - Honorary Director, Association of  
Thai Condominium
  - Academic Director, Civil Engineering  
The Engineering Institute of Thailand
  - First Past President, The Asean Federation  
on Land Surveying and Geomatic (AFLAG)

### 6. Dr. Wicha Jiwalai

## Experience (In the past - present) (continue):

- Government Sector** :
- President of the Executives Board  
Geo-Informatics and Space Technology  
Development Agency  
(Public Organization)
  - Deputy Bangkok Governor
  - Associate Professor and Head of Survey  
Engineering Department.  
Faculty of Engineering,  
Chulalongkorn University
  - Professor of the Faculty of  
Engineering, Chulalongkorn University
  - Operational Committee for Civil  
Engineering Dictionary,  
The Royal Society
  - Director of Town and Country Planning,  
The Office of Town and Country  
Planning Board

## Tenure of Directors in TNDT: 10 years

26 April 2007 - 28 April 2008  
28 April 2008 - 27 April 2011  
27 April 2011 - 28 April 2014  
28 April 2014 - Present

## DETAILS OF DIRECTORS

### 7. Mr.Narong Rattana

Age 75 years

**Appointed:** 27 April 2009

**Position:**

- Independent Director
- Member of the Audit Committee
- Chairman of Nomination and Remuneration Committee

**Education:**
Master degree

Civil Engineering, Villanova University, U.S.A.

Bachelor degree

Civil Engineering, Chulalongkorn University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program May, 2008

**Shareholding:** - None -

**Board Member / Management in Other Listed Company:** 1 Company

1. Independent Director / Member of the Audit Committee  
Halcyon Technology Public Company Limited

**Board Member / Management in Non-Listed Company:** 2 Companies

1. Honorary Consultant of  
Wichien Dynamic Industry Company Limited
2. Honorary Consultant of MG Pharma Company Limited

**Family Relation to Executive Directors:**

- None -

**Experience (In the past - present):**

Present	:	- Honorary Consultant of Wichien Dynamic Industry Company Limited
	:	- Honorary Consultant of MG Pharma Company Limited
	:	- Consultant of Evaluation of clinical technology Project Ministry of Science and Technology
	:	- Advisor of Program for Executives Office of the Civil Service Commission
	:	- Executive Board of Thailand-Germany Institute Ministry of Industry
	:	- Independent Director / Member of the Audit Committee Halcyon Technology Public Company Limited
	:	- Independent Director / Member of the Audit Committee Chairman of Nomination and Remuneration Committee, Thai NDT Public Company Limited
1995 - 2004	:	- Director of Thai - German Institute
1992 - 1995	:	- Coordinator of Special Projects Center of Consulting and Project Development of Premier Group of Company
1982 - 1992	:	- Director, Office of Technology Transfer Office of the Permanent Secretary (OPS)

**Tenure of Directors in TNDT:** 8 years

27 April 2009 - 23 April 2012  
23 April 2012 - 28 April 2015  
27 April 2015 - Present

### 8. Mr. Vichai Watcharavatanakul

Age 64 years

**Appointed:** 26 April 2007

**Position:**

- Independent Director
- Member of the Audit Committee
- Member of Nomination and Remuneration Committee

**Education:**
Master degree

Political Science, NIDA

Bachelor degree

- Accounting, 1st honor,  
Thai Chamber of Commerce University
- Law, Thammasat University

High Vocational

- Accounting Audit, Chulalongkorn University

**Training organized by Thai Institute of Directors (IOD):**

Director Accreditation Program No. 61/2007

**Shareholding:** - None -

**Board Member / Management in Other Listed Company:**

- None -

**Board Member / Management in Non-Listed Company:**

- None -

**Family Relation to Executive Directors:**

- None -

**Experience (In the past - present):**

2014 - Present	:	- Independent Director / Member of the Audit Committee / Member of Nomination and Remuneration Committee, Thai NDT Public Company Limited
2010 - Present	:	- Independent Director / Member of the Audit Committee Thai NDT Public Company Limited
1995 - Present	:	- Certified Accounting Auditor (Registered Auditor No.3055), accounting and tax consultant (Freelance)
1986 - 1995	:	- Division Chief of Plan and Budget, Sugar factory, Department of Industrial Works
1980 - 1986	:	- Head of department budgets and spending, Sugar factory, Department of Industrial Works
1978 - 1980	:	- Assistant Internal Audit, Sugar factory Department of Industrial Works
1976 - 1978	:	- Auditor level 1, Sugar factory, Department of Industrial Works

**Tenure of Directors in TNDT:** 10 years

26 April 2007 - 26 April 2010  
26 April 2010 - 22 April 2013  
22 April 2013 - 25 April 2016  
25 April 2016 - Present



## DETAILS OF EXECUTIVES - COMPANY SECRETARY - CHIEF OF INTERNAL AUDIT

No.	Name - Surname Position	Age (yrs)	Education	Share holding (%)	Experience (In the past - present)		
					Time	Position	Department / Company
1.	Mr. Thanun Satavuthi Deputy Managing Director	33	<u>Master degree</u> - Business Administration, Assumption University  <u>Bachelor degree</u> - Electrical and Electronic Engineering Asian University	-	2016 - Present	Deputy Managing Director	Thai NDT Public Company Limited
					2013 - 2516	Assistant Managing Director	Thai NDT Public Company Limited
2.	Mr. Sahawat Techachan Business Development Manager	57	<u>Certificates</u> - Mechanical Engineering, Northeastern Technology College	lower than 1%	1989 - Present	Business Development Manager	Thai NDT Public Company Limited
					2012 - Present	Vice President	Thai Society for Non-Destructive Testing (TSNT)
3.	Mr. Tin Maung Aye Technical Manager	54	<u>Bachelor degree</u> - Mechanical Engineering, Institute of Technology, Yangon, Burma  <u>Certificates</u> - Welding Engineer, International Institute of Welding - ASNT NDT Level III ASNT	lower than 1%	1998 - Present	Technical Manager	Thai NDT Public Company Limited
					2010 - 2012	Director	Thai Society for Non-Destructive Testing (TSNT)
4.	Mr. Somouy Tangchithavornkul Operations Manager HSEQ Manager Quality Manager	48	<u>Master degree</u> - Business Administration, Ramkhamheang University  <u>Bachelor degree</u> - Aviation Maintenance, San Jose State University USA	lower than 1%	1999 - Present	Operations Manager Quality Manager HSEQ Manager	Thai NDT Public Company Limited
5.	Mr. Thammarath Sroysomboon Operations Manager Material Control Division	48	<u>Bachelor degree</u> - Welding Engineering, King Mongkut's Technology North Bangkok University	lower than 1%	1998 - Present	Operations Manager and Material Control Division	Thai NDT Public Company Limited
					2010 - 2012	Director	Thai Society for Non-Destructive Testing (TSNT)
6.	Miss Vajana Sakulraemrungs Office Management in Administrative, Secretary Office Purchasing and Human Resource	57	<u>Bachelor degree</u> - Bachelor of Liberal Arts, Thammasat University	1.97	2005 - Present	Office Management Manager (Secretary Office and Purchasing Division) Human Resource Manager	Thai NDT Public Company Limited
7.	Mr. Niyom Minivathakorn Finance and Accounting Manager	50	<u>Bachelor degree</u> - Accounting, Kasem Bundit University  <u>High Vocational</u> - College of Technology and Vocational Education, Bangkok Commercial Campus	-	2011 - Present	Finance and Accounting Manager	Thai NDT Public Company Limited
						Office Manager	Piya Arpa Accounting
						Director	Arpakorn Advisory Company Limited
					2002 - Present	Assistant Auditor	S.B. Auditing Service Company Limited
8.	Miss Sasiprapha Saengchai Company Secretary	36	<u>Master degree</u> - Master of Science (Agro-Industrial Technology Management) Kasetsart University  <u>Bachelor degree</u> - Food Process Engineering, Chiangmai University	-	2014 - Present	- Nomination and Remuneration Secretary	Thai NDT Public Company Limited
					2012 - Present	- Company Secretary - Audit Committee Secretary - Executive Board Secretary	Thai NDT Public Company Limited
					2009 - 2012	- Senior Supervisor Administration - Executive Secretary - Auditor of Internal Quality Audit	Pakfood Public Company Limited
					2004 - 2009	- Production Supervisor - Auditor of Internal Quality Audit	Asia Pacific (Thailand) Company Limited affiliated company in Pakfood Public Company Limited
9.	Mr. Krod Songmuang Chief of Internal Audit - Freelance	43	<u>Master degree</u> - M.B.A. (Accounting for Planning and Control) Kasetsart University.  <u>Bachelor degree</u> - BA. (Accounting) Rajamongkrala Institute of Technology.	-	2011 - Present	- Planning and Development Committee - Risk Management Committee - Head of Department of Accounting Assistant in Student Affair	Faculty of Business Administration, Kasembundit University

## CORPORATE GOVERNANCE (CG)

The Company has been assessed by the Corporate Governance Report of Thai Listed Companies 2016 from Thai Institute of Directors Association (IOD) in the “**Excellent**” level with the score of 90%, greater than the score received in year 2015 at 85% in the level of “**Very Good**”. In all, the Company has complied with the principles of good governance for five categories as follows:-

### Section 1 : Rights of Shareholders

The Company emphasizes and recognizes the importance of the equitable treatment of all shareholders rights, both minority and majority shareholders, institute investors or foreigners, without committing any violation or deprivation of the rights of shareholders or not to limit the opportunity to search for media of the Company. The Company also encourages shareholders to exercise their fundamental rights covered by the law, for examples:- the right to sell, purchase or transfer the Company’s securities, the Company’s profit by the way of dividend payment, the right of equitable treatment of shares’ refunding (if any), the right to attend and vote in the meeting of shareholders, etc. The Company will disclose important information affecting the investors in the Annual Report (56-2) and Annual Disclosure Information (56-1) and publish such news via SET. Even in case of shareholder transactions (Shareholder Agreement), the Company will try its best efforts to look into the agreement, not to be affected significantly to the Company or other shareholders. They are as follows:

#### Prior to the Meeting

1. The Company conducted the Annual General Meeting (AGM) of Shareholder 2016 on Monday 25 April 2016, at 09.30 a.m., at The Grand Fourwings Convention hotel, on 9th Floor at Srinakarin 2 Room, 33 Srinakarin Road, Hua Mark, Bangkapi, Bangkok 10240. which was convenient for the shareholders’ transportation. The meeting agenda with its details was posted via setportal system of SET 61 days prior to the meeting date. The invitation letter (in Thai and English) indicating place, date, time, meeting agenda with objectives and opinions of directors, guidelines, proxy form, articles of association related to voting and supporting documents were provided and disclosed on **the Company Website (www.tndt.co.th)** in the “**Investor Relations**” section under the title of “**shareholder information**” subtitle of “**Meeting of Shareholder**” 37 days prior to the meeting date for the shareholders to have sufficient time to consider and/or authorized proxy to attend the meeting. The Company assigned TSD, the registrar, to deliver the documents and registration form with barcode directly to the shareholders 30 days prior to the meeting date. Moreover, the invitation has also been 3 days continually published in the newspaper, 19 days prior to the meeting date to be in line with law and regulations.

2. The Company invited the shareholders to propose the agendas and the nominees to serve as directors and to submit the questions prior to the meeting date (during 4 January to 3 February 2017). The guidelines were clarified and noticed to the shareholders via: set portal of SET, **the Company Website (www.tndt.co.th)** and published the results to the shareholders via: **set portal** of SET, to the invitation of the Company’s shareholders meeting and in the shareholders’ meeting. (It was effective on the Annual General Meeting of Shareholders for year 2015 onwards). On the due date, there was no shareholder to propose agendas, nominees to serve as directors, or submit the questions in advance to the Company.

Furthermore, in year 2016 the Company’s proportion of free float shares were at 42.06 percent, and the proportion of shares held by institutional investors were less than 5 percent.

#### The Shareholders’ Meeting Date

1. The Company had a policy to facilitate and encourage shareholders including the institutional investors and proxies to register one and a half hours prior the meeting, a simplified document check with duty stamps for proxies, registered through the bar-code system to ensure fast registration with accurate, complete, and verifiable information. Shareholders were also allowed to register for the meeting even after the meeting had commenced so that they could maintain their rights for voting on those resolutions that had not yet been determined. The Company also provided an opportunity for shareholders to meet without discrimination or any obstacles to communicate between shareholders.

2. In case of shareholders who would not be able to attend the meeting, the Company allowed the shareholders to authorize an Independent Director or any other person as a representative with proxy form and evidence in accordance with the regulations as mentioned in the invitation letter.



## CORPORATE GOVERNANCE (CG)

### Section 1 : Rights of Shareholders (continue)

#### The Shareholders' Meeting Date (continue)

3. The Chairman of the Board and all Committees, Executives and Auditors values the importance of the AGM. Therefore, they attend and participate in the shareholders' meeting in order to express their opinions, raise any questions and clarify the issues related to the agenda and the Company's business.

4. The Chairman of the Board assigned the Company Secretary to announce meeting regulations as required by law and Company regulations, e.g. opening of the meeting, voting and vote counting on each agenda, introducing all Board Members, Executives, Auditors and Management.

5. The Chairman of the Board, who chaired the AGM, also conducted the meeting agenda with respect for the agenda earlier announced in the Invitation, and allowed sufficient opportunities for shareholders to inquire and express their opinions.

6. For the resolutions voting, the shareholders' volunteer was invited to witness and inspect in each vote count. The voting results in term of approval, disapproval or abstains for each agenda were transparently presented to the meeting.

7. The Company Secretary had been taken all the responses as well as the significant comments in the minutes of meeting. After the meeting, the shareholders were requested to return the voting cards to keep as evidence.



#### After the Meeting Date

1. The voting results of each agenda in both Thai and English were disclosed on the next day of AGM to the public by posting via setportal system of SET.

2. The minutes were submitted to the SET and the Ministry of Commerce within 14 days of the completion of the meeting. It also contained the Directors attendance, voting guidelines and procedures, the memorandum of the important inquiries or comments raised by shareholders and the responses from the Directors, as well as the voting results of each agenda. For the AGM No. 10/2016, the Company had submitted the minutes on May 09, 2016.

To facilitate the exercise of shareholders in attending the AGM and support the voting rights of the shareholders in regards to the principles and guidelines in the manual of "AGM Checklist" as defined by Thai Investors Association, the Company has been evaluated by Thai Investors Association in the AGM of Shareholders for the year 2016 with a score of 98.75 (for the year 2015 with a score of 100)

### Section 2 : Equitable Treatment of Shareholders

To establish equitable treatment among all group of shareholders, the Company invited the shareholders to propose the agendas of meeting, to exercise the right to appoint Directors individually and to submit the questions prior to the General Meeting of Shareholders date (during 4 January to 3 February 2017). The guidelines were clarified to the shareholders via set portal of SET, and the Company Website ([www.tndt.co.th](http://www.tndt.co.th)) and the results were published to the shareholders via set portal of SET, and the invitation of the Company's shareholders meeting and notified in the shareholders' meeting. It was effective on the Annual General Meeting of Shareholders for year 2015 onwards. On the due date, there was no shareholder to propose agendas or nominees to serve as directors or to submit the questions in advance to the Company.



## CORPORATE GOVERNANCE (CG)

### **Section 2 : Equitable Treatment of Shareholders (continue)**

During the meeting, the shareholders have the right to inquire about the Company's operations. The Chairman and Board of Directors fully provide an opportunity for shareholders to make inquiries, comments and suggestions. In case of shareholders who will not be able to attend the meeting, the Company allows shareholder to authorize an Independent Director or any other person as a representative with proxy form A. or B. and evidence which have been attached with the invitation letter. The shareholders have the right to vote corresponding to the number of shares held, one share is equal to one vote. The share in the same category has equal voting rights. In case the Company has more than one category of share, the Company will disclose each category of the voting rights. The Board of Directors, having conflict of interest in any agenda, shall not participate in the agenda. Moreover, any addition or change on the agenda in the meeting is prohibited so as not to infringe the rights of shareholders who cannot attend the meeting themselves, the agendas as provided in the invitation have to be conducted in sequence as well.

The Company has imposed the dissemination of knowledge and review of the policy to prevent the directors, executives and employee in the relevant sections to use the internal information for their own / other persons' interests inappropriately. In order not to exploit other shareholders, all directors and executives must regularly submit to the Board for the followings: their report of conflict of interest and report on their Company's securities holding/ their connected person holding of the Company's securities or any change within 1 month before the quarterly/annual financial statements are published (Prohibit to sales or purchase of the Company's securities on the mentioned period as well). Besides, the Company's policy defines that any new director and/or executive, who have just been appointed and their connected persons, must report their Company's securities holding within 30 days after being appointed. The Directors and the Executives must periodically report their advance sales or purchase of the Company's securities as least 1 day or report their holding within 3 business days from the date which the Company's securities have been purchased, sold, transferred or accepted transfer to SET and SEC abided by Article 59 of Securities and Exchange Act B.E.2535 (1992). In addition, the Company must disclose in the Annual Disclosure Information (56-1) and the Annual Report (56-2).

For the year 2016, no any Directors, Executives or Employee in the relevant sections using the internal information for their own / other persons' interests inappropriately.

Moreover, there are measures of the connected transactions of the Company and the related companies to a person who may have a conflict of interest which the Audit Committee has to be of the opinion about the necessity, reasonably and appropriate price of the transaction. The Audit Committee shall monitor its conditions which shall be in normal business practice (Fair and at arms' length). In case the Committee is not expertise in any transaction, the Company will provide the knowledgeable specialist such as auditors, property appraisers, law firms who are independent and are of opinion on the said transactions which will be implemented for the Committee's decision and to present to the Board of Directors later. In case of the transactions require to be disclosed or be approved by the shareholders in accordance with the rules and regulations of the SET, the Company will disclose the details and reasons of the transaction to shareholders, prior to the transaction.

In year 2016, The Company had not entered into transactions that violated or failed to comply with the rules of SET and SEC. Besides, the Company would disclose the inside information which might affect the investment and the exploitation of its Directors or Executives on such date immediately or before 9.00 am of the next business day (if any).

### **Section 3 : Roles of Stakeholders**

The Company recognizes the rights and roles of all stakeholders equitably and fairly as follows:

#### **Shareholders**

The Company commits to run business with good operation results and take profits continuously and steadily including to provide equitable compensation as on the dividend policy, disclose the operations, financial and non-financial information accurately, transparently and accountability. They are for all of the shareholders to get the maximum benefits with fairness and equitably. The Company shall regularly update the Company information via the SET and the Company Website ([www.tndt.co.th](http://www.tndt.co.th)). Moreover the Company comply with all of the principles relating to the shareholders in accordance with the good corporate governance of the SET, the Company's rules and regulations, and other legal concerned.





## CORPORATE GOVERNANCE (CG)

### Section 3 : Roles of Stakeholders (continue)

#### Customers

The Company commits to service customers with safety of life and property and the environment, with adherence to honesty, fairness, caring, responsibilities and provide quality of service on the basis of professional ethics, international standards and legal concerned. The Company recognize the importance on the rights of customers and colleagues around the working place, a safety training course in participation with the customers in the workplace to create a mutual understanding of the operations and reliability in the service of the company.

In 2016, the Company promoted and supported its customers by training and educating the customers in various job sites, there were 5 participants for the knowledge of quality and service standards, NDT testing & inspection and 23 participants for the knowledge of radiation emergency drill.

The Company has set up the target of Customer Satisfaction Survey of year 2016 at 71.43%. While the results of 493 Survey sheets of various customers were at 87.64%, in the “very good” level. The customers’ satisfaction in highest scores were by the following four aspects:-

1. Priority for the future	100.00%
2. Site Communication	91.00%
3. Safety in Operations / Employee's Attitude / Equipment	88.00%

#### Trading Partner

The Company’s policies are to strictly select trading partners with ethics and integrity, similar business operating or the related, good reputation and experiences with technical expertise, and strong financial status. The Company will treat the trading partners fairly and equally under the mutual agreement with honesty and fairness, not being exploited and not accepting gifts or rewards, as well as joining the parties or any activities with the aim to facilitate the operations and private benefits.

In 2016, the Company had 2 collaboration projects with the partners from India together with partners from China and Russian Federation. The projects were successfully well.

#### Competitors

The Company pledge to behave in accordance with the rules of the fair competition. The business with policies is to avoid exploitation, unethical manner such as caluminate, aspersion, misrepresent or any other way to attack rival.

#### Creditors

The Company shall comply with the contracts, agreements, obligations and liabilities that may arise, as well as the conditions mutually agreed upon strictly, transparency and no secrecy. In case of the Company cannot comply with the conditions agreed upon, the Company will notify the creditors in order to jointly find possible solutions. Moreover, the Company will maintain an appropriate capital structure in order to support the business operations and creditor confidence.

#### Product owners, Suppliers or Distributors

The Company commits to create a fair partner and maintain a good relationship with the product owners, suppliers or distributors without taking advantages. The purchases and sale of products and services are under the mutual agreement in terms of appropriate pricing and quantities. The Company prohibits Directors and Employees of the Company to receive any personal benefit from them.

#### Contractor

The Company will recruit qualified contractors to perform according to the terms stated in the contract, as well as treating them as employees without exploitation.

In 2016, the Company supported its Contractors by training and educating the knowledge of safety in operations, there were 24 participants attending this course.

## CORPORATE GOVERNANCE (CG)

### Section 3 : Roles of Stakeholders (continue)

#### **Government Offices**

The Company will cooperate and follow the rules and regulations of government offices and the related standards. The Company will follow the correct way to proceed with integrity, ignoring the bribery, gift or any other which contribute to facilitate the business operations.

#### **Employees**

The Company policies and procedures are on the fundamental right of employees, remuneration corresponding to the performance of the Company both in short terms and long terms, based on their abilities, fairly and equally, for examples:- yearly performance evaluations, Company business strategic evaluations in the period of 3/5 years, additional welfare to solve the employees and their families personal debt both in long term and short term, etc. During 2015 to 2016, the Company has signed MOU with the Official Banking Institutes for the employees' lower interest rate loans which some of the employees were interested in applying these projects.

Moreover, the Company always treat employees with respect to their honour, dignity and human rights. The Company also provides the necessary equipment to prevent danger from work, does not violate the privacy rights, encourages and supports employees to train both inside and outside the organization, learning the health & safety in working and new techniques, and creating the professional expertise regularly in order to maximize the potential and performance of the organization. The results of the annual training for the year 2016 has to be viewed on **the Annual Disclosure Information 2016** part 2 under chapter 8, topic 8.5.5 and **the Annual Report 2016** in the title of "Human Resource Development Policy", page 45-52

The employee remunerations and benefits policies have to be viewed on **the Annual Disclosure Information 2016** part 2 under chapter 8, topic 8.5 and **the Annual Report 2016**, title of "Remuneration", page 42-44

Anyway, the Company provides opportunities for employees to clue, complain or suggest on various matters arising from the operations via email / post / Human Resources Department, Company Secretary or the Independent Committee/Audit Committee. The Company will not disclose the information of the complainant. In 2016, no any employees' clues, complaint or suggestion.

#### **Human Rights**

The Company realizes the importance in respecting the human rights by considering the human's dignity, freedom and equality in which the Directors, Executives and employees including all employees in the subsidiaries must strictly follow the policy. The Company provides equal opportunity to work under the lawful regulations, terms and practices. In addition, the Directors, Executives and employees will not, in any way, violate or harass, either verbally or physically to any individuals based on nationality, skin colour, religion, culture, social status, gender, disability, marital status and other means according to the principle of the international humanrights law. The additional information of the human rights policy can be viewed in the **Annual Report 2016** under "Corporate Social Responsibility (CSR)", page 76-82.

#### **Intellectual Properties and Copyrights**

The Company encourages the employees to use their abilities in research and development to new innovate, modern and practical equipment and technologies according to the international standard which will also result in an increase in revenue for the Company. Presently, the Company has expanded its office space to support more research and development projects of new tools and innovations by Thai employees and is progressing to satisfactory. During 2016, some of the developed equipment had been used in the job sites and the results were satisfying.

In addition, the Company has a no intellectual properties or copyrights violation policy by training the new employees on orientation and publicized through other Company's media such as the Company Websites and emails. Moreover, all employees must sign an agreement on no computer-crimes and no violation of intellectual properties, the software of the employees is examined to prevent the use of illegal software or those which are unrelated to work, including the use of the internet which can only be used for researches and as the source materials for work. In 2016, there has been no cases of employees utilizing illegal software or violation of intellectual properties in the Company.



## CORPORATE GOVERNANCE (CG)

### Section 3 : Roles of Stakeholders (continue)

#### **Community & Environmental nearby**

The Company is determined to learn the local culture and traditions in the area of operations for living together in peace, co-creating, co-developing and support activities in the community, including resource conservation and environmental of communities nearby. For the year 2016, the activities of community's developing has been reported on **the Annual Report 2016** under "Corporate Social Responsibility (CSR)", page 76-82 and **the SD Report** on the Company Website ([www.tndt.co.th](http://www.tndt.co.th)) in the section of "**Sustainability**" under the title of "Social Responsibility (CSR)", subtitle "Sustainability".

#### **Social and Environment**

The Company provides knowledge and disseminate the environmental policy to all employees to commit and comply strictly with environmental standards and regulations, not making any impact arising from the operational use of existing resources to the environment and society. Moreover, the Company also has joint-campaign and encourage employees to use resources wisely by recycling and reuse the materials by modifying the disposal of scrap materials to be ready to use materials which is efficiently contribute to reducing the costs of operation. As well as the campaign of waste separation are to reduce the pollution caused by social and environmental impact of solid waste to be utilized as much as possible, and reduce risks from hazardous waste

In 2016, the Company has returned the 100 units of radioactive waste back to manufacturers in the country of origins. Including disposing of the toxic wastes such as sprays cans, magnetics powders and etc. by returning them to the Professional Waste Technology (1999) Public Company Limited (the waste disposal company that is licensed with the Department of industrial work) in the volume of 4.77 tons. These were for proceeding to eliminate them technically and legally, not to be burden and danger to society and the environment.

### Occupational Safety, Health and Environmental Practices and Policies (HSE)

The Company considers the occupational safety, health and environment for all levels of employees. Therefore, the Committee of Occupational Safety, Health and Environment have been formed for the purpose of determining the policies, the practical guidelines and follow up with practical operations. The Committee will organize monthly meetings in order to summarize the procedures according to the policies and report any accidents occurred from work. To prepare the work procedures documents, provide technical information within the appropriate boundaries to prevent any damages that may be done to the human resources and the environment are as well. In addition, the Committee will arrange safety training such as the radiation safety training to the employees and the customers, emergency radiation drills, safety driving training course, basic fire-fighting and fire evacuation drill, including giving constant and continuing advice to the employees, emphasizing on working based on occupational ethics and morals, provide safety system during work for employees and the general public involved to guarantee the health and safety issue, provide annual health check-up for the employees and also provide the illumination measurement so that the value is according to the labour ministerial regulations.

### Award for Safety, Health and Environmental Practices and Policies (HSE)

For the adherence of compliance to the HSE practices and policies in year 2016, the Company won the awards in Health, Safety and Environment as follows :-

1. The honorable award of "**The Prototype Workplace in Health, Safety and Environment in year 2016 (the Province Level)**" from Department of Labour Protection and Welfare, Ministry of Labour.
2. The award of "**The World Class Safety Performance**" for no accidents without a lost time injury for 1,010 working days, from the joint-company customers of CUEL, INPEX and JKC.
3. The award of "**The Excellent Management in Health, Safety and Environment for year 2016**" from IRPC Public Company Limited.
4. The award of "**One Year LIT Free Achievement**" for no accidents without a lost time injury from PTT Exploration and Production Public Company Limited (PTTEP).
5. "**The Platinum Award**" for no accidents with stop working in the S1 Project for the period of 15 years from PTTEP.

## CORPORATE GOVERNANCE (CG)

### Section 3 : Roles of Stakeholders (continue)

#### Award for Safety, Health and Environmental Practices and Policies (HSE) (continue)

6. “The CEO Contractor Award for SSHE Excellence” from PTTEP.
7. The 2 honorable certificates of “The Management Systems of Drugs in the Workplace, according to the White Factory Level 3”. (for headoffice in Bangkok and Lan-kra-beu site-office) from Department of Labour Protection and Welfare.
8. The certificate of Appreciation of “LCB Yard 2016 Load out, an Incident and Injury Free Operation” from CUEL.

#### Statistics of Incidents at Work in 2016:

In 2016, the incident occurrences total 19 times were as follow; (In 2015, Total 31 times)

1. Vehicles Incidents, total 13 times.
2. Radiation Exceedings, total 5 times.
3. Maintenance and Developing Equipment Incident, total 1 time.

The incidents from works were eliminated by protection and prevention measurement for non re-occurrence.

#### Assessment of Corruption Risk

The Company is aware of the importance in good corporate governance for motivating the Organization's growth and expands its businesses sustainably, with stable financial status and generate profitable returns to the shareholders adequately. Therefore, the Company agrees that risks assessment and management should be implemented, in order to prevent causes leading to corruptions with the operational framework in accordance with the international standards of the Committee of Sponsoring Organizations (COSO), so that all related parties can understand the principle of risks management and adapt it appropriately. The Company has disclosed the details on **the Annual Report 2016** under the title of “Anti-Corruption”, page 25 and on “Corporate Governance section 5 : Board Responsibilities, topic 1.1.10 Internal Control System”, page 71.

#### Clues / Complaints / Comments or Suggestions

The Company has disclosed the details on **the Annual Report 2016** under the title of “**Anti-Corruption**”, page 25. During 2016, no any clue, or the complaints etc. were submitted to the Company.

### Section 4 : Disclosure and Transparency

The Company recognizes the importance of information disclosure with correctness, completeness, transparency and on schedule according to the regulations of SEC and SET. The information includes financial and non-financial information as well as other important information which may affect the Company's securities prices and investment decisions of investors and stakeholders, both in Thai and English language. In addition, the Company disclose the remuneration of Directors (individually) and Executives and Audit fees, including other information such as details about the Committee, Company Secretary and Auditors who have worked during the past year, their performances and also the records of meeting attendances of the Director and Sub-Committees individually together with the history of course training (Page 45-52). Moreover, the Shareholding Structure, Management Structure, Good Corporate Governance Policy, Articles of Association, Charters, Ethics & Codes of Business Conduct, Channel for suggestions, complaints or violations, including the disclosure of securities holding of directors, executives and their involved have to be reported as well via the SET, the Annual Disclosure Information (56-1), the Annual Report (56-2), reporting quarterly results of operations, meeting with Analysts, Investors and Shareholders on Opportunity Days, Press Release and the Company Websites ([www.tndt.co.th](http://www.tndt.co.th))

In this, the Company's policy to disclose the information of securities holding of Directors, Executives and their connected persons, must report their Company's securities holding within 30 days after appointed. The Directors and the Executives must periodically report their advance sales or purchase of the Company's securities as least 1 day or report their holding within 3 business days from the date which the Company's securities have been purchased, sold, transferred or accepted transfer. The Company Secretary will coordinate in reporting the securities transition to the SEC and reporting to the Board of Directors.

## CORPORATE GOVERNANCE (CG)

### Section 4 : Disclosure and Transparency (continue)

#### Remuneration of Auditors

The Remuneration of Auditors for the Company and its subsidiaries:

##### 1. Remuneration of auditors

For the year 2016, M.R. & ASSOCIATES Co., Ltd, certified public accountant of SEC, has been appointed as the Auditor to audit, review and express its opinion to the financial statements of the Company and its Subsidiaries. The Remuneration was in the amount of 1,400,000 baht, they were quarterly monitoring at 160,000 baht, the year ended audit fee at 870,000 baht, and the review of compliance with BOI at 50,000 baht. The financial statements of the Company and its Subsidiaries were accredited by the Auditor without any comment and with no history of submitting the quarterly year ended financial reports longer than the restriction of the SET and no any history of amendment of the financial statements by the SEC.

##### 2. Other Fee

In 2016, no any other expense charged.

Detail	Amount (Baht)	
	TNDT	Subsidiaries
The annual audit for the year ended December 31, 2016.	670,000.00	200,000.00
The quarterly review for the period ended March 31, 2016.	140,000.00	20,000.00
The quarterly review for the period ended June 30, 2016.	140,000.00	20,000.00
The quarterly review for the period ended September 30, 2016.	140,000.00	20,000.00
The review of compliance with BOI.	50,000.00	00.00
Other	Charge the expenses as occurred.	
<b>Total</b>	<b>1,140,000.00</b>	<b>260,000.00</b>
<b>Overall</b>	<b>1,400,000.00</b>	

Besides, the Company has recognized the importance of strengthening relations with the shareholders. By the year 2016, the Company has met investors, shareholders in appropriate opportunities, such as the Opportunity Days, mai Forum of the SET, the 2 interviews posted by Business Innovation Program of Money Channel and the Profit Insight : Smart Investment of Amarin TV Channel, broadcasting by the Chief Executives, as well as answering the enquiries on various topics to the shareholders via Investor Relation and other communication channels of the Company.



# CORPORATE GOVERNANCE (CG)

## **Section 5 : Board Responsibilities**

Board of Directors shall possess the knowledges, experiences, leadership, vision and beneficial expertise to the Company business and the related industrial, being independent, dedication and effort for their responsibilities: They also exercise prudence and honesty for the best interest of the Company and all stakeholders.

Board of Directors' duties are to define a policy, review and approve the vision, policy, mission, strategic objectives, business plans and budgets of the Company, including supervising and monitoring performance regularly in order to ensure the implementation of the Company policies and frameworks with efficiency and effectiveness. They are as follows:

### **1. Board of Directors Structure**

The Board comprises of Board of Directors and 3 sub-committees, they are the Nomination and Remuneration Committee, the Audit Committee, and Executives Committee.

#### **1.1 The Board of Directors**

The Board of Directors comprises of at least 5 or not more than 15 Directors, and at least 3 Directors must be Independent Directors. In all, no fewer than half of the board members must reside in the Kingdom of Thailand. However, the directors must be elected by the AGM of shareholders.

#### **Authority and Responsibilities of Chairman of the Board of Directors**

Please see the title of “**Management Structure**” under the topic of “**Board of Directors**”, page 35

#### **Authority and Responsibilities of the Board of Directors**

##### **1.1.1 Assigning, Revision and Authorization**

The Board of Directors assigns, reviews and authorizes the visions, policies, missions, strategies, goals, business plans and Company's budget, the reviews shall be done every year, as well as the supervision, monitor, governing and follow up of the operation's results constantly so that the work procedures are conducted efficiently and effectively according to the assigned policies and strategies. The authorities of the Board of Directors are as follows:

1.1.1.1 Appoint, revoke or assign responsibilities to different committees and the Managing Director to carry out.

1.1.1.2 Authorize the search for and the investment in properties, when the budget is more than the authority of the Executive Board.

1.1.1.3 Authorize the search for, repair and sales of the movable assets, when the budget is more than the authority of the Executive Board.

1.1.1.4 Authorize the investment, the sales in equities, and/or debt instruments when the budget is more than the authority of the Executive Board.

1.1.1.5 Authorize the founding, merging or dissolution of the subsidiaries.

1.1.1.6 Authorize the obtaining or cancellation of the credit facilities when the budget is more than the authority of the Executive Board.

1.1.1.7 Authorize the loaning to the companies that is also the Company's shareholders or to companies that engage in business deals together or to any other companies when the budget is more than the authority of the Executive Board.

1.1.1.8 Authorize the guarantee of the credit facilities to the companies that is also the Company's shareholders or to companies that engage in business deals together or to any other companies when the budget is more than the authority of the Executive Board.





## CORPORATE GOVERNANCE (CG)

### Section 5 : Board Responsibilities (continue)

#### 1.1.2 Good Corporate Governance Policy

The Board of Directors promote the Company to realize the significance and transparency of the management by setting up the policies of ethics and business conducts and good corporate governance. In aspects of the organization's structure and the management strategies which will stipulate the roles and systematic operations that are transparent and open for inspecting. For examples: Clear mission and strategies, transparency to operate the business, taking care of safety of personal, property and environment both in organization and communities nearby, complying with the rules and regulations of the Company, the requirements and notification of SET and CMSB and the laws which related to the business, etc. The Board of the Company, Executives and Employees has committed to comply with the good corporate governance regularly. This will project better standards of management, bring out the various groups of Stakeholders to be confidence in the Company's good image and contribute to the development of a truly sustainable business.

The Company has set up the principles of corporate governance in written for the Directors, Executives and Employees to adhere and practice. The review and approval of the policies shall be done by the Board of Directors every year. On the Board's Meeting No. 2/2017 on February 26, 2017, the Board of Directors has considered and approved the principles of corporate governance (revised edition).

In 2016, the Company's Practices on the principles of Corporate Governance were as followed:-

#### **1.1.2.1 The Company followed the corporate governance principles**

With the only exception that the Chairman of the Board did not come from the Independent Directors and that he also acted as the Chief Executive. This was because the Non Destructive Testing and Inspection for engineering safety requires the personnel with knowledge, skills and had a long experience in the business, in order to lead the Company to success. However, both the operations of the Company and the Board of Directors were formed on the basis of good corporate governance, in accordance with the guidelines of the Stock Exchange of Thailand. The Chairman and the Chief Executive was not the same person, in practice, the Chairman could not exercise the power in the place of the Board of Directors without the consent of the Board. The Chief Executive must also followed the procedures of the Board of Directors which were always under the rules and regulations of the Company as well as being approved and under the supervision of the Board of Directors consisting of both Independent Directors and Non-Executive Directors as more than half of all Directors. This results in a balance of power, verifiable and the management that was transparent and concise. Moreover, the said authorization of power did not allow the Chief Executive to authorize the items in which he or any individuals might have conflicts of interests or conflicts of benefits in any way to the Company. Additionally, the Company had separated the position of the Chairman of the Board and the Managing Director, not making them under one person so that it was in accordance with the guidelines for good corporate governance.

#### **1.1.2.2 Remuneration of Directors and Executive**

Please see the title of **"Remuneration and Benefits"**, page 42-44.

#### **1.1.2.3 The Board of Directors' Accountability to the Financial Report**

The Board of Directors is responsible for the accuracy of the Company's financial report that displays the financial information sufficiently and transparently, including sufficiently disclosing the important data accompanying the Company's financial report, according to a suitable accounting standard. This is done consistently by having an inspection from the authorized, independent and trustworthy auditor which is approved by the SEC and/or other relating organizations and has gone through the review by the audit committee, including the disclosing of the auditing fee and other services within the Annual Report. In this, the Board of Directors has prepared the responsibility report to the financial report of the Board of Director in **the Annual Report 2016**, please see the title of **"Report of the Board of Directors' Accountability to financial report"**, page 83.

Furthermore, the Company has arranged for the financial report announcement and the meeting with shareholders, analysts and investors during the 'Opportunity Day' which is held regularly by the Stock Exchange of Thailand.



## CORPORATE GOVERNANCE (CG)

### Section 5 : Board Responsibilities (continue)

#### **1.1.2.4 Roles and Responsibilities of the Board of Directors**

The Company discloses the names and the records of each director, including the roles and responsibilities of the Board of Directors, the Nomination and Remuneration Committee and the Audit Committee, as well as the details of their duties in the past years for each Director under the title of **“Management Structure”**, page 34-38 and **“Details of Directors”**, page 53-57. This is for the shareholders and the relating parties can acknowledge the capabilities, experiences and vital information regarding the directors who support the Company to be successful in this way.

#### **1.1.2.5 Disclosure of the Directors and Executives’ Securities Holdings**

For the shareholdings of the Directors and Executives in 2016, please see the information on the **“Shareholding Structure”**, page 33. For the employees in relating departments, there was no any transactions’ regarding the sales, purchase or transfer of any securities.

#### **1.1.2.6 Investors Relation**

Besides the above channels of information, the Company has set up the investors relation department which is responsible for communicating the Company’s information to the investors and the outside individuals smoothly, equally and fairly. To this, the investors may contact for further information at the phone numbers and e-mail which are displayed on **the Company Website (www.tndt.co.th)** and the title of **“Company Information and Communication”**, page 5.

#### **1.1.2.7 Policy and Result of CSR**

Please see the title of **“Corporate Social Responsibility (CSR)”**, page 76-82.

#### **1.1.3 Business Ethics**

The Company has the guidelines of code of business conduct and ethical practices for Directors, Executives, and Employees, so they can conduct business loyally, honestly, justly and responsibly for stakeholders, shareholders and the related party. The code of business conduct and ethics guidelines shall include punishment as well.

In The Board of Directors Meeting No. 2/2017, held on February 26, 2017, the Board has approved the Company’s Code of Business Conduct and ethics (Revised Edition) and allowed the Directors and Executives to disseminate the details to all employees via the Company internal information system, the internet for the public. This is to promote the guidelines for good practices which the Company aims that the Directors and all employees will acknowledge and upheld as the core principle. The practices are regularly monitored as well. This is done so that it is the responsibility of all levels of Executives to oversee that their subordinates to be aware, understand and encourage the compliance with the Company’s Code of Conduct. The Company also holds training and educating the Code of Conduct to the new employees regularly. The details of the Company’s Code of Conduct can be found at **the Company Website (www.tndt.co.th)**, page **“Sustainability”** under the title of **“Code of Business Conduct”**.

In the past year, there were no any cases of complaint regarding the violation or the misconduct of the Company’s Code of Conduct.

#### **1.1.4 Leadership and Vision**

The Board of Directors had an independent role in management according to the standards of corporate governance by setting the visions, missions, strategies, goals, business plans including the Company’s budget and supervises, followed up the management’s operations in order to meet the designated goals and for the maximum benefits for the Company and all groups of stakeholders. The Board also assigned the internal control, evaluated and reviewed the internal control system, the accounting system, the Company’s internal operational system, assigned the risk management policies and followed up the results constantly including supporting the Board of Directors to participate in the seminar by the Institute of Directors (IOD), the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In addition, the Board of Directors would assign the Audit Committee and other Sub Committees to assist overseeing the Company’s operations.



## CORPORATE GOVERNANCE (CG)

### **Section 5 : Board Responsibilities (continue)**

#### **1.1.5 Conflict of Interest / Insider's Information Prevention**

To prevent conflict of interest issue, the Board of Directors determine policies and procedures to prevent the Directors, the Executives or the connected person from using insider's information for personal benefits were as follows:

- Reporting of Conflict of Interest must have been approved by the Board of Directors. In all, to approve the connected transaction, the Company's best interest, fairness, rationale behind transaction and consistency with market practice must have been taken into consideration.

- Supervision of Insider's Information Usage. The Board of Directors had a policy to prevent any Director or Executive to benefit from the significant insider's information that would significantly affect investment. The Board of Directors should convene the meeting, vote on the issue with the consent from the Audit Committee, and report to the SET on the following working day. Therefore, the Directors and Executives did not have an opportunity to use such insider's information for personal benefits.

- Disclosure of the Company's shareholdings of the Directors, the Executives or the connected person. (Please see the title of "**Corporate Governance, section 4 : Disclosure and transparency**", page 65-66)

#### **1.1.6 Balance of Power of Non-Executive Directors**

From 8 members of the Board of Directors who were qualified in accordance with the regulations of SET and were appointed by the AGM of shareholders, 3 Directors were members of the Audit Committee, who were Independent Directors / Non Executives, which exceed 1 of 3 of total number of Board members.

Moreover, there were 2 Directors who were neither Independent Directors nor Executives. Thus the balance of power should be performed on management review and independent audit executed.

#### **1.1.7 Aggregation or Segregation of Positions**

The Chairman of the Board was not the same person as the Managing Director. A-third of the Company's Board of Directors were members of the Audit Committee, who were Independent Directors, creating balance of power to check the Executive. Moreover, the Company had clearly determined scope of responsibilities of the board of Directors and Managing Director, which did not give any of the two parties the absolute power and would create balance of power in the significant resolution that required the Board or shareholders' resolution. Moreover, the Board Members or Managing Directors were not allowed to vote or approve on any connected transaction that he / she might have a conflict of interest with the Company or subsidiaries

#### **1.1.8 Taking a Position in the Listed Company and in the Subsidiaries which is not a Listed Company.**

- The Board of Directors indicated that the Directors might only remain in the position of a listed company for no more than 3 companies, and for other companies or subsidiary companies that was not a listed company, for no more than 5 companies. An exception to this is when the direct was authorized to take up a certain position by the Company.

- The Board of Directors indicated that the Managing Director of the Company could remain in the position of the Director of a listed company for no more than 3 companies, and for other companies or subsidiary companies that was not a listed company, for no more than 5 companies. However, this did not take into account the Company's subsidiaries or affiliates and the joint ventures by the Company where there was a necessity to supervise and managed in order to protect the best interests of the Company.

#### **1.1.9 Board of Directors Meeting**

The meeting must be held regularly at least once every quarter, or 6 times a year with the dates of the meeting being schedule in advance throughout the year and notify the Directors promptly. The procedures of the meeting would be in accordance with the regulations of the Company, the Public Law and the regulations of the Stock Exchange of Thailand and the minimum number of quorum while voting must be no less than two third (2/3) of the total Directors with the Chairman of the Board as the chairman of the meeting. The chairman would allocate the time sufficiently for the Management to present an issue and various performance reports and allowed the Directors to discuss the problems and evaluated the cases carefully. The outcome of an evaluation would be decided by the majority votes. In the case that there were the same amount of votes, the chairman of the meeting would be the deciding vote.

## CORPORATE GOVERNANCE (CG)

### Section 5 : Board Responsibilities (continue)

#### 1.1.9 Board of Directors Meeting (continue)

- Each Company's Directors should attend the meeting no less than 75% of the total number of meetings held annually.
- Prior to the meeting, the Chairman of the Board, the Directors and the Managing Director must present and consider the agendas for the meeting together so that the significant issues are given enough attention and appoint the Company's Secretary to circulate the meeting invitation together with the meeting documents according to the agendas at least 7 working days before the meeting so that all Directors may have adequate time in studying all the information before attending the meeting.
- The Board of Directors encourages the Managing Director to invite the Chief Executive Officer or relating personnel to participate in the meeting in order to provide information in the case that the Board of Directors requires additional data. If there are agendas involving the Directors, the stake holding Directors may not vote and may not attend the meeting

In 2016, there were meetings and attendance of the Directors as follows:

Directors' Name		Number of Meeting Attended (time) / Number of Meetings Held (time)			
		Board of Directors	Nomination and Remuneration Committee	Audit Committee	Executive Board
1. Mr. Suwat	Dangpibulskul	5/5	-	-	6/6
2. Mr. Chaya *	Jivacate	5/5	2/2	-	-
3. Miss Chomduen	Satavuthi	5/5	-	-	6/6
4. Mr. Krirkkiat	Satavuthi	4/5	-	-	6/6
5. Squadron Leader Anek *	Panturaks	5/5	-	-	-
6. Dr. Wicha *	Jiwalai	5/5	-	4/4	-
7. Mr. Narong *	Rattana	5/5	2/2	4/4	-
8. Mr. Vichai *	Watcharavatanakul	5/5	2/2	4/4	-

\* In addition, the Company also encourages the policy where the Directors, who are not Executives, Independent Directors or Audit Committee, may hold meetings among themselves to discuss any management problems that arise as they deem appropriate, without the attendance of the Executives. In 2016, the Directors, who were not the Executives or Independent Directors or Audit Committee, held the 2 Meetings.

#### 1.1.10 Internal Control System

The Board of Directors and the Company emphasizes greatly on the internal control system, both in the management level and the operational level in order to reflect the long lasting efficiency and the effectiveness in all areas, be in the internal atmosphere, operational risk assessment and risk management policy covering the whole organization, in order to prevent corruption cases which may incur and to provide training the policies and practices of the Company's anti-corruption, to cultivate denying to pay bribes for the benefits of the Company's business. Moreover, the risk assessment of controlling and monitoring the media and communicational system had to be done continuously. The responsibilities distribution and the supervision system to achieve a good counterbalance and the connected transactions has to be monitored appropriately.

In addition, for the internal control of the financial system, the Company prepares a financial report by appointing the person in charge with the Audit Committee to review and evaluate the adequacy of the reports by utilizing the Internal Control Integrated Framework of the Committee of Sponsoring Organization (COSO) as the fundamental framework which states that the internal control are divided into 5 groups, they are:



## CORPORATE GOVERNANCE (CG)

### **Section 5 : Board Responsibilities (continue)**

#### **1.1.10 Internal Control System (continue)**

Part 1 Control Environment

Part 2 Risk Management

Part 3 Management Control Activities

Part 4 Informational and Communication

Part 5 Monitoring Activities

As for the authorization of each transaction, the Company's best interests must be taken into account, by following the authorization chart. Future transactions can only be authorized by those who have no stakes in the said transactions.

In 2016, the Audit Committee has reviewed each operational control system and filed the reports by the Audit Committee as shown in the Annual Report page 8-9.

#### **1.1.11 Directors' Reports**

The Board of Directors shall be responsible for managing important business transactions, corporate affair, financial statements and public information disclosure, in the Annual Disclosure Information (56-1), the Annual Report (56-2) and the Company Website ([www.tndt.co.th](http://www.tndt.co.th)). The financial statements must be made in accordance with the generally accepted accounting principle of Thailand.

For this purpose, the Board of Directors shall appoint 2 Sub Committees, which comprised of Independent Directors who are not Executives, to review and ensure the quality of financial managements and internal control systems including the Directors and Executives' nomination and remuneration system. In these, the Sub Committees have to present the report to the Board of Directors for consideration.

**1.2 Sub Committee:** The Board of Directors have appointed 3 Sub Committees as follows:

#### **1.2.1 Nomination and Remuneration Committee:**

The Board of Directors have resolved to form the Nomination and Remuneration Committee in the Board of Directors Meeting no.6/2014 on the 10th November 2014. The Nomination and Remuneration Committee has all of the qualifications as prescribed by the Securities Regulations and the Stock Exchange, including notifications, rules and/or the regulations assigned by the Stock Exchange of Thailand. The meeting of NCR should be done regularly at least 2 times a year and also determine the meeting date in advance each year and notify the Members of Committee.

#### **1.2.2 Audit Committee:**

The Audit Committees must be independent Directors and the Company's Directors which are appointed by the Board of Directors and have the qualifications according to the Securities Regulations and the Stock Exchange, including notifications, rules and/or the regulations assigned by the Stock Exchange of Thailand and by the Company. A term on duty should not exceeding three years and not serve more than three consecutive terms (9 years). Unless the Committee's consideration for the more terms than three consecutive, the Committee shall unanimously approve such Independent director, having done the best interest for the Company, and ensure that the extra term does not affect the qualifications of independence. Moreover, such Independent Director shall be approved by the Board of Directors and propose to the Shareholders for approval on the AGM.

#### **1.2.3 Executive Committee:**

The Board of Directors appoints the Executive Committee by selecting from the Directors and/or a group of Executives as appropriated. The Board of Directors then appoints one of the Executive Directors as the President. The roles and responsibilities of these sub committees can be viewed at the management structure under the title of "**Management Structure**", page 34-38.

# CORPORATE GOVERNANCE (CG)

## Section 5 : Board Responsibilities (continue)

### Good Governance Committee and Risk Management Committee

The Board of Directors has not yet formed these 2 sub committees. Therefore the Board assigns the Audit Committee to review the conducts and the corporate governance principles, including setting up the Risk Management Policy to review and evaluate the risks management of the operations and the prevention of corruptions. These are done by appointing the internal audit to audit the work procedures in each department of the Company. The Audit Committee will review the policies, guidelines and the progress of the risks management, including various operational procedures and evaluate to reduce or control the risks so that the effects are at the acceptable level and prevent the corruption. In order for the internal audit to be independent and can operate at full power, the Board of Directors specifies that the internal audit operates and reports directly to the Audit Committee and that the Audit Committee will present the findings to the Board of Directors quarterly. This is prescribed in **the Annual Disclosure Information 2016**, part 1 under chapter 3 and part 2 under chapter 11 and **the Annual Report 2016** under the topic "Risks Management and Risk Factors", page 19-23 and "Internal Control System", page 24.

### 2. Selection of Board Members and Executives

Please see the title of "**Selection of Board Members and Executives**", page 39-41

### 3. Secretary

#### 3.1 Company Secretary

Please see the title of "**Management Structure**" under the topic of "**Company Secretary**", page 37-38 and **the Company Website (www.tndt.co.th)** in the "**About TNDT**" section under the title of "Directors & Executives", subtitle of "Company Secretary".

#### 3.2 Secretary of Nomination and Remuneration Committee

#### 3.3 Secretary of Audit Committee

#### 3.4 Secretary of Executive Board

3.2 - 3.4 Please see the Company Website in the section of "**Sustainability**" under the title of "Corporate Governance", subtitle of "Corporate Governance Policy".

### 4. Managing Director

The Managing Director acts as the Chief Executive Officer (CEO) by manages and supervises the daily business operations with the authority to process and operate all activities that is according to the policies given by the Board of the Directors under the rules and regulations of the Company. The CEO also has the authority to approve, evaluate the business strategies and must report the progress to the Board of Directors regularly.

However, the CEO must follow the protocols and various regulations assigned by the Board of Directors and must not approve of any items that may cause a conflict of interests both to him/her or any individuals or those that may have conflict of interests with the Company or its subsidiaries in any forms. If there are such cases, the CEO must report to the Board of Directors for further considerations.

The Board of Directors assigns the policies and the procedures for the CEO or Executive Directors to take position as the Directors of another company, both type of position and number of companies they may take, these must be approved by the Board of Directors.



Thai Non-Destructive Testing PCL



Good Corporate Governance

หลักการกำกับดูแลกิจการที่ดี



เอกสารนี้จัดทำขึ้น  
เพื่อเป็นข้อมูลประกอบการตัดสินใจ  
ของนักลงทุนและผู้เกี่ยวข้อง  
ในบริษัท ไทย นอน-ดิสทักทีฟ เทสติ้ง จำกัด



## CORPORATE GOVERNANCE (CG)

### Section 5 : Board Responsibilities (continue)

#### 5. Self-Evaluation

##### 5.1 Director

The Nomination and Remuneration Committee will review the assessment form together and present them to the Board of the Directors. By the 4th quarter of the year, the Board of the Directors and the sub committees will assess their performance together and assess the sufficiency of the internal control system by using the Self-Evaluation form of the Board of Directors based on the form of the Stock Exchange of Thailand and utilize the results to develop and improve the business operations, to achieve the assigned goals. The Company provides the Self-Evaluation of the Board of Directors annually and is done in 2 ways. These are 1) the Board of Directors' performance evaluation as a whole and 2) Director's evaluation individually. This is for the assessment of the effectiveness of the Board's guidelines on good corporate governance. The process are as follows:

5.1.1 The Nomination and Remuneration Committee reviews the assessment accuracy, completely and in accordance with the regulations by applying the Self-Assessment form on the basis of the form of the Stock Exchange of Thailand.

5.1.2 The Board of Directors and the sub committees will assess self-performance together by the 4th quarter of every year.

5.1.3 The Company's Secretary will gather and summarize the assessment results to the Board of Directors in order to develop and improve the business operations, to achieve the assigned goals. The results of the assessment will be displayed in the Annual Disclosure Information (56-1) and the Annual Report (56-2).

**The Board of Directors and Committee have assessed their performance as a whole which covered 6 different categories, they were:-**

1. Structure and qualification of the Board of Directors
2. Roles, duties and the responsibilities of the Directors
3. Board of Directors meetings
4. Directors' performance
5. Relationship with the Management
6. Self-development of the Directors and the Executives.

**The Board of Directors and Committe have assessed their performance as an individual which covered 4 different categories, they were:-**

1. Structure and qualification of the Board of Directors
2. Roles, duties and the responsibilities of the Directors
3. Board of Directors meetings
4. Self-development of the Directors

The Self-Assessment of the Board of Directors are divided into 5 levels which are 4 = Excellence / 3 = Good / 2 = Average / 1 = Below Average / 0 = Must be improved. The 2016 Self-Assessment of the Board of Directors could be summarized as follows:

Board of Directors / Committee	Assessment Score of year 2016 (AVG.)
1. Board of Director as a whole	3.98
2. Board of Director as an individual	3.94
3. Nomination and Remuneration Committee as a whole	4.00
4. Nomination and Remuneration Committee as an individual	3.96
5. Audit Committee as a whole	4.00
6. Audit Committee as an individual	3.96

# CORPORATE GOVERNANCE (CG)

## **Section 5 : Board Responsibilities (continue)**

### **5.2 Managing Director**

The Nomination and Remuneration Committee will assess the performance of the Chief Executive Officer by using the CEO assessment form on the basis of the form of the Stock Exchange of Thailand by the 4th quarter of the year. The assessment is divided into 3 categories which are;

1. Business strategy progression
2. Operational performance assessment
3. CEO development.

Then, the result will be presented to the Board of Directors for approval and use the outcome to develop and improve for better performance in order to achieve the assigned goals. However, the results of the performance assessment of the Managing Director in 2016, was in “very good” level. The details of assessment was personal confidential information and could not be disclosed.

## **6. Remuneration**

### **6.1 Remuneration of Directors:**

The Company assigns the Nomination and Remuneration Committee to consider the remuneration of the Directors and Executives appropriately and transparently by comparing to other companies in the similar fields and in the same level, including the duties, responsibilities and also considering the expansion of the business and the growth of the Company's profit which should be sufficient to attract and retain valuable and qualified Directors. The remuneration of Directors in each year will be allocated from the remaining balance after the meeting allowances have been deducted, and will be presented to the Board of Directors for approval and further present to the Shareholders Meeting for approval. The Directors who are given more duties and responsibilities will be rewarded more to compensate with the tasks given. (Please see the title of “**Remuneration and Benefits**”, page 42).

### **6.2 Remuneration of Managing Director (CEO):**

The remuneration of the Managing Director (CEO) will be determined each year according to the principles and the policies that the Nomination and Remuneration Committee designated. For the best interest of the Company, the level of short term remuneration in the forms of salary, bonuses and long term incentives must be conformed to the financial performance and the long term operational strategies, Executives development, and also considering the business expansion and the growth profit of the Company (Please see the title of “**Remuneration and Benefits**”, page 43).

### **6.3 Remuneration of Managing Director**

Remuneration of the Executives are determined annually by the Managing Director, in accordance with the policy of the Nomination and Remuneration Committee. (Please see the title of “**Remuneration and Benefits**”, page 43).

## **7. Capacity Development**

The Nomination and Remuneration Committee is responsible for the potential development strategy of the new Directors, the Directors, the Executives and the Company's Secretary by taking into the appropriateness under the rules and regulations which are related to the Company's business.

In 2016, the training courses / seminars of the Directors / the Executives / the Company's Secretary / the Management group and the Employees were disclosed in the Annual Data. (Please see **the Annual Report 2016**, the title of “Human Resource Development Policy”, page 45-52, the **Annual Disclosure Information** part 2 under chapter 8, topic 8.5.5 and **the Company Website** ([www.tndt.co.th](http://www.tndt.co.th)) in the “**Sustainability**”, section under the title of “Corporate Governance”, subtitle of “Corporate Governance Report”.

## **8. Succession Planning**

Please see the title of “**Selection of Board Members and Executives**” under the topic of “**Succession Planning**”, page 41.





## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's business is the professional inspection and the engineering testing by utilizing the Non-Destructive Testing (NDT) in order to ensure the safety of the industrial sectors which involve high amount of risks and the large structures, etc. In other words, this is the business that has a direct responsibility to the community, society and the environment. The Company has grasped the necessity of operating its business with the utmost responsibility, since this is one of the many factors which governs the growth of the organization in which the company had practiced throughout the 35 years of conducting this business.



### Overview Policies

Since the business involves Health, Safety, Security and Environment (HSSE), the Company must perform with the highest responsibility. Other than the theoretical principles, the Company must uphold the ethics and code of business conduct, moral principles and good virtue, has a good corporate governance that follows both the regulations of the public and private sectors in all activities involving the operation of the business and also refuses and opposes all forms of corruption in both the public and the private sectors. This includes raising the awareness of the employees to adhere to a code of conduct, ethics, morals and virtue in their services, in accordance with the main policies of the Company. In order to establish trusts in the Industrial sectors and to the customers, the works which are inspected or tested by the Company are safe and will not affect health, safety, securities and the environments in anyway, prior, during or after the service of the Company.

### Visions

The Company strives to earn trusts from the community by raising the awareness of the employees so that they uphold code of business conduct, ethics, morals and good virtue and operate fairly and follow the laws and regulations, building the **"TRUST TO OPERATE"** image, in order to earn the trust and confidence of all groups of stakeholders in the Management of the Company, leading the Organization to the success and sustainable growth in operating the business.

### Missions

The Company's mission is to establish confidence in its inspection and testing services to the industrial sectors or to the customers, guaranteeing the quality and safety with the following practices;

1. All the processes of the inspections and the testing, including the delivery and the storage must not affect the lives, properties, communities, societies and the environment, prior, during or after the inspection or calibration in proper.
2. The quality and the standards of tools and equipment selection for the inspection and testing are verified and calibrated appropriately and timely.
3. Take extra precaution in the safety of the employees and the customers by providing equipment and training to prevent possible dangers which may arise during the operation.
4. Improve personnel qualities by hosting both internal and external training in order to develop skills and proficiency for the operation.
5. Allow the employees to create, research and develop the modern innovation to enhance the service efficiency, including reducing the costs of importing, and shorten the operating time leading to a reduction in management costs.
6. Raise the employees' awareness to uphold the code of business conduct, morals and good virtue when servicing the customers, so that the testing and inspection results are accurate, precise and proceed according to the laws and regulations without altering the reports due to bribes or personal gains. This is done by mainly emphasizing the responsibility in public health, safety, securities and environment.

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

## Reporting Guidelines

The Company operates its business based on the 8 corporate social responsibilities guidelines as regulated by the Securities Exchange of Thailand, the “CSR Guidelines” of the Securities and Exchange Commission and the Corporate Social Responsibilities Guidelines by the Corporate Social Responsibility Institute (CSRI) of the Stock Exchange of Thailand, together with the Guidelines of Global Reporting Initiative - GRI : G4 as the main practice in both the main office and the branch offices, also in the form of social responsibility reports so that the business can be conducted orderly, transparent, fair, accessible and verifiable. This leads in the industrial sectors and the customers’ satisfaction and confidence in the results of the inspections and testing or the “**TRUST TO OPERATE**” by the Company. All of the stakeholders believe in the management that strengthens the image of the organization which in turns paves the way successfully to the entirely sustainable business growth.

In year 2016, the Company is aware of the rights and roles of all groups of stakeholders equally and fairly as follows;

## 1. Corporate Governance

The Board of Directors encourages the Company to uphold and prioritize the management according to the code of business conduct, and the good corporate governance. This includes both the organizational structure and the management strategy which has specific roles and systemic work procedures that are transparent and verifiable, for example clearly defining of visions and strategies, being transparent in the business operations, taking care of the safety for the employees, properties and the environment within the organization and the surrounding communities, and also to follow the regulations and enforcements of the Company including those of the Stock Exchange of Thailand, the Securities and Exchange Commission and any other related to business laws. To this, the Board of Directors and the employees have always adhered to the practice in order to create the standard of the business that all groups of stakeholders can trust, improving the image of the Company and lead to the development of sustainable business.

In year 2016, the Company has been assessed in the CG Score in the “Excellent” level which the Company will maintain and develop even more.

Companies with  
**Excellent** CG Scoring



## 2. Fair Operating Practices

The Company determines to provide the service with utmost responsibility to health, properties and environment by upholding the integrity, the fairness, the attentiveness and the quality of the services on the basis of Code of Business Conduct, professional ethics, the international standards laws and regulations from the first step of the procedure to the delivery over of the testing results to the industrial sectors or to the customers with precision and accuracy, guaranteeing the quality and the safety in each steps. The procedures or the inspected work piece, including the quotation of the price according to the regulations are done fairly and appropriately. The advices are given, service instruction introduced and the appropriate tools and equipment are used according to the business of the customers within the regulating standard as specified fully in the contract while maintaining the customers’ confidentiality

## 3. Anti-Corruption Policy

3.1 The Board of Directors aims to operate the business with honesty, integrity and emphasizes the responsibility to the community and to all groups of stakeholders and strictly follows the good corporate governance policies, including ethics, code of business conduct and the Company’s work regulations. Therefore it is imperative to devise an anti-corruption policy to act as guidelines in operating the business and to be a sustainability organization.

3.2 In order to protect and control the risk of fraud in business operations, the anti-corruption policy shall be trained and publicized to all the employees in the organization. They are prohibited from engaging or accepting corruptions in all forms, be it for the direct or indirect benefits to self, customers or any groups of stakeholders. This includes all businesses and departments relating to the Company with no regards of any consequences to the profits or any other assets of the Company.



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 3. Anti-Corruption Policy (continue)

3.3 The anti-corruption policy was monitored, reviewed and assessed at least once a year, as well as the practical and requirements revision of the procedures in accordance with the changing of the business, regulations and the legal requirements".

### 4. Respect for Human Rights and Fair Labor Practice

The Company set up the policies and regulations under fundamental rights which the employees and their families are entitled to, with regards to the fairness, equality or greater than the basics standards which the employees should entirely be given.

These are :-

4.1 Distributing the benefits and incentives appropriate to the skills, equally and fairly.

4.2 Provide a good work place atmosphere, including preparing the necessary equipment to prevent accidents from work.

4.3 No violation of privacy.

4.4 Support and encourage the employees to constantly train both inside & outside of the organization and overseas training in order to develop new techniques and improve professional proficiency which will increase the work quality and efficiency to the organization including the adequacy of customer services in all process as well

4.5 Provide safety equipment and system according to the rules and regulations for the employees, customers and the communities in order to prevent accidents from operating which may affect the lives, properties, environment and the reputation of the customers.

4.6 Encourage the employees to apply their skills in research and development to invent equipment, tools or new innovations which are practical, international standardized in order for the cost effectiveness of the organization and the customers.

4.7 Provide the recreation area for the employees to relax or exercise, for example table-tennis tables, soccer pitches, petanque courts and courtyard for activities / parties on various occasions and etc.

4.8 Allow the employees to complain or suggest any topics concerning the business operations via channels such as Comment Box / E-Mail / postal / Human Resource Department / Company's questionnaires, etc. The Company will not disclose any information of the complainants.

### 5. Consumer Responsibility

5.1 The Company emphasizes greatly on the rights of the customers and the co-workers in the operating area. There are trainings in cooperation with the customers regularly in order to provide knowledge and better understandings to the customers and their subsidiaries, for example NDT basic knowledge course, radiation safety training, basic knowledge of inspection and radiation emergency drills so that both the customers and the Company can benefit from the mutual understanding of the safety precautions and the services of the Company.

5.2 Services: High efficiency for high quality in every step.

5.2.1 Business Operations comply with the international standard procedures such as ASTM, ASME, etc. This includes the laws and regulations of related public entities, for example the Department of Energy Business, Office of Atoms for Peace or Thailand Institute of Nuclear Technology.

5.2.2 Employ knowledgeable and specialized personnel who have been certified to the international standards, for example ASNT, API, ZSWIP, etc. Perform the task and report the outcomes according to the code of business conduct, moral and good virtue with precision, accuracy to meet the standards dictated and prohibit to change the results untruthfully

5.2.3 Use modern, high quality tools and equipment which meet the international standards and the better development of tools as well. The programs used must be licensed from the producers, as well as be updated and verified while the tools and equipment re-calibrated when the period is due by the producers and certified organizations such as the Office of Atoms for Peace, the Technology Promotion Association (Thai-Japan), Department of Science, including organizations which are certified with ISO17025, for better accuracy of the inspections and results.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 5. Consumer Responsibility (continue)

5.2.4 Provide safety equipment and system according to the rules and regulations for the employees, customers and the communities in order to prevent accidents from operating which may affect the lives, properties, environment and the reputation of the customers.

5.2.5 Deliver the results accurately, precisely, completely and within the given time.

5.2.6 Constantly perform customers' satisfaction in order to improve and develop a more efficient service, resulting in the highest level of customers' satisfaction.

In year 2016, the results of customers' satisfaction surveillances, please see the title of **“Corporate Governance under the topic of Section 3: Roles of Stakeholders”**, page 62 and **“Customer Satisfaction, Corporate Social Responsibility (CSR)”**, page 80.

### 6. Environment Conservation

6.1 The Company emphasizes on the rules and regulations which benefit to the societies and to the environment for both public and private sectors, especially in all activities relating to the business operation, for example the regulations for radiation possession and utilization by the Office of Atoms for Peace, Ministry of Science and Technology, the regulations by the Department of Energy Business, Ministry of Energy, including all international regulations and practices.

6.2 The Company promotes the project or activities of Corporate Social Responsibility (CSR) and Environment by the cooperation of the managements and employees in all departments. It allows stakeholders to participate in the activities of the Company in some occasions and sometimes.

6.3 The Company's operations are according to the international standards including all relating regulations when disposing of leftover wastes from the services, such as radioactive wastes, sprays cans or magnetic powder, by returning them to the manufacturers or to the wastes disposal companies that is licensed with the Department of Industrial Works, so that they can correctly dispose of the leftovers. These shall not be harmful to or endangering the society and environment.

6.4 The Company encourages employees to use resources and energy efficiently and/or modifies or recycles for the highest benefit, resulting to reduce the cost of operations, as well as to educate the employees regularly in the matters pertaining to the environment.

6.5 The Employees' Campaign of preliminary office waste separation before leaving in a big bucket is to facilitate in disposing, selling and taking as an expense in the activities of the Company.

6.6 Training and publicizing the Policy of Environment to the employees in order them to be aware of and comply with the policy which strictly focus on the standard practices and the environmental laws.

### 7. Community and Society Development

7.1 The Company aims to understand all of the cultures and traditions in every operating area in order to coexist peacefully.

7.2 The Company is willing to develop and generate the quality of lives, to provide work, to support the activities and help out the people of the communities in appropriate occasion.

7.3 The Company will not cause a negative impact to the communities near the operating areas and will conserve the environment and the resources in the vicinity.



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 8. Innovations and the Publicizing of Innovations

The Company has formed the Creative Research and Development Division (CRD) with the knowledge, expertise, and creativity personnel to research, develop and invent tools, equipment to be modernized innovations which are according to international standards and practicable. These are capable to create values to the customers and the Company with more efficiency, more readiness on designated target time, as well as the qualified, accurate and reliable reporting.

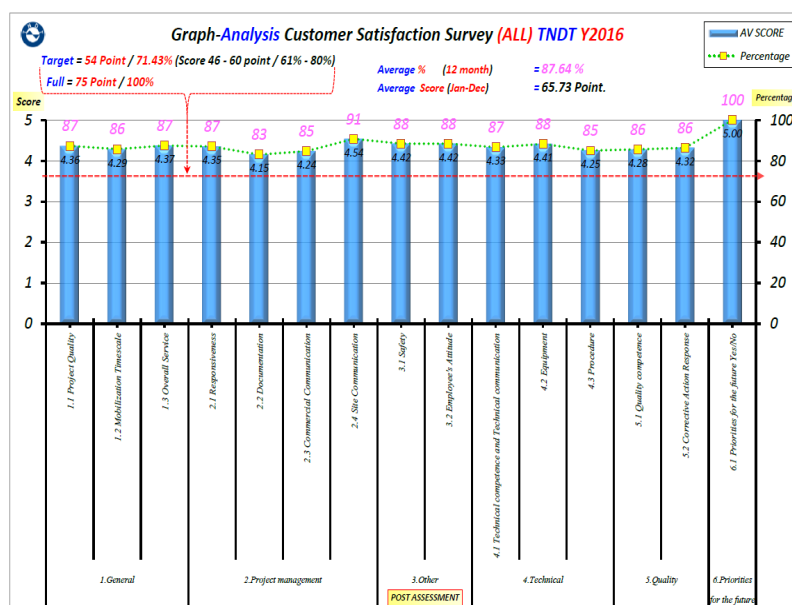
In 2016, the Company was one of the 31 companies elected to participate in the 'Innovation Enhancing Projects' for companies in the Stock Exchange of Thailand with the support of the National Innovation Agency (NIA), Stock Exchange of Thailand, the Market for Alternative Investment and the College of Management Mahidol University. Moreover, the Company also received the **"Innovative Organization of the year 2016"** which guarantees the innovation management within the Organization. The Company is ready to support and cooperate in developing new innovations for both internal and external uses for the benefits of the Nation. (Please see the title of **"Significant Development of the Company"**, page 16)

### Channels for complaints or suggestions

The Board of Directors emphasizes the importance of stakeholders' participation and allows a variety of channels for them to file complaints, appeals, opinions or suggestions which will be useful for improving the Company's business or the violated rights complaints which will provide apparently the contact information. The Company's secretary / the Audit Committee's secretary will gather and present them to the Board of Directors, Audit Committee and to the related Executives for consideration. The available channels are displayed in the Annual Disclosure Information (56-1), the Annual Report (56-2) and also on the Company Website (www.tndt.co.th) together with the code of business conduct. (Please see the title of **"Anti-Corruption"**, page 25)

### Customer Satisfaction.

Satisfaction surveys were received from customers after the delivery / every 4 months. (Please see the title of **"Corporate Governance, Section 3: Roles of Stakeholders"**, page 62)





## CORPORATE SOCIAL RESPONSIBILITY (CSR)



SET Bull Run



Annual Health Check 2016



Joining the Project of Energy Conservation Alliance in 2016" @ The Energy Complex.



In-house Training



World Accreditation Day



Parents Meeting Day with Top Executive @

Chiang Mai University





## CORPORATE SOCIAL RESPONSIBILITY (CSR)



The New Year Blessing by MD



Songkran Festival



Sport Day & New Year Party 2016

@ Rayong Branch



Blood Donation (The 3<sup>rd</sup> and 4<sup>th</sup>)



Children's Day @ Bangkok Youth Center



Donation to Baan Nok Kamin Foundation



## REPORT OF THE BOARD OF DIRECTORS' ACCOUNTABILITY TO FINANCIAL REPORT

The Board of Directors realizes the importance and responsibility for the financial statements of the Company and its subsidiaries which have been disclosed adequately in the Company's notes to the financial statements. The financial statements of the Company for the year ended 31 December 2016 has been prepared, in accordance with the Financial Reporting Standards of Thailand and the Accounting Policies which performed appropriately, transparently timely and completely to prevent any corruption or deviate actions. Furthermore the preparations of financial statements have been considered regularly, carefully and reasonably. The Company have been audited by M.R. & ASSOCIATES Co., Ltd., the Certified Public Accountant, being in line with the SET/SEC Regulations and mentioned in the Annual Report 2016.

As the performance mentioned above, the Board of Directors had appointed the Audit Committee of which comprised 3 Independent Directors with qualification according to SET/SEC Regulations. The Audit Committee has performed its duties independently to be responsible for evaluating the accuracy and transparency of the financial statements as well as relevant financial reports of the Company and its subsidiaries and the internal control system of each quarter to ensure that the Company has adequate corporate governance, transparent, appropriate and completely of connected transactions and conflict of interests disclosure. The internal controllers have responsibilities as assigned by the Board of Directors. The opinion of the Audit Committee has already been disclosed in the Annual Report 2016.

The Board of Directors was of the opinion for the financial statements of the Company and subsidiaries for the year ended 31 December 2016 which has been prepared in accordance with the Financial Reporting Standards of Thailand, reliable, transparency and with adequate disclosure. The external auditors have provided opinion on the report of the independent auditors and no significant observations. The Company's internal audit was conducted with appropriateness covering risk factors, effectiveness in business performance and disclosure of comprehensive information together with having efficiently protected the Company's assets and found no major fraudulent incidents.



(Mr. Suwat Dangpibulskul)  
Chairman of the Board



(Miss Chomduen Satavuthi)  
Managing Director



## FINANCIAL POSITION AND OPERATION RESULTS

Financial Position as of 31 December 2016 [The Company Only]

### Total Assets

As of 31 December 2016, the total assets of the Company registered at 861.67 million baht, an increase of 99.37 million baht or 13.04 percent compared with that of the end of 2015. Such total assets consist of current assets of 485.31 million baht (56.32% of the total assets) and non-current assets of 376.36 million baht (43.68% of the total assets). The current assets have increased in 2016 for 36.87 million baht or 8.22% due to an increase significantly in advance to subsidiaries and short-term loans to related person and other parties while the other current assets have declined from that of 2015. For non-current assets in 2016, the Company has disposed and acquired additional equipment to accommodate the expansion in the future. Therefore the land, buildings and equipment have increased in 2016 for 64.26 million baht or 33.62% while the other non-current assets have slightly changed.

### Total Liabilities

As of 31 December 2016, the total liabilities of the Company registered at 325.94 million baht, an increase of 86.82 million baht or 36.31 percent compared with that of the end of 2015. Such total liabilities consist of current liabilities of 290.79 million baht (89.21% of the total liabilities) and non-current liabilities of 35.14 million baht (10.78% of the total liabilities). For current liabilities that are significantly for the Company were overdraft and short-term loans from financial institutes and were 215.84 million baht or 66.22% of the total liabilities. In addition, in 2016 the Company had borrowed the short-term loan from the related person registering at 19.76 million baht as of 31 December 2016. In 2016 the major liabilities have increased, particularly overdraft and short-term loans from the financial institutes, 79.31 million baht, an increase from that of 2015 and the long-term loans have increased 14.27 million baht. The decline in the liabilities was accrued expenses and other current liabilities for 28.96 million baht and the liabilities under hire-purchase and finances lease contracts for 2.76 million baht.

### Shareholders' Equity

As of the ending date of 2016, the shareholders' equity of the Company registered at 535.74 million baht, an increase of 12.55 million baht or 2.40 percent compared with that of the end of 2015. The net profit in 2016 was 29.56 million baht and the Company has announced the dividend payment for the year 2015 for 17 million baht so the unappropriated retained earnings were 374.56 million baht.

### **The operation results for the fiscal year ended December 31, 2016**

#### Total Revenue

The total revenues for the year ended 31 December 2016 registered at 345.39 million baht compared with that of the end of 2015, a decline of 83.79 million baht or 19.52% while the main income of the Company was the service income of 338.58 million baht or 98.03 % of the total revenue.

#### Total Expenses

Expenses in 2016 were 303.12 million baht consisting of the service cost of 253.81 million baht, administrative and general expenses of 34.93 million baht and remunerations of the executives of 14.38 million baht. Besides, the financial cost of the Company were 12.35 million baht. The service cost in 2016 has decreased 61.67 million baht, compared with that of 2015, due to the decline in sales while the administrative expenses have increased 6.82 million baht or 16.05% compared with that of 2015.

#### Earnings before financial cost and tax (EBIT)

In 2016, the earnings before financial cost and tax of the Company were 42.27 million baht, a decline of 28.94 million baht or 40.65% in 2015 due to the decline in incomes and increase in some expenses. However, the earnings before financial cost and tax of the Company were able to cover the financial expenses of the Company.

#### Net Profits

In 2016, the profit of the Company was 29.56 million baht, a decline of 37.42 million baht or 55.87% from that of 2015 due to the decline in sales and the increase in some expenses. In addition the net profit to sales in 2016 was 8.56%, compared with 15.61% in 2015.

#### **Notes:**

- As financial status and the operation results of Thai NDT Public Company Limited only.
- For more information, please see the Company's Annual Disclosure Information (56-1) as presented on the [www.sec.or.th](http://www.sec.or.th) or the Company's Website ([www.tndt.co.th](http://www.tndt.co.th)).

## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thai Nondestructive Testing Public Company Limited

### Opinion

I have audited the consolidated financial statements of Thai Nondestructive Testing Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of Thai Nondestructive Testing Public Company Limited, which comprise the separate statement of financial position as at December 31, 2016, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Thai Nondestructive Testing Public Company Limited and its subsidiaries as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of Thai Nondestructive Testing Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements” section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King (“FAP”) in connection with the audit of the consolidated financial statements and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with such Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements and the separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

### Completeness and Proper Cut-off Period of Service Income and Related Cost of Services

#### *Risk Description*

Regarding the 2016 quarterly reviews of interim financial information, I found some adjusted errors relating to service income and cost of services that were recorded incompletely and in improper period whereby the errors were understatements. The root causes of such errors were delay in communications and transmission of job-closed documents on the rendered services between (1) departments of the Company and (2) the Company's officer who was responsible for handover of works and the customer's officer who was responsible for acceptance of works. Amount of the identified errors was material to the overall financial statements. In addition, completeness and proper cut-off period of service income and related cost of services significantly affected the completeness and accuracy of trade receivables and trade payables in the Company's statements of financial position as at December 31, 2016 as well as service income and cost of services in the statements of comprehensive income for the year ended December 31, 2016. This significant matter gave rise to significant risk on the aforesaid accounts, which are significant accounts and directly relevant to the business activities (service rendering) of the Company.

Significant accounting policies and other information relating to trade receivables, trade payables, service income, and cost of services were disclosed in Notes 3, 5, and 22 to the financial statements.

#### *Responses to the Risk*

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to appropriate and acceptable level and enable the Company's financial statements to be free from material error or misstatement:

- Considered and obtained understanding in the Company's working procedures and related internal controls in connection with the service systems and related costing which also included reading and obtaining the understanding in documentation and reporting attributable to the Company's handover of works and acceptance of works by the Company's customers.
- Considered the detail of works being done and still outstanding as at the end of year and brought in the gathered information to perform analytical review with documents and reports of works done and related handover as well as the analysis of gross profit of each job.
- Performed cut-off test on service income together with consideration of related costs both before and after the date of statement of financial position, in the extent that I considered appropriate, by comparison of the accounting period that service income was recognized with the information gathered from the Company's job-closed and handover documents and acceptance of works by the customers.
- Performed circularization of balances at year-end of trade receivables and trade payables, in the extent that I considered appropriate, and followed up the responses on such circularization in order to gather and use as supplemental information for my cut-off test performed on service income and related costs.

## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Registration Statement and the Annual Report, but does not include the consolidated financial statements and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and the Separate Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.



## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the separate financial statements, including the disclosures, and whether the consolidated financial statements and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

## REPORT OF CERTIFIED PUBLIC ACCOUNTANT

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and the separate financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this report of certified public accountant is Mr. Methee Ratanasrimetha.



(Methee Ratanasrimetha)  
Certified Public Accountant  
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.  
Bangkok  
February 26, 2017





## STATE OF FINANCIAL POSITION

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016 AND 2015

#### ASSETS

	Note	In Baht			
		Consolidated		The Company Only	
		2016	2015	2016	2015
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		3,834,247	25,540,781	741,032	21,616,419
Current investment		9,436	626,250	9,436	626,250
Trade receivables					
- Billed - net	5	83,656,922	77,447,623	83,656,922	77,447,623
- Unbilled		41,426,536	59,154,889	41,426,536	59,154,889
Short-term loans to and interest receivable from related person	4	5,847,867	5,792,818	-	-
Short-term loans to other parties	6	99,996,669	87,529,955	99,996,669	87,529,955
Advances to subsidiaries	4	-	-	231,375,950	169,866,510
Supplies	7	8,501,306	13,574,539	8,501,306	13,574,539
Other current assets					
- Advances	4	72,354,177	67,169,665	7,877,264	5,073,287
- Others	4	13,753,195	15,378,554	11,725,381	13,554,681
<b>Total Current Assets</b>		<b>329,380,355</b>	<b>352,215,074</b>	<b>485,310,496</b>	<b>448,444,153</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposits at bank	26	13,015,595	24,394,752	12,915,595	24,394,752
Investment in available-for-sale securities	8	36,177	902,945	36,177	902,945
Investment in subsidiaries accounted for using the cost method	1, 9	-	-	23,195,341	23,195,341
Investment in shares of related company - net	10	-	-	-	-
Property, plant and equipment - net	4, 11, 13, 14	470,804,403	321,600,298	255,417,884	191,157,104
Intangible assets - net	12	1,226,823	740,136	1,226,823	740,136
Advances for equipment and intangible assets - net of allowance for doubtful account of Baht 2,232,000		161,127	268,936	161,127	268,936
Other advances	4	86,987,250	70,393,478	79,216,086	70,478,983
Deferred tax assets	20	2,405,000	1,738,000	2,405,000	1,738,000
Other non-current assets		1,933,773	1,902,849	1,788,837	985,460
<b>Total Non-Current Assets</b>		<b>576,570,148</b>	<b>421,941,394</b>	<b>376,362,870</b>	<b>313,861,657</b>
<b>TOTAL ASSETS</b>		<b>905,950,503</b>	<b>774,156,468</b>	<b>861,673,366</b>	<b>762,305,810</b>

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

## STATE OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016 AND 2015

### LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		The Company Only	
	Note	2016	2015	2016	2015
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	13	215,836,625	136,533,117	215,836,625	136,533,117
Trade payables		5,746,170	3,103,671	5,746,170	2,900,800
Current portion of liabilities under hire purchase					
and finances lease contracts	14	4,325,015	6,339,926	4,038,622	6,076,791
Current portion of long-term borrowings	13	10,218,853	6,672,233	10,218,853	6,672,233
Short-term loans and accrued interest from related persons	4	34,804,117	-	19,759,651	-
Income tax payable		634,266	435,530	634,266	435,530
Accrued expenses and other current liabilities	4, 15	80,919,516	82,220,197	34,555,753	63,512,840
<b>Total Current Liabilities</b>		<b>352,484,562</b>	<b>235,304,674</b>	<b>290,789,940</b>	<b>216,131,311</b>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under hire purchase and finances lease					
contracts - net	14	2,319,318	5,367,307	763,395	3,524,992
Long-term borrowings - net	13	25,394,664	11,117,047	25,394,664	11,117,047
Liability for post-employment benefits	16	8,989,035	8,336,634	8,989,035	8,336,634
<b>Total Non-Current Liabilities</b>		<b>36,703,017</b>	<b>24,820,988</b>	<b>35,147,094</b>	<b>22,978,673</b>
<b>Total Liabilities</b>		<b>389,187,579</b>	<b>260,125,662</b>	<b>325,937,034</b>	<b>239,109,984</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 100,000,000 common shares,					
Baht 1 par value		100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid-up share capital - 100,000,000 common shares,					
Baht 1 par value		100,000,000	100,000,000	100,000,000	100,000,000
Premium on common shares	17	51,171,072	51,171,072	51,171,072	51,171,072
Retained earnings					
- Appropriated for legal reserve	17	10,000,000	10,000,000	10,000,000	10,000,000
- Unappropriated		361,114,314	353,715,651	374,563,584	362,000,332
Other components of equity					
- Change in fair value of investment in available-for-sale securities	8	1,676	24,422	1,676	24,422
- Difference on financial statement conversion of subsidiaries		(1,918,096)	(591,058)	-	-
<b>Equity attributable to Owners of the Parent</b>		<b>520,368,966</b>	<b>514,320,087</b>	<b>535,736,332</b>	<b>523,195,826</b>
Non-controlling interests	1, 9	(3,606,042)	(289,281)	-	-
<b>Total Shareholders' Equity</b>		<b>516,762,924</b>	<b>514,030,806</b>	<b>535,736,332</b>	<b>523,195,826</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>905,950,503</b>	<b>774,156,468</b>	<b>861,673,366</b>	<b>762,305,810</b>

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



## STATE OF FINANCIAL POSITION

## THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

		In Baht			
		Consolidated		The Company Only	
	Note	2016	2015	2016	2015
<b>REVENUES</b>					
Service income - net		338,582,585	420,176,023	338,582,585	420,176,023
Other income	4	6,725,258	11,322,827	6,808,687	9,000,545
<b>Total Revenues</b>		<b>345,307,843</b>	<b>431,498,850</b>	<b>345,391,272</b>	<b>429,176,568</b>
<b>EXPENSES</b>					
Cost of services	4	253,811,859	315,479,123	253,811,859	315,479,123
Administrative expenses	4, 12	56,988,554	55,001,607	49,306,338	42,492,423
Finance costs	4, 13, 14	13,071,244	3,657,254	12,355,539	3,500,134
<b>Total Expenses</b>	18	<b>323,871,657</b>	<b>374,137,984</b>	<b>315,473,736</b>	<b>361,471,680</b>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	23	<b>21,436,186</b>	<b>57,360,866</b>	<b>29,917,536</b>	<b>67,704,888</b>
<b>Income Tax Expense</b>	20, 23	<b>354,284</b>	<b>724,303</b>	<b>354,284</b>	<b>724,303</b>
<b>PROFIT FOR THE YEAR</b>		<b>21,081,902</b>	<b>56,636,563</b>	<b>29,563,252</b>	<b>66,980,585</b>
<b>Other Comprehensive Income (Loss)</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Change in fair value of investment in available-for-sale securities	8	(22,746)	(262,814)	(22,746)	(262,814)
Difference on financial statement conversion of subsidiaries		(1,327,038)	(687,202)	-	-
<b>Other Comprehensive Loss for the Year</b>		<b>(1,349,784)</b>	<b>(950,016)</b>	<b>(22,746)</b>	<b>(262,814)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>19,732,118</b>	<b>55,686,547</b>	<b>29,540,506</b>	<b>66,717,771</b>
<b>Profit (Loss) Attributable to:</b>					
Owners of the parent		24,398,663	61,238,884	29,563,252	66,980,585
Non-controlling interests		(3,316,761)	(4,602,321)	-	-
<b>Profit for the Year</b>		<b>21,081,902</b>	<b>56,636,563</b>	<b>29,563,252</b>	<b>66,980,585</b>
<b>Total Comprehensive Income (Loss) Attributable to:</b>					
Owners of the parent		23,048,879	60,288,868	29,540,506	66,717,771
Non-controlling interests		(3,316,761)	(4,602,321)	-	-
<b>Total Comprehensive Income for the Year</b>		<b>19,732,118</b>	<b>55,686,547</b>	<b>29,540,506</b>	<b>66,717,771</b>
<b>Basic Earnings per Share</b>		<b>0.24</b>	<b>0.61</b>	<b>0.30</b>	<b>0.67</b>
<b>Weighted Average Number of Common Shares</b>		<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>

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

# STATE OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Consolidated (In Baht)										
Equity attributable to Owners of the Parent										
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity		Equity attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	Change in Fair Value of Investment in Available-for-Sale Securities	Difference on Financial Statement Conversion of Subsidiaries			
Beginning Balance as at January 1, 2015		100,000,000	51,171,072	10,000,000	329,476,767	287,236	96,144	491,031,219	4,312,740	495,343,959
Increase in non-controlling interests	1, 9	-	-	-	-	-	-	-	300	300
Payment of dividends	21	-	-	-	(37,000,000)	-	-	(37,000,000)	-	(37,000,000)
Total comprehensive income for the year		-	-	-	61,238,884	(262,814)	(687,202)	60,288,868	(4,602,321)	55,686,547
Ending Balance as at December 31, 2015		100,000,000	51,171,072	10,000,000	353,715,651	24,422	(591,058)	514,320,087	(289,281)	514,030,806
Payment of dividends	21	-	-	-	(17,000,000)	-	-	(17,000,000)	-	(17,000,000)
Total comprehensive income for the year		-	-	-	24,398,663	(22,746)	(1,327,038)	23,048,879	(3,316,761)	19,732,118
Ending Balance as at December 31, 2016		100,000,000	51,171,072	10,000,000	361,114,314	1,676	(1,918,096)	520,368,966	(3,606,042)	516,762,924

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



## STATE OF FINANCIAL POSITION

## THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

		The Company Only (In Baht)					
						Other Component	
						of Equity	
		Retained Earnings				Change in Fair Value	
		Issued and	Premium	Appropriated		of Investment in	Total
		Fully Paid-up	on Common	for		Available-for-Sale	Shareholders'
Note		Share Capital	Shares	Legal Reserve	Unappropriated	Securities	Equity
Beginning Balance as at January 1, 2015		100,000,000	51,171,072	10,000,000	332,019,747	287,236	493,478,055
	21	-	-	-	(37,000,000)	-	(37,000,000)
Total comprehensive income for the year		-	-	-	66,980,585	(262,814)	66,717,771
Ending Balance as at December 31, 2015		100,000,000	51,171,072	10,000,000	362,000,332	24,422	523,195,826
	21	-	-	-	(17,000,000)	-	(17,000,000)
Total comprehensive income for the year		-	-	-	29,563,252	(22,746)	29,540,506
Ending Balance as at December 31, 2016		100,000,000	51,171,072	10,000,000	374,563,584	1,676	535,736,332

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

## STATE OF FINANCIAL POSITION

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF CASH FLOWS

#### FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	21,436,186	57,360,866	29,917,536	67,704,888
Adjustments				
Depreciation and amortization	28,892,051	24,864,057	25,509,720	22,297,298
Expenses on post-employment benefits	652,401	831,103	652,401	831,103
Increase (decrease) provision for doubtful accounts	1,094,442	(1,343,646)	1,094,442	(1,343,646)
Loss on written-off assets	54,410	501,904	54,410	16,778
Gain on sales of equipment	(149,829)	(2,624,044)	(149,829)	(2,624,044)
Gain on sales of investment in available-for-sale securities	(25,978)	(320,314)	(25,978)	(320,314)
Unrealized loss (gain) on exchange rate	(1,469,796)	(187,502)	(142,758)	499,700
Interest income	(2,886,314)	(3,069,476)	(2,830,288)	(3,019,622)
Interest expense	10,802,944	3,657,254	10,087,239	3,500,134
Decrease (increase) in operating assets				
Trade receivables	8,324,476	53,453,468	8,324,476	53,453,468
Supplies	5,073,233	11,351,972	5,073,233	11,351,972
Other current assets	1,656,407	(32,151,891)	1,692,420	(4,137,806)
Other non-current assets	(894,298)	(66,820)	(803,377)	(45,612)
Increase (decrease) in operating liabilities				
Trade payables	2,638,777	(6,427,906)	2,841,648	(6,630,777)
Accrued expenses and other current liabilities	(26,103,162)	14,678,693	(33,039,553)	(133,070)
	49,095,950	120,507,718	48,255,742	141,400,450
Proceeds from the refunded withholding tax	863,377	-	-	-
Income tax paid	(822,551)	(762,502)	(822,548)	(565,875)
<b>Net Cash Provided by Operating Activities</b>	<b>49,136,776</b>	<b>119,745,216</b>	<b>47,433,194</b>	<b>140,834,575</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in restricted deposits at bank	11,379,157	(6,327,927)	11,479,157	(6,327,927)
Decrease in current investment	616,814	19,759,074	616,814	19,759,074
Increase in advances to subsidiaries	-	-	(61,509,440)	(143,303,908)
Increase in short-term loans to related person	-	(4,750,000)	-	-
Increase in short-term loans to other parties	(76,009,702)	(72,529,955)	(76,009,702)	(72,529,955)
Increase in investment in available-for-sale securities	-	(15,000,000)	-	(15,000,000)
Increase in investment in subsidiaries	-	-	-	(16,580,981)
Additions to property, plant and equipment	(85,690,186)	(161,474,133)	(18,084,545)	(39,158,381)
Additions to intangible assets	(786,850)	(363,312)	(786,850)	(363,312)
Increase in other advances	(15,225,425)	(43,475,023)	(4,820,293)	(28,183,951)
Proceeds from sales of investment in available-for-sale securities	870,000	32,570,000	870,000	32,570,000
Proceeds from sales of equipment	892,699	2,801,912	892,699	2,801,912
Interest received	164,168	458,470	163,191	451,434
<b>Net Cash Used in Investing Activities</b>	<b>(163,789,325)</b>	<b>(248,330,894)</b>	<b>(147,188,969)</b>	<b>(265,865,995)</b>



## STATE OF FINANCIAL POSITION

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

#### STATEMENTS OF CASH FLOWS (Continued)

#### FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in bank overdrafts and short-term borrowings from financial institutions	79,303,508	136,533,117	79,303,508	136,533,117
Increase in short-term loans from related persons	34,500,399	-	19,500,400	-
Increase in non-controlling interests	-	300	-	-
Payments of liabilities under hire purchase and finances lease contracts	(6,701,765)	(9,270,220)	(6,438,631)	(9,067,341)
Increase in long-term borrowings	26,000,000	20,000,000	26,000,000	20,000,000
Repayment of long-term borrowings	(8,175,763)	(2,210,720)	(8,175,763)	(2,210,720)
Dividends paid	(17,000,000)	(37,000,000)	(17,000,000)	(37,000,000)
Interest paid	(14,980,364)	(2,993,679)	(14,309,126)	(2,836,559)
<b>Net Cash Provided by Financing Activities</b>	<b>92,946,015</b>	<b>105,058,798</b>	<b>78,880,388</b>	<b>105,418,497</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(21,706,534)</b>	<b>(23,526,880)</b>	<b>(20,875,387)</b>	<b>(19,612,923)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>25,540,781</b>	<b>49,067,661</b>	<b>21,616,419</b>	<b>41,229,342</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>3,834,247</b>	<b>25,540,781</b>	<b>741,032</b>	<b>21,616,419</b>
<b>Supplementary disclosures of cash flow information:</b>				
<b>A. Cash and cash equivalents at end of year:</b>				
Cash in hand	239,785	268,739	139,521	188,003
Current accounts and savings deposits at banks	3,409,124	25,107,326	416,173	21,263,700
Fixed deposits at bank	185,338	164,716	185,338	164,716
<b>Total</b>	<b>3,834,247</b>	<b>25,540,781</b>	<b>741,032</b>	<b>21,616,419</b>
<b>B. Non-cash transactions:</b>				
Purchases of vehicles by means of hire purchase and finances lease contracts	1,638,865	5,498,049	1,638,865	3,189,720
Purchases of equipment by means of payables	25,366,809	1,640,389	4,646,794	1,640,389
Settlement of short-term loans to other parties through transfer of land and buildings (see Note 11)	63,542,988	-	63,542,988	-
Settlement of trade receivables through transfer of equipment (net of cash payment of approximately Baht 0.7 million)	2,246,616	-	2,246,616	-
Interest on loans which were capitalized as part of other advances	3,916,810	-	3,916,810	-

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



## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements December 31, 2016 and 2015

#### 1. GENERAL

Thai Nondestructive Testing Public Company Limited (“the Company”), formerly Thai Nondestructive Testing Company Limited, was registered as a juristic company under the laws of Thailand on April 21, 1982. The Company was transformed to limited public company and was registered in the Market for Alternative Investment in 2007. The Company is engaged in rendering the nondestructive engineering services and its registered office addresses are as follows:

- Head office is located at 19 Soi Suanson 8, Ramkamhaeng Road, Huamark, Bangkok, Bangkok.
- Branch office is located at 29 Banphlong Road, Marbtaphud, Amphur Muang, Rayong.

#### 2. BASIS FOR THE FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which are the core functional currency, and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as otherwise disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The consolidated financial statements for the years ended December 31, 2016 and 2015 included the accounts of the Company and its subsidiaries in which the Company has the controlling power or direct / indirect shareholding as follows:

Company Name	Type of Business	Authorized Share Capital		Percentage of Direct / Indirect Shareholding	
		2016	2015	2016	2015
Laos Thai Nondestructive Testing Company Limited (Lao PDR)	Rendering non-destructive testing and other testing services	USD 0.2 million	USD 0.2 million	70.00	70.00
TNDT CM Company Limited	Rendering excavation and transportation services of coal for the coal mine concessionaire	Baht 25 million	Baht 25 million	46.00	46.00
TNDT Power Company Limited	Generating and sales of electricity	Baht 1 million	Baht 1 million	99.97	99.97
MKTNDT Company Limited (Myanmar)	Procurement and services of public utilities and other related business	Kyat 1,000 million	Kyat 1,000 million	55.00	55.00

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

Starting from January 1, 2016, the Company and its subsidiaries had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised and newly issued by FAP, which became effective from the accounting period starting on or after January 1, 2016. The aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiaries.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette during 2016 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2017 whereby the Company and its subsidiaries had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments : Presentation and Disclosure
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

Management of the Company and its subsidiaries has preliminarily assessed and believed that there will be no material effect to the financial statements of the Company and its subsidiaries upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

The Company and its subsidiaries disclosed information for the year ended December 31, 2015 for being the comparative information in the financial statements for the year ended December 31, 2016 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

#### *Subsidiaries*

Subsidiaries are those company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of as well as variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries are transformed as deemed necessary to uniform for the similar policies.



## NOTE TO FINANCIAL STATEMENT

### **THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES** **Notes to Financial Statements (Continued)** **December 31, 2016 and 2015**

#### *Accounting for acquisitions of non-controlling interests*

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, any gain or loss is recognized in the statement of comprehensive income. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

#### **Foreign Currencies**

##### *Transactions in foreign currencies*

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

##### *Foreign entity*

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period.

Revenues and expenses of foreign entity are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Differences arising on foreign currency translation / conversion are recognized as other comprehensive income or loss and separately presented as other components of equity until the foreign currency investment is disposed, then such differences shall be recognized as profit or loss.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted or collateralized deposits at bank were presented as a separate item under "Non-current assets" in the statements of financial position.

#### **Trade and Other Receivables**

Trade and other receivables are carried at original invoice amount or at the accrued amount net of allowance for doubtful accounts.

The Company and its subsidiaries provide an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on the historical collection experience coupled with the review of current status of the existing receivables.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Supplies Valuation

Supplies are valued at the lower of cost, by first-in first-out method, and net realizable value.

#### Investments

##### *Current investment*

Current investment represents investment in fixed deposit with bank and investment in bill of exchange of bank. The Company accounts for this investment at cost net of allowance for impairment (if any).

##### *Investment in available-for-sale securities*

Marketable equity securities are classified as available-for-sale investments. Subsequent to initial recognition, available-for-sale investments are stated at fair value, and changes in valuation of fair value therein, other than impairment losses and foreign currency differences of monetary items, are recognized as other comprehensive income or loss and separately presented as other components of equity. Impairment losses and foreign currency differences of monetary items are recognized as profit or loss. When investments are disposed, the cumulative gain or loss previously recognized as other components of equity is recognized as profit or loss.

In case the Company disposes of a part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying amount of the total holding of the investment.

##### *Investment in subsidiaries*

Investment in subsidiaries in the separate financial statements is accounted for using the cost method and stated at cost net of allowance for impairment (if any).

##### *Investment in shares of related company*

Investment in shares of related company represents investment in the 5% preferred shares of a related company whereby the Company holds the entire preferred shares of such company.

Investment in preferred shares of such company is accounted for using the cost method and stated at cost less allowance for impairment.

#### Property, Plant and Equipment and Depreciation

##### *Owned assets*

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying amounts are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.

##### *Depreciation*

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item separately for each significant part of the assets. The useful lives are as follows:

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	<u>No. of Years</u>
Buildings	20, 30
Building improvements	5, 10
Operating tools and equipment	5, 10
Furniture, fixtures and office equipment	5
Vehicles	5

No depreciation has been charged for land and construction or installation in progress.

Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life.

#### Intangible Assets

##### *Software licenses*

Software licenses are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is made on a straight-line method over the useful lives of 5 years.

##### *Amortization*

Amortization is charged to the statement of comprehensive income on a straight-line method over the useful lives of particular intangible assets. Intangible assets with an indefinite useful life are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

#### Impairment of Assets

The carrying amounts of the assets of the Company and its subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less costs to sell or value in use). The review is made for individual assets or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Company and its subsidiaries recognize the impairment losses by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statements of comprehensive income. The reversal of the recognized impairment losses is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

#### Capitalization of Borrowing Costs

Interest on liabilities acquired for construction of building is capitalized as part of the cost of the asset. The capitalization of interest is ceased when the construction are completed and ready for their intended use.

#### Trade and Other Payables

Trade and other payables are stated at cost.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Employment Benefits

##### *Short-term benefits*

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

##### *Post-employment benefits*

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed, or at least every three years, by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost, which are presented as profit or loss items, and actuarial gain/loss on measurement which is presented as other comprehensive income item.

#### Provisions

A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Service income is recognized when the Company has completely rendered service to the customer and on an accrual basis.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Dividend income is recognized when the right to receive dividends is established or upon dividend declaration.

Rental income on the assets is recognized on a straight-line basis over the lease term.

Other income is recognized on an accrual basis.

#### Expense Recognition

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the lease term.

Other expenses are recognized on an accrual basis.





## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Income Tax

##### *Current tax*

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years (if any).

##### *Deferred tax*

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized (see Notes 20 and 23).

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Finance Lease

Leases or hire purchases of assets whereby the Company has substantially all the risks and rewards of ownership and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve an effective rate on the finance balance outstanding.

#### Use of Estimates

In order to prepare financial statements in conformity with the Thai accounting standards and the Thai financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade receivables and advances for intangible assets
- Allowance for impairment of investment in shares of related company
- Useful lives and residual values of building and equipment and intangible assets
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments.

#### Basic Earnings per Share

Basic Earnings per share is determined by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year (100,000,000 shares).

## 4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related parties are as follows:

Company / Person Name	Type of Business	Relationship	Percentage of Holding	
			2016	2015
Laos Thai Nondestructive Testing Company Limited	Nondestructive testing and other testing services	Subsidiary	70.00	70.00
TNDT CM Company Limited	Rendering excavation and transportation services of coal for the coal mine concessionaire	Subsidiary	46.00	46.00

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

Company / Person Name	Type of Business	Relationship	Percentage of Holding	
			2016	2015
TNDT Power Company Limited	Generating and sales of electricity	Subsidiary	99.97	99.97
MKTNDT Company Limited	Procurement and services of public utility systems and other related business	Subsidiary	55.00	55.00
OIS (Thailand) Company Limited	Advisory services for engineering	Shareholders of the entire preferred shares and co-directors	51.00	51.00
Chiangmai Mining and Power Plant Company Limited	Sales of coal and other ores	Co-directors and co-shareholders	-	-
Munja Company Limited	Sales with maintenance services of medical equipment	Co-directors and co-shareholders	-	-
Enspect Group Company Limited	Building inspection services	Co-directors and co-shareholders	-	-
TNDT Rice Bran Oil Company Limited	Manufacturing and sales of rice bran oil and agricultural crops	Co-directors and co-shareholders	-	-
Ms. Chomduen Satavuthi	-	Directors and shareholders	-	-
Mr. Krirkkiat Satavuthi	-	Directors and shareholders	-	-
Mr. Suwat Daengpiboonsakul	-	Directors and shareholders	-	-
Mrs. Ghongmuang Daengpiboonsakul	-	Relative of shareholder and director	-	-
Mrs. Niramom Satavuthi	-	Relative of shareholder and director	-	-
Ms. Vajana Sakulaemrungs	-	Relative of shareholder and director	-	-
Mr. Thanan Satavuthi	-	Director and shareholder of subsidiary (TNDT Power Company Limited)	-	-
Mr. Songyot Chomsri	-	Director and shareholder of subsidiary (TNDT CM Company Limited)	-	-
Mr. Sangkhagna Chanthakhot	-	Director and shareholder of subsidiary (Laos Thai Nondestructive Testing Company Limited)	-	-
Mr. Sai Won Pan	-	Director and shareholder of subsidiary (MKTNDT Company Limited)	-	-

Pricing policies for transactions with related parties are as follows:

Type of Transaction	Pricing policies
Interest income	Interest rate referenced to deposit rate of commercial bank
Office rental charges	Mutually agreed price
Land and structure rental charges	Mutually agreed price
Interest expense	Mutually agreed interest rate at 3.5% per annum
Sales of vehicles	Mutually agreed price
Key management's remunerations	Mutually agreed amount

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

Transactions with related parties for the years ended December 31, 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
<b>Mrs. Ghongmuang Daengpiboonsakul</b>				
Office rental charges (recorded as part of cost of services)	240	240	240	240
<b>Mr. Thanan Satavuthi</b>				
Land and structure rental charges (recorded as part of cost of services)	216	216	216	216
<b>Ms. Chomduen Satavuthi</b>				
Interest expense	344	-	344	-
<b>Ms. Vajana Sakulraemrung</b>				
Interest expense	179	-	179	-
<b>Mr. Krirkkiat Satavuthi</b>				
Interest expense	466	-	-	-
<b>Mr. Songyot Chomsri</b>				
Interest income	55	-	-	-
<b>TNDT Power Co., Ltd.</b>				
Sales of vehicles	-	-	858	-
<b>Key management's remunerations</b>				
Short-term benefits	14,816	16,221	14,384	13,746
Post-employment benefits	191	403	191	403

Outstanding balances with related parties as at December 31, 2016 and 2015 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
<b>Laos Thai Nondestructive Testing Co., Ltd.</b>				
Advances	-	-	375	375
<b>TNDT CM Co., Ltd.</b>				
Advances	-	-	57,713	51,708
Other advances	-	-	29,094	29,094
<b>TNDT Power Co., Ltd.</b>				
Advances	-	-	161,986	106,482
<b>MKTNDT Co., Ltd.</b>				
Advances	-	-	11,302	11,302
<b>Ms. Chomduen Satavuthi</b>				
Advances (accrued expenses and other current liabilities)	15,340	10,000	-	-
Short-term loans and accrued interest	10,481	-	10,481	-
<b>Mr. Krirkkiat Satavuthi</b>				
Short-term loans and accrued interest	15,044	-	-	-
<b>Mr. Thanan Satavuthi</b>				
Prepaid rental charges (other current assets)	2,034	-	2,034	-
Short-term loans	500	-	500	-
<b>Mr. Suwat Daengpiboonsakul</b>				
Short-term loans	2,500	-	2,500	-
<b>Ms. Vajana Sakulraemrung</b>				
Short-term loans and accrued interest	6,279	-	6,279	-



## NOTE TO FINANCIAL STATEMENT

## THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Notes to Financial Statements (Continued)

December 31, 2016 and 2015

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
<b>Mr. Songyot Chomsri</b>				
Short-term loans and interest receivable	5,848	5,793	-	-
Advances (other current assets)	4,190	4,381	4,190	4,190
Advances (accrued expenses and other current liabilities)	409	-	-	-
<b>Mr. Sangkhagna Chanthakhhot</b>				
Other receivables (other current assets)	370	370	370	370
Advances (other current assets)	29	29	-	-
<b>Mr. Sai Won Pan</b>				
Advances (other current assets)	28,637	28,674	-	-
Other advances	15,320	13,263	15,320	13,263
Advances (accrued expenses and other current liabilities)	1,003	-	-	-

Movements during the year of short-term loans to and interest receivable from related person are as follows:

	Consolidated (In Thousand Baht)		
	Balance as at December 31, 2015	Movement	Balance as at December 31, 2016
		Increase	Decrease
<b>Mr. Songyot Chomsri</b>			
Short-term loans	5,750	-	-
Interest receivable	43	55	-
Total	5,793	55	-

Movements during the year of short-term loans from and interest payable to related persons are as follows:

	Consolidated (In Thousand Baht)		
	Balance as at December 31, 2015	Movement	Balance as at December 31, 2016
		Increase	Decrease
<b>Short-term loans</b>			
Ms. Chomduen Satavuthi	-	16,000	5,600
Mr. Krirkkiat Satavuthi	-	15,000	-
Mr. Suwat Daengpiboonsakul	-	3,000	500
Ms. Vajana Sakulraemrung	-	14,400	8,300
Mr. Thanan Satavuthi	-	1,000	500
Total short-term loans	-	49,400	14,900
<b>Accrued interest</b>			
Ms. Chomduen Satavuthi	-	344	263
Mr. Krirkkiat Satavuthi	-	466	422
Ms. Vajana Sakulraemrung	-	179	-
Total accrued interest	-	989	685
Total	-	50,389	15,585

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	The Company Only (In Thousand Baht)		
	Balance as at December 31, 2015	Movement	Balance as at December 31, 2016
		Increase	Decrease
<b>Short-term loans</b>			
Ms. Chomduen Satavuthi	-	16,000	5,600
Mr. Suwat Daengpiboonsakul	-	3,000	500
Ms. Vajana Sakulraemrungs	-	14,400	8,300
Mr. Thanan Satavuthi	-	1,000	500
Total short-term loans	-	34,400	14,900
<b>Accrued interest</b>			
Ms. Chomduen Satavuthi	-	344	263
Ms. Vajana Sakulraemrungs	-	179	-
Total accrued interest	-	523	263
Total	-	34,923	15,163

In the early 2014, the Company initiated the future investment project of the Company, i.e. the construction of coal-fired power plant project in Tachilek Province of the Republic of the Union of Myanmar, which is the planned cooperative project with alliance in Myanmar and the Myanmar Government. The Company has partially paid advances for investment and development costs of such project whereby the project development will be executed by the Company itself and hiring the work of subsidiary, i.e. TNDT CM Company Limited (“TNDT CM”), as well as the related persons and other persons in connection with such project. The Company has hired the works of TNDT CM (at mutually-agreed service rates) to operate, on behalf of the Company, the preparation and leveling the surface of the ground areas to facilitate the construction of coal-fired power plant whereby TNDT CM has subcontracted the works to a local company (“the subcontractor”) to operate such works on behalf of TNDT CM. As at December 31, 2016 and 2015, the balances of other advances in the statements of financial position consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Costs of preparation and leveling the ground surface for power plant	29,008	29,008	29,094	29,094
Costs of licenses and procurement of land	8,956	8,956	8,956	8,956
Costs of project consultancies	24,717	19,045	19,045	19,045
Costs of interest expenses and financial charges	5,717	-	5,717	-
Other costs	18,589	13,384	16,404	13,384
Total	86,987	70,393	79,216	70,479



## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### 5. BILLED TRADE RECEIVABLES

As at December 31, 2016 and 2015, billed trade receivables classified by outstanding period are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
Current	34,666	33,267
Overdue:		
Not exceeding 3 months	32,504	33,400
Between 3 months and 6 months	6,681	5,210
Between 6 months and 12 months	5,606	4,278
Exceeding 12 months	23,120	19,119
Total	102,577	95,274
Less allowance for doubtful accounts	( 18,920)	( 17,826)
Net	83,657	77,448

As at December 31, 2016, the Company transferred the right on cash collection from certain trade receivables totalling approximately Baht 4.2 million for being guarantee of short-term borrowings under factoring from bank as described in Note 13.

#### 6. SHORT-TERM LOANS TO OTHER PARTIES

	Consolidated and the Company Only (In Thousand Baht)		
	Balance as at December 31, 2015	Movement	Balance as at December 31, 2016
		Increase	Decrease
Short-term loans to customer (see Note 11)	37,200	65,398	66,569
Short-term loans to business alliance	50,330	13,638	-
Total	87,530	79,036	66,569

Short-term loans to customer are the unsecured loans to a local company who is customer of the Company. These loans were approved in the meetings of the Company's Management Board on November 11, 2014, December 25, 2014, and February 17, 2015 and bear interest at 7.5% per annum and due on demand. The business of such company is engaged in rendering the construction and installation services of steel structures which necessarily requires huge volumes of the Company's services relating to nondestructive testing both in current and future periods.

Short-term loans to business alliance are short-term loans to a business alliance incorporated in Indonesia whose business is engaged in rendering the nondestructive engineering services. These loans are due on demand and bear interest at 7.5% per annum.

#### 7. SUPPLIES

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
General supplies	6,336	10,710
Industrial radiation ores	2,165	2,865
Total	8,501	13,575

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### 8. INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

This account is investment in unit trusts of mutual funds which are marketable securities. As at December 31, 2016 and 2015, cost of this investment amounted to Baht 35 thousand and Baht 879 thousand while fair value (evaluated from Level 1 inputs of fair value hierarchy) amounted to Baht 36 thousand and Baht 903 thousand, respectively. These mutual funds mainly invest in debt securities of the government agencies.

#### 9. INVESTMENT IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

	The Company Only					
	Paid-up Share Capital		Percentage of Shareholding		Cost of Investment (In Thousand Baht)	
	2016	2015	2016	2015	2016	2015
	In Thousand U.S. Dollar					
Laos Thai Nondestructive Testing Company Limited	40	40	70.00	70.00	864	864
	In Thousand Baht					
TNDT CM Company Limited	12,500	12,500	46.00	46.00	5,750	5,750
TNDT POWER Company Limited	1,000	1,000	99.97	99.97	1,000	1,000
	In Thousand Kyat					
MKTNDT Company Limited	550,000	550,000	55.00	55.00	15,581	15,581
					23,195	23,195

During 2016 and 2015, the subsidiaries did not declare any dividend to the shareholders.

In October 2011, the Company paid an amount of first investment in Laos Thai Nondestructive Testing Public Company Limited (“LTNDT”) which was approved by the Executive Board’s meeting held on December 16, 2010 whereby the Executive Board approved the Company to invest in shares of LTNDT in order to support the Company’s business expansion in abroad. Subsequently, on August 15, 2011, LTNDT has been established and registered under the laws of Lao PDR whereby a portion of 70% of LTNDT’s share capital has been invested by the Company and the rest of 30% by a local private company in Lao PDR. In addition, on July 25, 2011, LTNDT has been granted a license for foreign investment in Lao PDR from the government of Lao PDR for a period of 15 years to operate its business relating to rendering the testing services for oil and gas tanks, construction equipment, building with steel structure, embankment, and nondestructive testing (NDT) services.

On October 21, 2013, the Company paid an amount of first investment in TNDT CM Company Limited (“TNDT CM”) which was approved by the Board of Directors’ meeting held on December 17, 2013 whereby the Board of Directors approved the Company to invest in shares of TNDT CM in order to support the Company’s business expansion in abroad. Subsequently, on October 21, 2013, TNDT CM has been established and registered under the laws of Thailand whereby a portion of 46% of TNDT CM’s share capital has been invested by the Company and the rest of 54% by a related person and local private company in Republic of the Union of Myanmar in the proportion of 46% and 8%, respectively. The Company has controlling power over TNDT CM through having the voting right in excess of 50% of the entire voting rights in the Board of Directors’ meeting.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

At the Board of Directors' meeting on May 15, 2015, the Board of Directors approved the Company to establish a new subsidiary, i.e. TNDT Power Company Limited ("TNDTPW"), in order to carry on the energy businesses both in local and abroad. Subsequently, on June 10, 2015, TNDTPW has been established and registered under the laws of Thailand with the authorized share capital of Baht 1 million (divided into 10,000 common shares at Baht 100 par value). The Company has the percentage of shareholding in TNDTPW at 99.97% while the rest of 0.03% is held by major shareholder, director, and management of the Company, totalling 3 persons.

At the Board of Directors' meeting on June 30, 2014, the Board of Directors passed the resolution approving the Company to jointly invest, with a non-related party alliance who is incorporated in the Republic of the Union Myanmar ("Myanmar"), i.e. Min Khit Thit Mining Company Limited ("MKTMC"), and establish MKTNDT Company Limited ("MKTNDT") whose business is engaged in procurement of public utility systems and other related businesses in Myanmar. The Company and MKTMC agreed to invest in MKTNDT at the proportion of 55% and 45%, respectively, (MKTNDT is subsidiary of the Company) whereby the authorized share capital of MKTNDT amounted to Kyat 1,000 million (divided into 10,000 common shares, Kyat 100,000 par value) or equivalent to approximately Baht 28.3 million. The establishment processes of MKTNDT were finished in September 2015 whereby the Company has paid for investment in MKTNDT totalling approximately Baht 15.6 million and the remaining balance of approximately Baht 12.7 million for share subscription is attributable to MKTMC which is still payable to MKTNDT.

Regarding the construction of coal-fired power plant project in Myanmar, the Provincial Electricity Authority ("PEA") has agreed to sell the electricity, to be necessarily used in construction of power plant, to the construction location of project within 2017. In addition, MKTMC, who is the key business alliance of the Company (seller / electric power supplier), has entered into the power purchase agreement from the coal-fired power plant in Myanmar with the Power Committee of Tachileik (buyer) in August 2015. The counterparties have agreed to purchase and sell of electricity under the term of 30 years with the selling prices, in Thai Baht, as specified in such agreement.

#### 10. INVESTMENT IN SHARES OF RELATED COMPANY - NET

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
Investment in shares - at cost	1,020	1,020
Less allowance for impairment	(1,020)	(1,020)
Net	-	-

This account represents investment in 5% preferred shares of OIS (Thailand) Co., Ltd. ("OIS") whereby the Company holds the entire preferred shares of such company while common shares are mostly held by its parent in England, Oilfield Inspection Services (International) Limited. OIS engages in rendering of engineering advisory services and its business has been inactive since 2003. OIS incurred net loss from operations and had capital deficiency. OIS was registered for liquidation on December 30, 2015 and has been taken the liquidation process. The Company has considered and realized the impairment loss on the entire amount of such investment since 2005.

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### 11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	<u>Movements during the Year</u>			Balance as at
	<u>December 31, 2015</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2016</u>
<b>Cost</b>					
Land	21,842	-	-	-	21,842
Building and improvements	78,552	241	-	2,269	81,062
Operating tools and equipment	201,655	8,969	684	15,966	225,906
Furniture, fixtures, and office equipment	25,538	1,682	-	-	27,220
Vehicles	50,610	3,219	1,406	-	52,423
Construction in progress and equipment under installation	139,347	92,735	-	(18,235)	213,847
<b>Total Cost</b>	<u>517,544</u>	<u>106,846</u>	<u>2,090</u>	<u>-</u>	<u>622,300</u>
<b>Accumulated Depreciation</b>					
Building and improvements	23,292	3,664	-	-	26,956
Operating tools and equipment	128,781	12,916	592	-	141,105
Furniture, fixtures, and office equipment	19,390	2,226	-	-	21,616
Vehicles	24,481	8,643	701	-	32,423
<b>Total Accumulated Depreciation</b>	<u>195,944</u>	<u>27,449</u>	<u>1,293</u>	<u>-</u>	<u>222,100</u>
<b>Net</b>	321,600				400,200

	Consolidated (In Thousand Baht)				
<u>Assets held for lease</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2015	Addition	Deduction	Transfer	December 31, 2016
<b>Cost</b>					
Land	-	36,000	-	-	36,000
Building and improvements	-	32,801	-	-	32,801
Operating tools and equipment	-	1,902	-	-	1,902
Furniture, fixtures, and office equipment	-	1,044	-	-	1,044
<b>Total Cost</b>	-	71,747	-	-	71,747
<b>Accumulated Depreciation</b>					
Building and improvements	-	867	-	-	867
Operating tools and equipment	-	165	-	-	165
Furniture, fixtures, and office equipment	-	111	-	-	111
<b>Total Accumulated Depreciation</b>	-	1,143	-	-	1,143
<b>Net</b>	-				70,604
	321,600				470,804

	Consolidated (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	<u>Movements during the Year</u>			Balance as at
	<u>December 31, 2014</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2015</u>
<b>Cost</b>					
Land	16,425	5,417	-	-	21,842
Building and improvements	66,939	394	-	11,219	78,552
Operating tools and equipment	188,981	13,416	742	-	201,655
Furniture, fixtures, and office equipment	23,590	1,967	19	-	25,538
Vehicles	52,645	7,143	9,178	-	50,610
Construction in progress and equipment under installation	6,519	144,047	-	(11,219)	139,347
<b>Total Cost</b>	355,099	172,384	9,939	-	517,544



## NOTE TO FINANCIAL STATEMENT

## THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Notes to Financial Statements (Continued)

December 31, 2016 and 2015

	Consolidated (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2014</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2015</u>
<b>Accumulated Depreciation</b>					
Building and improvements	20,077	3,215	-	-	23,292
Operating tools and equipment	118,346	10,657	222	-	128,781
Furniture, fixtures, and office equipment	17,137	2,255	2	-	19,390
Vehicles	25,210	8,306	9,035	-	24,481
<b>Total Accumulated Depreciation</b>	<u>180,770</u>	<u>24,433</u>	<u>9,259</u>	<u>-</u>	<u>195,944</u>
<b>Net</b>	174,329				321,600

	The Company Only (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2015</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2016</u>
<b>Cost</b>					
Land	21,842	-	-	-	21,842
Building and improvements	76,843	241	-	2,269	79,353
Operating tools and equipment	191,158	8,746	684	15,966	215,186
Furniture, fixtures, and office equipment	25,253	1,486	-	-	26,739
Vehicles	46,274	2,302	1,406	-	47,170
Construction in progress	23,100	5,746	-	(18,235)	10,611
<b>Total Cost</b>	<u>384,470</u>	<u>18,521</u>	<u>2,090</u>	<u>-</u>	<u>400,901</u>
<b>Accumulated Depreciation</b>					
Building and improvements	23,158	3,548	-	-	26,706
Operating tools and equipment	127,058	10,777	592	-	137,243
Furniture, fixtures, and office equipment	19,347	2,137	-	-	21,484
Vehicles	23,750	7,605	701	-	30,654
<b>Total Accumulated Depreciation</b>	<u>193,313</u>	<u>24,067</u>	<u>1,293</u>	<u>-</u>	<u>216,087</u>
<b>Net</b>	191,157				184,814

	The Company Only (In Thousand Baht)				
<u>Assets held for lease</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2015</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2016</u>
<b>Cost</b>					
Land	-	36,000	-	-	36,000
Building and improvements	-	32,801	-	-	32,801
Operating tools and equipment	-	1,902	-	-	1,902
Furniture, fixtures, and office equipment	-	1,044	-	-	1,044
<b>Total Cost</b>	<u>-</u>	<u>71,747</u>	<u>-</u>	<u>-</u>	<u>71,747</u>
<b>Accumulated Depreciation</b>					
Building and improvements	-	867	-	-	867
Operating tools and equipment	-	165	-	-	165
Furniture, fixtures, and office equipment	-	111	-	-	111
<b>Total Accumulated Depreciation</b>	<u>-</u>	<u>1,143</u>	<u>-</u>	<u>-</u>	<u>1,143</u>
<b>Net</b>	<u>-</u>				<u>70,604</u>
	191,157				255,418

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	The Company Only (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2014	Addition	Deduction	Transfer	December 31, 2015
<b>Cost</b>					
Land	16,425	5,417	-	-	21,842
Building and improvements	65,364	260	-	11,219	76,843
Operating tools and equipment	182,130	9,173	145	-	191,158
Furniture, fixtures, and office equipment	23,494	1,778	19	-	25,253
Vehicles	52,118	3,333	9,177	-	46,274
Construction in progress	6,519	27,800	-	(11,219)	23,100
<b>Total Cost</b>	346,050	47,761	9,341	-	384,470
<b>Accumulated Depreciation</b>					
Building and improvements	20,049	3,109	-	-	23,158
Operating tools and equipment	118,210	8,957	109	-	127,058
Furniture, fixtures, and office equipment	17,126	2,223	2	-	19,347
Vehicles	25,207	7,578	9,035	-	23,750
<b>Total Accumulated Depreciation</b>	180,592	21,867	9,146	-	193,313
<b>Net</b>	165,458				191,157

As at December 31, 2016 and 2015, the Company's certain vehicles in the separate financial statements, of which carrying amounts totalling approximately Baht 12.2 million and Baht 14.2 million, respectively, and in the consolidated financial statements amounted to approximately Baht 14.4 million and Baht 17.0 million, respectively, were under commitments in relation to the obligations under conditions of hire purchase contracts as described in Note 14.

As at December 31, the Company has mortgaged a portion of its land and structures thereon, with carrying amounts and mortgaged value of approximately Baht 136.7 million and Baht 446.3 million, respectively, in 2016 and Baht 43.6 million and Baht 115.3 million, respectively, in 2015 as collateral for credit facilities as described in Note 13. The abovementioned land and structures thereon as at December 31, 2016 included the land and structures thereon in Rayong province which were transferred to the Company from a receivable under short-term loans to other parties in June 2016 at the appraisal value, which was appraised by an independent appraiser (Prospec Appraisal Co., Ltd.), who was appointed to perform the appraisal by the bank who has given the new credit facilities to the Company. The appraisal value of such land and structures thereon amounted to totally Baht 68 million whereby the Company paid advances on behalf of the receivable who transferred the assets for various fees and expenses totalling approximately Baht 4.5 million in relation to the registration of the transferred land and structures thereon. Such advances were taken to offset with the appraisal value and resulted in the balance of approximately Baht 63.5 million which the Company recognized as collections from such receivable and such amount was taken to reduce the balance of short-term loans to other parties in June 2016. In addition, the Company was transferred the operating equipment from such receivable as collections for services (trade receivables) with carrying amounts of approximately Baht 2.9 million. Subsequently in July 2016, the Company entered into lease agreement, as the lessor, for the aforementioned land, structures thereon, and equipment (assets held for lease) of which carrying amounts as at December 31, 2016 amounting to approximately Baht 70.6 million with such receivable for a period of three years, starting from July 1, 2016 whereby the lease fee was Baht 0.4 million per month which was later reduced to Baht 0.2 million per month, starting from October 2016.

As at December 31, 2016 and 2015, cost of a portion of plant and equipment which has been fully depreciated but still in use amounting to approximately Baht 129.6 million and Baht 125.7 million, respectively.

Depreciation of plant and equipment in the separate financial statements for the years ended December 31, 2016 and 2015 amounted to approximately Baht 25.2 million and Baht 21.9 million, respectively, and in the consolidated financial statements amounted to approximately Baht 28.6 million and Baht 24.4 million, respectively.

## 12. INTANGIBLE ASSETS - NET

	Consolidated and The Company Only (In Thousand Baht)			
	Balance as at December 31, 2015	Movements during the Year		Balance as at December 31, 2016
		Addition	Deduction	
Cost	4,270	787	-	5,057
Accumulated amortization	( 3,530)	( 300)	-	( 3,830)
<b>Net</b>	<b>740</b>	<b>487</b>	<b>-</b>	<b>1,227</b>





## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	Consolidated and The Company Only (In Thousand Baht)		
	Balance as at December 31,	Movements during the Year	Balance as at December 31,
	2014	Addition Deduction	2015
Cost	3,906	364 -	4,270
Accumulated amortization	( 3,100)	( 430) -	( 3,530)
Net	806	( 66) -	740

As at December 31, 2016 and 2015, cost of a portion of intangible assets which has been fully amortized but still in use amounting to approximately Baht 2.9 million and Baht 2.7 million, respectively.

Amortization of intangible assets for the years ended December 31, 2016 and 2015, which was presented as part of “Administrative expenses” in the statements of comprehensive income, amounted to approximately Baht 0.3 million and Baht 0.4 million, respectively.

### 13. CREDIT FACILITIES FROM BANKS

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
<u>Bank overdrafts and short-term borrowings from financial institutions</u>		
Bank overdrafts	85,440	23,907
Loans under promissory notes	123,000	73,000
Loans under trust receipt agreements	4,078	39,626
Loans under factoring	3,319	-
Total	215,837	136,533
<u>Long-term borrowings</u>		
Long-term borrowings	35,614	17,789
Current portion	( 10,219)	( 6,672)
Net	25,395	11,117

As at December 31, the Company has overdraft line and other credit facilities from five local banks in 2016 and four local banks in 2015

As at December 31, 2016, the entire credit facilities from banks are as follows:

Type of Credit Facilities	Credit Facilities (In Million Baht)	Interest Rate (p.a.)
<i>Short-term credit facilities</i>		
Bank overdraft	85.0	MOR - 1%, MOR - 0.5%, MOR and MOR + 0.5%
Promissory note	123.0	4.35% - 4.50%, MLR - 1.62% and MLR - 1.75%
Trust receipt / letter of credit	195.1	MLR, MLR - 1%
Factoring	20.0	MOR - 0.5%
Letter of guarantee	67.0	-
Forward exchange contract (buy / sell)	25.6	-
Pre-settlement for the risk of volatility in referenced assets	16.0	MLR - 1%
Total short-term credit facilities	531.7	
<i>Long-term loan credit facilities</i>	46.0	MLR - 2.62%, MLR - 0.5%
Total	577.7	(2015 of approximately Baht 282.5 million)

The abovementioned short-term credit facilities are guaranteed by the mortgage of the Company’s land and structures thereon as described in Note 11, and land and structures thereon of certain directors of the Company with total mortgage value of approximately Baht 127.0 million as well as guarantee by certain directors of the Company.

The abovementioned long-term loans are loans from two local banks in 2016 and a local bank in 2015 whereby loans from the first bank are the unsecured loans which are repayable, including interest, on monthly basis, totalling 36 months, starting from September 2015. Loans from the second bank in 2016 of Baht 26 million are guaranteed by the mortgage of the Company’s land and structures thereon as described in Note 11, as well as guarantee by certain directors of the Company which are repayable, including interest, on monthly basis, totalling 84 months, starting from June 2016.

**NOTE TO FINANCIAL STATEMENT****THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2016 and 2015**

In addition, the Company must comply with certain covenants and undertakings of these loans e.g. maintaining Debt Service Coverage Ratio and Debt-to-Equity Ratio, etc.

**14. LIABILITIES UNDER HIRE PURCHASE AND FINANCES LEASE CONTRACTS**

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Liabilities under hire purchase and finances lease contracts				
- Due for payments within 1 year	4,749	6,927	4,317	6,495
- Due for payments within 2 - 5 years	2,510	5,893	817	3,767
Total	7,259	12,820	5,134	10,262
Less deferred interest	( 615)	( 1,113)	( 332)	( 660)
Liabilities under hire purchase and finances lease contracts - net of deferred interest	6,644	11,707	4,802	9,602
Less current portion	( 4,325)	( 6,340)	( 4,039)	( 6,077)
Net	2,319	5,367	763	3,525

Amortized interest in the separate financial statements for the years ended December 31, 2016 and 2015 amounted to approximately Baht 0.5 million and Baht 0.6 million, respectively, and in the consolidated financial statements amounted to approximately Baht 0.6 million and Baht 0.7 million, respectively. The Company presented such amortized interest as part of "Finance costs" in the statements of comprehensive income for each the years.

During 2012 - 2016, the Company and its subsidiaries entered into hire purchase and finance lease contracts with two local banks and two private companies for the periods of 36 - 48 months whereby such hire purchase and finance lease contracts will end during 2015 - 2019.

**15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Other payables	28,493	20,899	5,670	16,599
Advances from related person	16,752	10,000	-	-
Accrued employee bonus	9,536	12,000	9,536	12,000
Pending output tax	6,049	6,222	6,047	6,219
Payables to contractors	5,193	17,703	5,193	17,703
Retention payables	4,872	2,566	1,444	1,672
Advances from customers	2,934	2,934	-	-
Accrued directors' remunerations	1,875	1,770	1,875	1,770
Value-added tax	1,656	1,467	1,656	1,467
Others	3,560	6,659	3,135	6,083
Total	80,920	82,220	34,556	63,513

**NOTE TO FINANCIAL STATEMENT**

**THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Notes to Financial Statements (Continued)**  
**December 31, 2016 and 2015**

**16. LIABILITY FOR POST-EMPLOYMENT BENEFITS**

Movements of liability for post-employment benefits for the years ended December 31, 2016 and 2015 are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
Liability for post-employment benefits as at January 1	8,337	7,506
Current service cost	396	470
Interest cost	256	361
Expense recognized in statement of comprehensive income	652	831
Employee benefits paid during the year	-	-
Liability for post-employment benefits as at December 31	8,989	8,337

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

-	Discount rate	4.53% p.a.
-	Salary escalation rate	12.07% p.a.
-	Employee turnover rate	0 - 44% p.a.

As at December 31, 2016 and 2015, the subsidiaries have been in the process of preparation for starting their core business of each company and hired only few number of permanent employees. Accordingly, the subsidiaries have no material obligation to be recognized on the post-employment benefits.

**17. PREMIUM ON COMMON SHARES AND LEGAL RESERVE***Premium on shares*

Section 51 of the Public Companies Act B.E. 2535 requires the Company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on shares"). Premium on shares is not available for dividend distribution.

*Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires the Company to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve") until this account reaches an amount not less than 10% of the authorized capital. The legal reserve is not available for dividend distribution.

**18. EXPENSES BY NATURE**

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Employee expenses	136,544	177,397	134,823	171,595
Subcontract costs	52,095	59,547	52,095	59,547
Supplies and equipment consumed in services	37,789	52,777	37,789	52,777
Depreciation and amortization	28,892	24,864	25,510	22,297
Finance costs	13,071	3,657	12,356	3,500
Travelling and accommodation expenses	9,565	10,832	9,198	10,612
Consultancy and professional fees	5,076	2,804	4,765	2,233
Repair and maintenance expenses	4,244	5,237	3,969	4,900
Provision for doubtful accounts (reversal of provision for doubtful accounts)	1,094	( 1,344)	1,094	( 1,344)

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### 19. REGISTERED PROVIDENT FUND

The Company has a contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 5%-10% of the employees' basic salaries depending on the length of employment. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company's contribution, which was recorded as part of cost of services and administrative expenses, for the years ended December 31, 2016 and 2015 amounted to approximately Baht 3.4 million and Baht 3.0 million, respectively.

#### 20. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2016 and 2015 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Income tax computed from accounting profit	4,287	11,472	5,984	13,541
Effects from non-deductible expenses	2,552	3,087	855	583
Effects from additional deductible expenses	( 448)	( 917)	( 448)	( 482)
Effects from reduction in income tax rate under investment promotion	( 5,370)	(12,758)	( 5,370)	(12,758)
Current tax computed from taxable profit	1,021	884	1,021	884
Increase in deferred tax assets	( 667)	( 160)	( 667)	( 160)
Income tax presented in statement of comprehensive income	354	724	354	724

Deferred tax assets presented in statements of financial position as at December 31, 2016 and 2015 consist of:

	Consolidated and the Company Only (In Thousand Baht)	
	2016	2015
Effects from temporary non-deductible items:		
- Allowance for doubtful accounts of trade receivables	607	71
- Liability for post-employment benefits	1,798	1,667
Total deferred tax assets	2,405	1,738

#### 21. DIVIDENDS

At the general shareholders' meeting on April 27, 2015, the shareholders unanimously passed the resolution for the Company to pay final dividends from the 2014 operations to the shareholders at Baht 0.27 per share, totalling Baht 27 million, whereby the Company paid such dividends to the shareholders on May 25, 2015.



## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

At the Board of Directors' meeting on August 13, 2015, the Board of Directors passed the resolution for the Company to approve payment of interim dividends from the operations of the promoted business for the six-month period ended June 30, 2015 at Baht 0.10 per share, totalling Baht 10 million, whereby the Company paid such dividends to the shareholders on September 7, 2015.

At the general shareholders' meeting on April 25, 2016, the shareholders unanimously passed the resolution for the Company to pay final dividends from the 2015 operations to the shareholders at Baht 0.17 per share, totalling Baht 17 million, whereby the Company paid such dividends to the shareholders on May 24, 2016.

## 22. SEGMENT REPORTING ON FINANCIAL INFORMATION

Statement of income is significant financial and core information of the Company and its subsidiaries that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Company and its subsidiaries have two significant operating segments (identified by internal reporting segments), i.e. (1) nondestructive testing services and (2) inspection services for pressure vessel and others. The Company and its subsidiaries do not have any transfer between segments. In addition, the Company and its subsidiaries are unable to apportion the segment information for assets and liabilities without excessive costs.

### Information on Products or Services

	Consolidated (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2016	2015	2016	2015	2016	2015
Service income	279,257	378,720	59,326	41,456	338,583	420,176
<u>Less</u> Segment expenses	( 161,743)	( 205,492)	( 6,497)	( 5,831)	( 168,240)	( 211,323)
Segment result	<u>117,514</u>	<u>173,228</u>	<u>52,829</u>	<u>35,625</u>	<u>170,343</u>	<u>208,853</u>
<u>Add</u> non-allocated revenues						
- Other income					6,725	11,323
<u>Less</u> non-allocated expenses						
- Cost of services					( 85,572)	( 104,156)
- Administrative expenses					( 56,989)	( 55,002)
- Finance costs					( 13,071)	( 3,657)
- Income tax expense					( 354)	( 724)
Profit for the year					<u>21,082</u>	<u>56,637</u>

	The Company Only (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2016	2015	2016	2015	2016	2015
Service income	279,257	378,720	59,326	41,456	338,583	420,176
<u>Less</u> Segment expenses	( 161,743)	( 205,492)	( 6,497)	( 5,831)	( 168,240)	( 211,323)
Segment result	<u>117,514</u>	<u>173,228</u>	<u>52,829</u>	<u>35,625</u>	<u>170,343</u>	<u>208,853</u>
<u>Add</u> non-allocated revenues						
- Other income					6,808	9,000
<u>Less</u> non-allocated expenses						
- Cost of services					( 85,572)	( 104,156)
- Administrative expenses					( 49,306)	( 42,492)
- Finance costs					( 12,356)	( 3,500)
- Income tax expense					( 354)	( 724)
Profit for the year					<u>29,563</u>	<u>66,981</u>

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Information on Geographic Areas

As at December 31, 2016 and 2015, the subsidiaries have not yet started their core business activities and main operations of the Company are rendering services domestically while rendering services in abroad is an insignificant portion as compared to the entire services of the Company. Accordingly, the accompanying financial statements do not include information relating to information on geographic areas.

The Company has four subsidiaries whereby the Company and its subsidiaries incorporated in Myanmar and Laos have no any non-current asset whereas the other two subsidiaries incorporated in Thailand had fixed assets located and used in Myanmar, i.e. buildings, operating tools and equipment, construction in progress and equipment under installation of which the carrying amounts totalling approximately Baht 214.2 million and Baht 130.1 million were shown in the consolidated statements of financial position as at December 31, 2016 and 2015, respectively.

#### Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

	Percentage of Balance Attributable to Key Customers to Total Balance			
	Consolidated		The Company Only	
	2016	2015	2016	2015
Service income				
- Nondestructive testing services	30.94	32.61	30.94	32.61
- Inspection services for pressure vessel	-	-	-	-
Total service income	25.52	29.40	25.52	29.40

### 23. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain promotional privileges in scientific laboratories activity on March 17, 2009 which include among others, exemption from payment of import duty on the imported machines used in the promoted business, exemption from payment of income tax on net profit from the promoted business for a period of eight years from the date income was first derived from the promoted business (August 7, 2009).

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

Operating results classified by the promoted and non-promoted businesses for the years ended December 31, 2016 and 2015 are as follows:

	Consolidated (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2016	2015	2016	2015	2016	2015
Service income - net	290,041	401,400	48,542	18,776	338,583	420,176
Other income	-	-	6,725	11,323	6,725	11,323
Cost of services	( 213,126)	( 295,068)	( 40,686)	( 20,411)	( 253,812)	( 315,479)
Administrative expenses	( 41,402)	( 39,743)	( 15,587)	( 15,259)	( 56,989)	( 55,002)
Finance costs	( 10,375)	( 3,273)	( 2,696)	( 384)	( 13,071)	( 3,657)
Income tax expense	-	-	( 354)	( 724)	( 354)	( 724)
Profit (loss) for the year	25,138	63,316	( 4,056)	( 6,679)	21,082	56,637

## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	The Company Only (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2016	2015	2016	2015	2016	2015
Service income - net	290,041	401,400	48,542	18,776	338,583	420,176
Other income	-	-	6,808	9,000	6,808	9,000
Cost of services	(213,126)	(295,068)	(40,686)	(20,411)	(253,812)	(315,479)
Administrative expenses	(41,402)	(39,743)	(7,904)	(2,749)	(49,306)	(42,492)
Finance costs	(10,375)	(3,273)	(1,981)	(227)	(12,356)	(3,500)
Income tax expense	-	-	(354)	(724)	(354)	(724)
Profit for the year	25,138	63,316	4,425	3,665	29,563	66,981

#### 24. DISCLOSURES OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Company and its subsidiaries are exposed to normal business risks relating to credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company and its subsidiaries do not use derivative financial instruments for hedging or trading / speculation purposes. The Company and its subsidiaries had no significant change in risk management policy relating to financial instruments during 2016 and 2015.

##### Credit Risk

Credit risk arise when the counterparties fail to meet their obligations as agreed with the Company and its subsidiaries. Management believes that the Company and its subsidiaries do not have any material credit risk because the Company and subsidiaries constantly evaluates the debtor's status. The maximum credit risk exposure in the event other parties fail to perform their obligations is the carrying amount of trade and other receivables shown in the statements of financial position.

##### Liquidity Risk

The Company and its subsidiaries manage its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the operations of the Company and its subsidiaries and to mitigate the effects of fluctuations in cash flows.

##### Foreign Exchange Rate Risk

The Company and its subsidiaries have certain foreign currency transactions that give rise to significant exposure to market risk from fluctuations in foreign exchange rates. However, the management believes that the foreign exchange rate risk is insignificant. Hence, no financial derivative instruments are used to mitigate this risk.

##### Interest Rate Risk

The operations and cash flows of the Company and its subsidiaries are affected by the changes in market interest rates. The Company and its subsidiaries are exposed to interest rate risk because they have deposits at banks, investments, loan receivables, bank overdrafts, short-term and long-term borrowings and liabilities under hire purchase and finances lease contracts which are principally pegged to fixed interest rates and floating market rates. As at December 31, 2016 and 2015, the Company and its subsidiaries had financial assets and liabilities that are exposed to the market and cash flows risks arising from changes in interest rates as follows:



## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

	Consolidated (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2016	2015	2016	2015	2016	2015
Deposits at banks	-	-	3,594	25,272	0.375 - 1.0	0.125 - 1.1
Current investment	9	626	-	-	0.8 - 1.02	0.8 - 0.95
Restricted deposits at bank	-	-	13,016	24,395	0.75 - 1.0	0.5 - 1.35
Bank overdrafts and short-term borrowings from financial institutions	50,000	50,000	165,837	86,533	(see Note 13)	(see Note 13)
Long-term borrowings	-	-	35,614	17,789	(see Note 13)	(see Note 13)
Liabilities under hire purchase and finances lease contracts	7,259	11,707	-	-	2.35 - 8.52	2.35 - 8.52
	The Company Only (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2016	2015	2016	2015	2016	2015
Deposits at banks	-	-	601	21,428	0.375 - 1.0	0.125 - 1.1
Current investment	9	626	-	-	0.8 - 1.02	0.8 - 0.95
Restricted deposits at bank	-	-	12,916	24,395	0.75 - 1.0	0.5 - 1.35
Bank overdrafts and short-term borrowings from financial institutions	50,000	50,000	165,837	86,533	(see Note 13)	(see Note 13)
Long-term borrowings	-	-	35,614	17,789	(see Note 13)	(see Note 13)
Liabilities under hire purchase contracts	5,134	9,602	-	-	2.35 - 2.59	2.35 - 2.90

As at December 31, 2016, the above financial assets and liabilities, classified by periods of maturities, are as follows:

	Consolidated (In Thousand Baht)			
	On Demand	Not Exceeding	2 - 5 Years	Over
		1 Year		5 Years
Deposits at banks	3,409	185	-	-
Current investment	-	9	-	-
Restricted deposits at bank	5,916	7,100	-	-
Bank overdrafts and short-term borrowings from financial institutions	-	215,837	-	-
Long-term borrowings	-	10,219	25,395	-
Liabilities under hire purchase and finances lease contracts	-	4,749	2,510	-
	The Company Only (In Thousand Baht)			
	On Demand	Not Exceeding	2 - 5 Years	Over
		1 Year		5 Years
Deposits at banks	416	185	-	-
Current investment	-	9	-	-
Restricted deposits at bank	5,916	7,000	-	-
Bank overdrafts and short-term borrowings from financial institutions	-	215,837	-	-
Long-term borrowings	-	10,219	25,395	-
Liabilities under hire purchase contracts	-	4,317	817	-



## NOTE TO FINANCIAL STATEMENT

### THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2016 and 2015

#### Fair Value Measurement

The following method and assumptions were used by the Company and its subsidiaries in estimating fair values of financial assets and financial liabilities:

*Cash and cash equivalents, current investment, short-term loans to related persons, advances, restricted deposits at bank, investment in available-for-sale securities, trade and other receivables, trade and other payables, and short-term and long-term borrowings*

The carrying amounts of the above accounts approximate their fair values due to their cash status or the relatively short-term maturities of these financial instruments or they are stated at fair values or bear interest at the floating and fixed rates approximate the market interest rates.

*Investments in subsidiaries and investment in shares of related company*

It is not practicable to estimate the proper fair values of such investments without incurring excessive costs due to the absence of quoted market price of similar investments. However, the Company has considered and realized impairment loss on the entire amount of investment in shares of related company as shown in the statements of financial position and as described in Note 10.

*Short-term loans to other parties and liabilities under hire purchase and finances lease contracts*

It is not practicable to estimate the proper fair value of short-term loans to other parties and liabilities under hire purchase and finances lease contracts, with fixed interest rates, without incurring excessive costs.

#### 25. CAPITAL MANAGEMENT

Significant objectives of the capital management of the Company and its subsidiaries are to ensure that they have appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue their businesses as a going concern. The Company and its subsidiaries did not have any significant change relating to capital management policy during 2016 and 2015.

Debt-to-Equity ratio for the consolidated financial statements as at December 31, 2016 and 2015 was 0.75 : 1.00 and 0.51 : 1.00, respectively, whereas the separate financial statements as at December 31, 2016 and 2015 was 0.61 : 1.00 and 0.46 : 1.00, respectively.

#### 26. OTHERS

As at December 31, 2016:

- a. The Company had letters of guarantee issued by two local banks as performance bonds for engineering services rendered to nine private sector customers and two government agencies totalling approximately Baht 50.8 million which are guaranteed by the Company's fixed deposits with such banks of approximately Baht 12.9 million.
- b. A subsidiary (TNDTPW) had credit card facility for payment of fuels amounting to Baht 0.1 million with a local bank which are guaranteed by the subsidiary's fixed deposit with such bank amounting to Baht 0.1 million.

## NOTE TO FINANCIAL STATEMENT

### **THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES** **Notes to Financial Statements (Continued)** **December 31, 2016 and 2015**

- c. A subsidiary (TNDTPW) had commitments on the construction of coal-fired power plant project in Shan State of Myanmar in respect of the related procurement of machinery and equipment of approximately Baht 159.6 million, JPY 567.0 million, and USD 15.3 million (totalling in Baht of approximately 887.8 million) and the related construction in progress as well as the tasks relating to preparation and leveling the ground surface of power plant of approximately Baht 86.2 million whereby the sources of fund to settle such commitments shall be borrowings of the Company (as being the parent) from financial institutions (see Note 13).

#### **27. EVENT AFTER THE REPORTING PERIOD**

At the Board of Directors' meeting held on February 26, 2017, the Board of Directors approved the Company to pay dividends from the 2016 operations (from the promoted business) to the shareholders at Baht 0.12 per share, totalling Baht 12 million, whereby this resolution will be proposed for approval in the upcoming shareholders' meeting.

#### **28. APPROVAL OF THE FINANCIAL STATEMENTS**

The accompanying financial statements have been approved to be issued by the Audit Committee's meeting of the Company on February 26, 2017.



บริษัท ไทย เอ็น ดี ที จำกัด (มหาชน)  
**Thai Nondestructive Testing Public Company Limited**

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