



TNDT

Annual Report 2017

รายงานประจำปี
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*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 Shareholders

The operating results for the year 2017 showed a decrease in revenue and net profit from the year 2016 of 7% and 9% respectively. It is the third year that the revenue of the Company has declined due to the impact of the related industry slowdown and by the reasons of the intense competition in the inspection industries, and particularly, the NDT services are critical and directionless. The service providers compete in offering low price to meet and satisfy the conditions of the procurement for mutual benefits, regardless of service costs. In addition, the various behaviors and practices which are contrary to the business principles, obstructing the corporate governance and increasing the corruption, cause the high probability of loss in revenue and profit while the Company abstains from operating the business in those unethical ways thoroughly. However, the situations deviated from the principles of operations, must be resolved soon when the industries return to normal. The Company strives to maintain the customer base, keeps the business running smoothly and takes the business in the downturn period to accelerate development of all the factors that strengthen the sustainable growth in the age of technology and the AEC, which is the business of the future. The Company is also accelerating the projects which are still pending and has started the new projects including the preparation of the patents, documentations and the techniques used in operating the business. The progress are as follows:-

1. The Corporate Governance : The Company has strengthen the image of confidence and trust in the management of the organization, and has been assessed for Corporate Governance Responsibility (CGR) for the year 2017 as **‘Excellent Level’** for the second consecutive year with an increase in rating from 2016.

2. The Innovation : The Company recognizes the importance of innovation development in the Organization thoroughly. Being always as a technology related and oriented organization, the Company has received the award of the **“Best Innovative Organization”** for the year 2016 and has also been approved for the supporting fund from the National Innovation Agency (NIA) since November 28, 2017, under the project of **“Technological transformation for financial support”**, which was the Government’s policy of promoting innovations and creativity. The Company’s Innovation topic of **“the Semi-auto Powered X-ray Machine for Oil and Gas Pipeline Inspection by Non-destructive Testing”** was made for more efficiency in the speed of 20 times faster than the original technique and the machine can be operated accurately and safely. This innovation’s plan is to be utilized for the inspection both domestic and overseas, for raising the level of competitive advantages in business.

3. Standardization : On November 17, 2017, the Company was awarded the “Certificate of Inspection Body Accreditation, Type A” by TIS 17020-2556 (ISO/IEC 17020:2012) by the Secretary General of Thai Industrial Standards Institute. TNDT is the first NDT and Inspection Company to receive this certification. By this Certificate, the Company would enable to take more jobs especially customers from Australia.

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

4. Diversifying to the Energy Business :

4.1 International

A. For the 20 MW Coal-Fired Power Plant Project in the Republic of Union of Myanmar, the Company has already received the operating business licenses and the Certification of Myanmar Investment Commission (MIC) from the Myanmar Government since early January, 2018. The Company is in the process of considering the construction contractors, while the project has already been progressed over 30% and expected the revenues within the year 2019.

B. Meanwhile, the Company has undertaken the feasibility studies of Solar Cell and Biomass Power Plant Project and expected to be clear within the year 2018.

4.2 Domestic

The Company has continued the feasibility studies of Solar Rooftop and others.

5. NDT & Inspection Businesses Expansion : The Company has expanded its businesses to the AEC countries with the Advanced Technologies and newly created innovations, starting in the Republic of Indonesia, since the year 2015 and was able to recognise the revenue in the 4th quarter of the year 2015, even not so much revenue in the beginning. However, the expansion of NDT business in the year 2016 was rapidly increased more than 50% and by 100% in the year 2017. It is likely that the revenue will increase continually, depending on the industrial situation in Indonesia, and it is projected to be a major contributor to the Company's revenue in the near future.

With the progress of the projects as mentioned above, the Company would like to thank all for giving the care and support, and the investors who have closely followed our operations. The Company would also like to express sincere appreciation to all of the project specialists, customers, trading partners who had given us the support, including all employees of the Organization who have given their help for all the Company's activities to be well and successful. 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

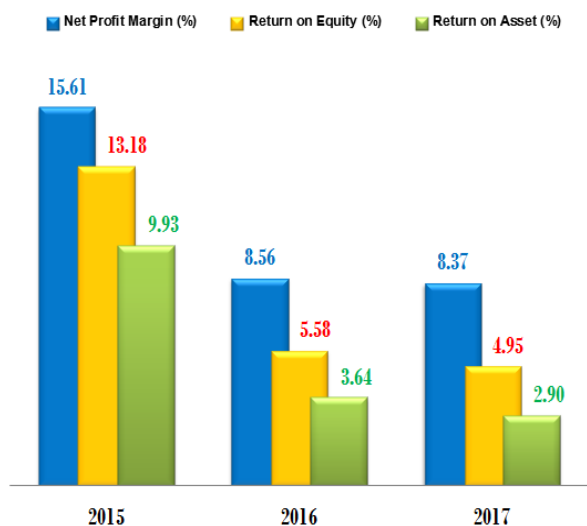
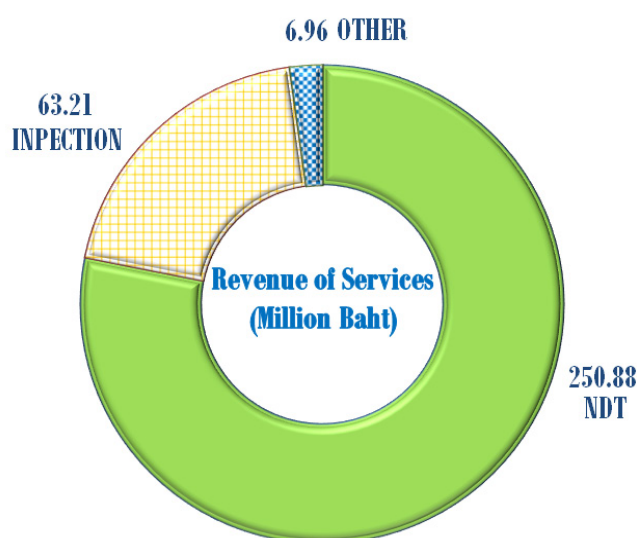
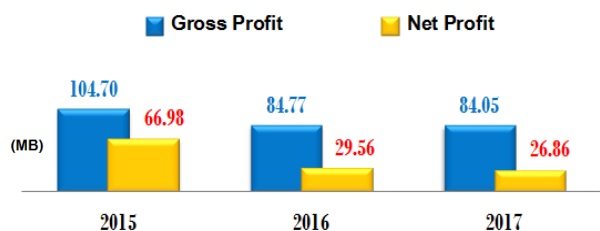
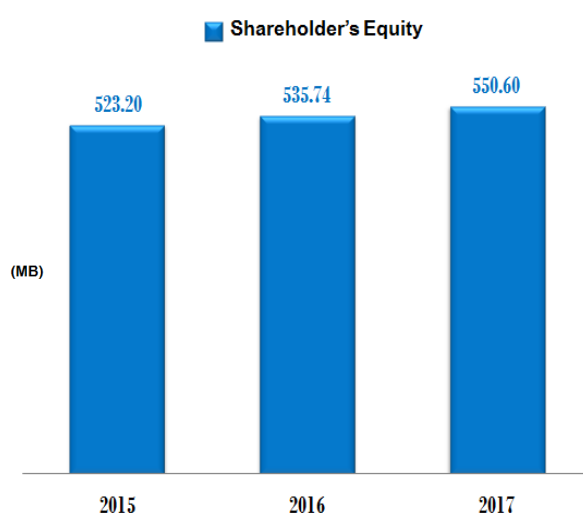
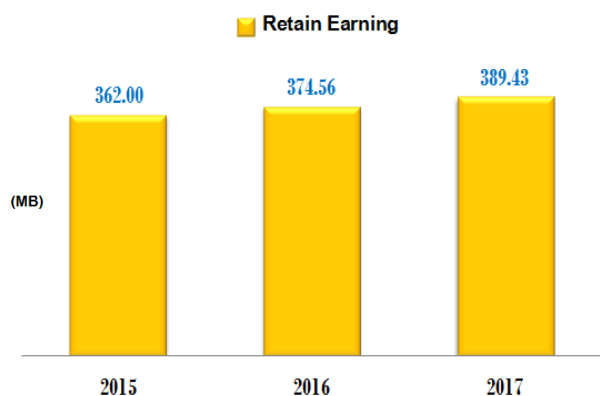
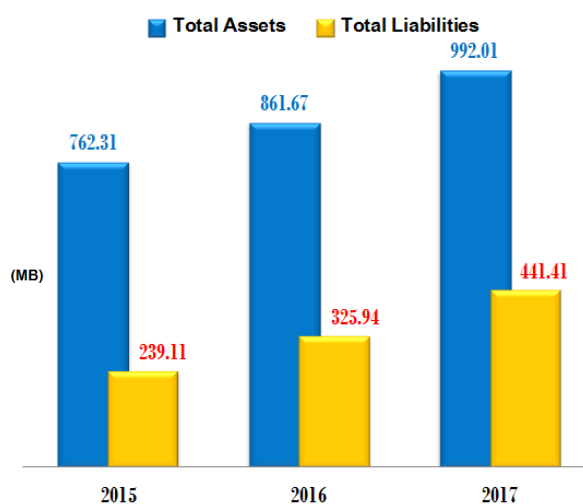
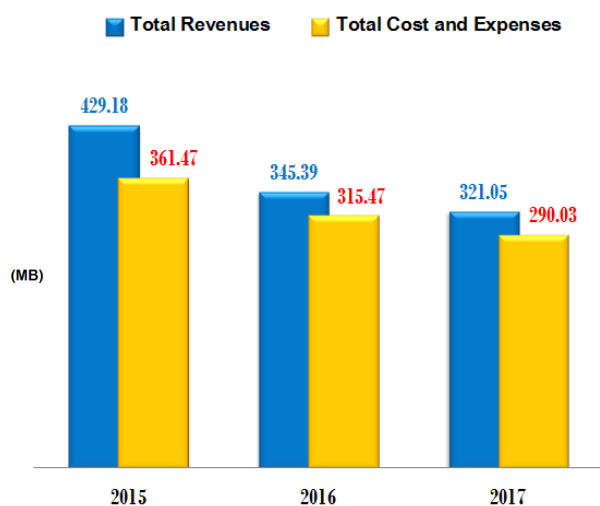
Financial Statement as of December 31, 2017. [The Company Only]

Financial Position/Operating Results (Million Baht)	2015	2016	2017
Total Revenues	429.18	345.39	321.05
Total Cost and Expenses	361.47	315.47	290.03
Gross Profit	104.70	84.77	84.05
Net Profit	66.98	29.56	26.86
Total Assets	762.31	861.67	992.01
Total Liabilities	239.11	325.94	441.41
Shareholder's Equity	523.20	535.74	550.60
Retain Earning (unappropriated)	362.00	374.56	389.43

Financial Ratio	2015	2016	2017
Net Profit Margin (%)	15.61	8.56	8.37
Return on Equity (%)	13.18	5.58	4.95
Return on Asset (%)	9.93	3.64	2.90
Debt Equity Ratio (times)	0.46	0.61	0.80
Net Profit per Share (Baht)	0.67	0.30	0.27
Book Value per Share (Baht)	5.23	5.36	5.51

Revenue of Services (Million Baht)	2015		2016		2017	
	Amount	%	Amount	%	Amount	%
1. Revenue of the Service - NDT	378.72	88.24	279.26	80.85	250.88	78.14
2. Revenue of the Service - Inspection	41.46	9.66	59.32	17.17	63.21	19.69
Total Revenue of the Services	420.18	97.90	338.58	98.03	314.09	97.83
3. Other Revenue	9.00	2.10	6.81	1.97	6.96	2.17
Total Revenue	429.18	100.00	345.39	100.00	321.05	100.00

FINANCIAL SUMMARY



COMPANY INFORMATION AND COMMUNICATION

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

Investor Relations Office :

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

Auditor :

MR. AKADET PLIENSAKUL
 CPA No. 5389
 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 10

Other references : NONE

Other Information

For more information, please see the Annual Disclosure Information (56-1)

as presented on the www.sec.or.th or www.set.or.th and the Company Website (www.tndt.co.th).

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 the developing countries.

Mission

To service the customers in industrial sector both onshore, offshore, domestic and overseas with prompt services, efficiency and reliability. The services must be under the 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 OVERVIEW

About TNDT

Thai NDT PCL was founded in 1982 by a group of experts from various engineering fields, and was a listed company in the Market of Alternative Investment (MAI) in the name of Thai Nondestructive Testing (Public) Company Limited (TNDT) in 2007, in order to operate the business in testing and inspection services of safety engineering by Nondestructive Testing – NDT in the role of the Third Party. TNDT was the first Thai owned NDT-business Company in Thailand, with a vision that foreseen the growth and sustainability of this business and was obviously the social enterprise profession with the responsibility towards the social and the environment. Since Thailand had utilized natural gas for the first time in 1980, the industrial businesses had expanded widely and rapidly, especially the energy sector and all other chains of business stemming from it, including large scales structures. Most of the industrial groups were entrepreneurs in businesses with a high risk of accidents, as failure could mean the loss of lives, property and environmental damages. For the technology used in such industries, besides the significant of technical performance, the importance of safety was considered as well, by specifying the practices to international standards and legal which strictly required monitoring, testing, maintenance, and repairing by term and condition of usage. The Nondestructive Testing (NDT) was one of the techniques which was used for inspection and the inspector should be the third party, without any conflict of interest to the project owners. Since Thailand has entered into the era of technologies along with the international standards, then the laws and regulations were set up continually in accordance with the technological developments in the industrial sector with the maximum level of safety.

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 and life assessment, etc. The services are normally depending on the customers or project owners' requirements, on the legal regulations or standards which specified the usage of technology. Due to the customers or project owners are the entrepreneurs in industries with a high risk of accidents, as failure can mean the loss of lives, property and environmental damages, the precision and accuracy is of paramount importance in this service industry. Therefore, all the techniques concerned in this service must be up to internationally - accepted standards, legal requirements, ethical code of conduct and professional practices which have been strictly adhered.



BUSINESS OVERVIEW

2. Organizations concerned with the Business Operation

The Company has to conduct the business under the Rules and Regulation of the 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 fuel-oil cylinders, gas storage tanks, gas & fuel-oil transportation tanks and factory, pipelines, piping systems & equipment, oil terminal depot, and re-fuel gas & oil stations. The Company has received the certificates and licenses as follows :-

(1) Tester and Inspector of LPG tank and piping system & equipment in Category 1, according to the Certificate No. TorBor.1/2555/2558 which was the highest level.

(2) Testing and Inspection Engineer of NG Factory and Filling Station Category 1, according to the Certificate No. Wor.ThorChor.Chor. 1-005/2560.

(3) Tester and Inspector, testing and inspection operator Of Fuel-Oil Level 3, according to Certificate No. PhorNorMor.KorForYor.3-015/2560

(4) Testing and Inspection Engineer of NGV Re-fueling tank, and piping system & equipment, according to Certificate No. Wor.ThorChor.Bor-001/2559



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, by-products, or source materials (Phor Por Sor 6 Kor), (Phor Por Sor 6 Khor).
- Certificate of possessing, and utilizing the by-products (Ir-192) (Phor Por Sor 4Kor-2).
- Certificates to possess or utilize 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 Standardization (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 and Turn Key Management

The Company provides consulting and advice on engineering safety inspection and testing procedures as required by laws and international technological standards governing the customer's business, including project management by monitoring, auditing and fully integrated guarantee in testing and inspection (turnkey project).

5.4 Life Assessment

6. Efficiency of Technical Services

The Company offers 3 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, 70% of the earnings are by the conventional techniques. The advantage is the customers are accustomed and still require these techniques. The services fee is on the fundamental level

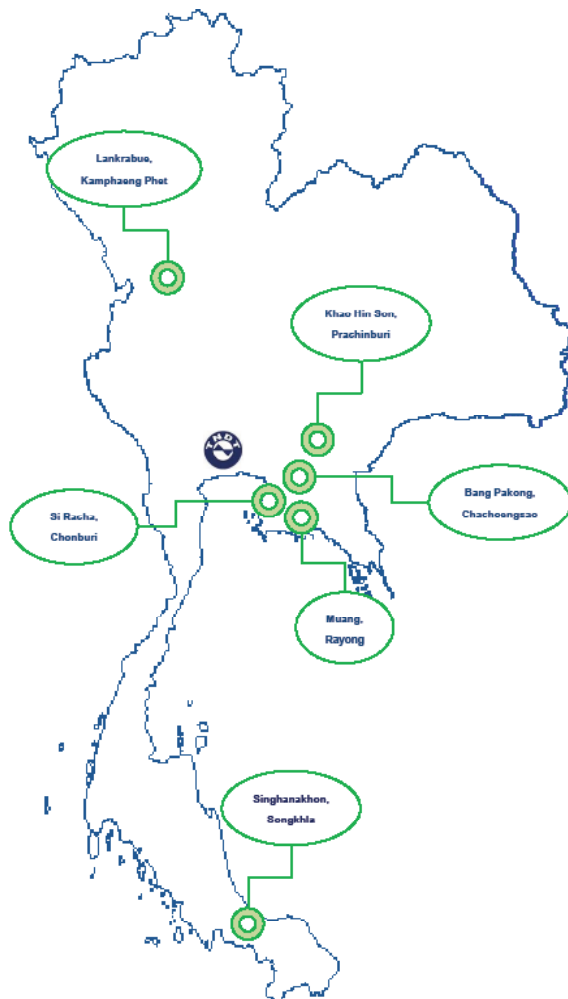
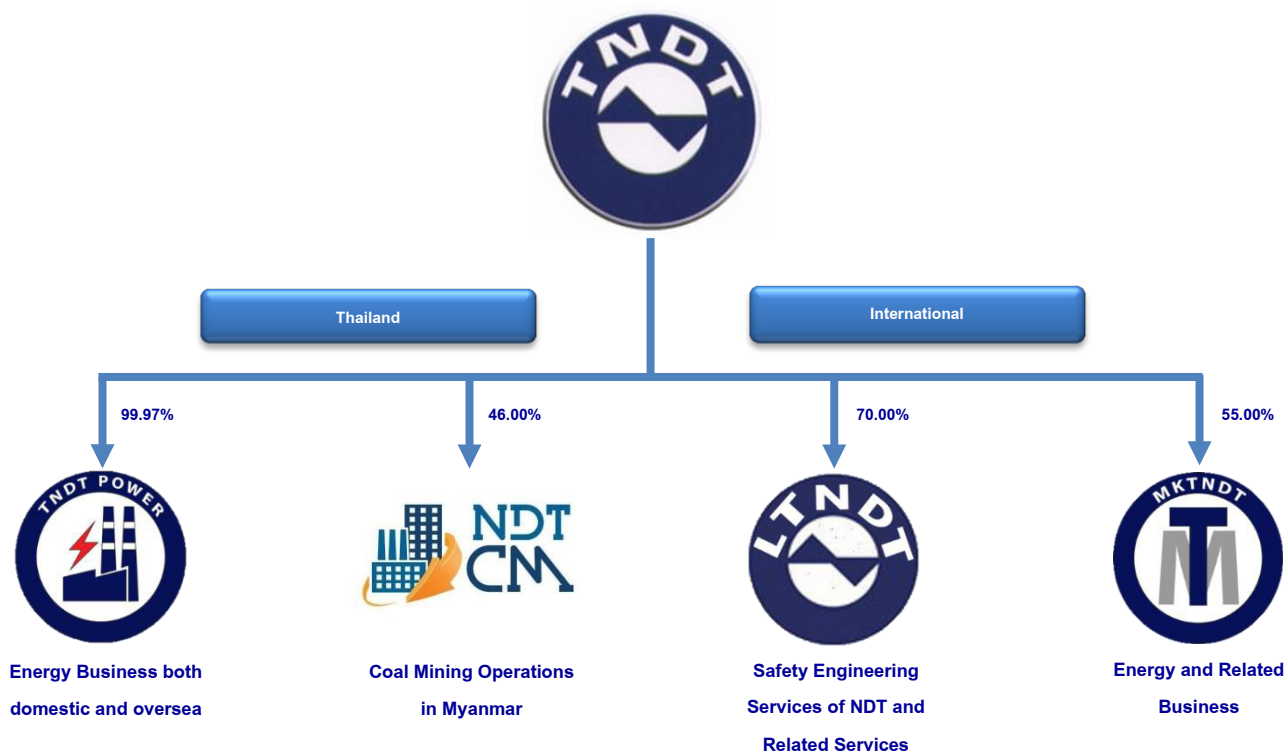
6.2 Advanced NDT: such as PA, AE, MFL, RBI, ET, etc. .

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.



BUSINESS STRUCTURE

As of December 31, 2017. (Register)



Service Centers

1990	Move the Head-office from NaNaNua to the Current Office, Head-office at 19 Soi Suanson 8, Ramkhamhaeng Road Huamark Sub-District, Bangkok District , Bangkok 10240
1995	Branch Office Mabtapthut District, Rayong Province
1989	Site 1 Maung District, Samutprakarn Province
1995	Site 2 LarnKraBue District, Kampaengphet Province
1999	Site 3 KhaoHinSorn District, Prachinburi Province
2000	Site 4 Sriracha District, Chonburi Province
2005	Site 5 BangPaKong District, Chacheungsao Province
2013	Site 6 SingHaNaKorn District, Songkla Province
2016	Site 1 Maung District, Samutprakarn Province Moved to Site 5 BangPaKong District, Chacheungsao Province
2017	Site 3 KhaoHinSorn District, Prachinburi Province Moved to NDT BKK Head-office, Bangkok

Long-term projects (more than 1 year)

- Mae Moh Power Plant Unit 4-7, Lamphang
- Northern Pipeline Project - NTPP, from Ayutthaya to Singburi
- Chevron Offshore Project - Platform, Gulf of Thailand
- TNS Offshore Project - Platform, Gulf of Thailand and Andaman in Myanmar



GOALS AND BUSINESS STRATEGIES

The Company's overall operation results for 3-year business plan (2015-2017) could not achieve the target due to the impact of economic, political and industrial have not recovered. In particular, the crisis in oil and gas prices has been declining since 2014, the whole entrepreneurs in the exploration, production and the business chain, together with the large scale projects, etc. had slow down for the reasons of the break-even prices which affected directly to the inspection industry, shrinking continually in the same direction till year 2017, the longer period than expectation. There were severely competed for inspection industries with service providing in low price or proposing the mutual beneficial compensation in accordance with the conditions of the customers' procurements, or in the both cases by regardless of service costs. In addition, operating the business in industry recession and falling under pressure by the trading partners were the high risks of loss in revenues and profits, and lack of third party profession independence, which the Company has chosen to avoid operating business in this way. The few opportunity of work in the situations mentioned above, the Company could only try to maintain a good customers base by the reasonable price and manage without performance loss.

However, the performance in 2017 has clearly shown the recovery by the expansion of the advanced technology service, the service expansion to the maintenance customers, and the business expansion to Indonesia. The results of operations have exceeded the target for three projects and were likely to grow significantly, but it was not enough to compensate the reduced due to it was only the beginning process of the project. In addition, the government policies of Infrastructure Promotion in Mega Projects, such as the EEC project, Double Track Railway project, etc., were the opportunities for the industrial situation to return to normal. Moreover, the Company's diversifying the business lines to energy group, both domestic and international has been well received and highly tentative to succeed in this business. The Company has specified the business plans for the next three year as follows:

1. Targets in Business Operation

The Business Plan for 3 years (2018 - 2020)

1.1 Testing and Inspection Service Business

1.1.1 Domestic

- A. Approximately 5% increase in total revenues per annum or maintaining the market shares of no less than 20%.
- B. Approximately 20% increase in revenues of inspection and testing services with advanced technology per year.
- C. Expand the inspection services line to the maintenance and life cycle assessment business with definite goals within 2018. The Company expected the operations and revenues would be approximately 50% increase.
- D. Advisory and supervisory of QA & QC Management projects.

1.1.2 International

- A. 5% increase in revenues from inspection and testing services internationally per year.
- B. Expand the international business opportunities to at least 1 foreign country per year.

1.2 Diversify

In energy, fuel, and infrastructure.

1.2.1 Domestic

- Diversify to energy business at least 1 project per year. (On feasibility studying of Solar Energy (Solar Cell) Project)

1.2.2 International

- Diversify to energy business at least 1 project per year. (On feasibility studying of Solar Cell and Biomass Project.)

GOALS AND BUSINESS STRATEGIES

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 the transforming in 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 2017 can be summarized as follows :-

1. Domestic

A. Innovation

The Company recognizes the importance of innovation development in the Organization which has 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 thoroughly. In 2016, the Company received award of the **“Innovative Organization”** from the National Innovation Agency (NIA). The innovation was used for semi-auto gas and oil piping inspections by the X-Ray Crawler with Magnotope. On November 28, 2017, the Company has been approved for the supporting fund from National Innovation Agency (NIA) under the project of **“Technological transformation for financial support”** which was the Government policy of promoting innovations, in the Company's topic of **“the Semi-auto powered X-ray machine for oil and gas pipeline inspection by non-destructive testing”**. The Innovation was made for more efficiency in the speed of 20 times faster than original and the machine could be operated steadily and continuously during the work which resulting in precise inspection and was able to increase safety in operations at the jobsite. In addition, the usage of electromagnetic energy to replace in some part of the radiation usage would enhance the safety of radiation effects on the operators, the related persons, and the surrounding environment as well. The Company's aim for this innovation to be used for the inspection both domestic and overseas, particularly in Indonesia. These are for raising the level of competition and creating the new innovations for the NDT business as well.



B. Standardization

On November 17, 2017, the Company had received the Certificate of Inspection Body Accreditation type A by TIS. 17020-2556 (ISO/IEC 17020:2012) from the Secretary General of Thai Industrial Standards Institute, Ministry of Industry. TNDT was the first NDT and Inspection Company to receive this certification, while the witnesses were by the Standard Institute officers and TNDT staffs. By this Certificate, the Company would enable to receive jobs widely in Australia.



SIGNIFICANT DEVELOPMENTS OF THE COMPANY



2. Overseas

2.1 The Republic of the Union of Myanmar (Diversifying Policy)

A. For the 20 MW. Coal-Fired Power Plant Project (project), the Report of the Environmental Impact Assessment (EIA) and the Health Impact Assessment (HIA) had already been approved officially by the government of Shan State on February 6, 2017. For the Certification of Myanmar Investment Commission (MIC), the project has already been considered for the documentation and field progress, expected the approval of Certification within January, 2018, and the next step would be to implement the construction plan. For the current proceedings of the project, there were preparation for the next phase of construction, such as office buildings, residences, canteen, foundations of power plants, together with slope protection to prevent erosion or sliding of soil which has already 30% completed.

B. For the funding, after the MIC approval, a private bank in Myanmar has pledged to support a relatively high amount of investment of this project. Meanwhile, several foreign funds are interested in this project, the Company is considering with regards to the best interests of the organization. For the investors and the financial instruments shall be complied with the procedures and criteria of the SEC and the SET. Nowadays, some of the investment funding have been by the directors and the foreign partners. While the sources of funding by the domestic financial institutions have not supported the investment in Myanmar.

February 2018 >>



SIGNIFICANT DEVELOPMENTS OF THE COMPANY



<< Setting up the Spirit House at the Power Plant on January 11, 2018.



2.2 The Republic of Indonesia

The Company has expanded the NDT business to the Republic of Indonesia since 2015 and was able to recognise the revenue in the 4th quarter of 2015, even not so much revenues. Anyway, the expansion of NDT business in 2016 was rapidly increased greater than 50% and by 100% in 2017. There was tentative to increase revenues continuously, depending on the industrial situation in Indonesia, and expected to be a major source of revenues for the Company in the near future.

INDUSTRIAL SITUATION AND COMPETITIVE ENVIRONMENT

1. Industrial Situation

From the impact of the crisis, the unprecedented fall in the price of oil and gas since 2014 continually to 2017, together with the economic decelerated, politics, unrest, etc. in both domestic and international, the demand for the fuel fell down, as well as the expansion of production has declined and 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, which were the main jobs for the inspection industry. By the above mentioned situation were resulting in the sudden shrink in the inspection industry in the past year. However, the government policies, to accelerate investment in large infrastructure, would stimulate the industries in the near future.

2. Competitive Environment

The severe contraction in the industry would mean the decrease in volume of inspections. The impact of the economic downturn affected the growth rate in the construction industry, production, etc. to decline together in the same direction. For the situations as mentioned, some construction builders had inspected themselves, resulted in the fewer volume of inspection jobs in the market. These would increase the competition for the inspection services business in the severe crisis both in terms of prices, the mutual benefits, and working conditions, etc., regardless of the costs and the risk of operation results. Anyway, when the crisis was over, the business of all related sectors would return to normal. The competition in the inspection industry would be complied with the rules, as ever been before the crisis. Meanwhile, there were 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, had made the inspection business competition rather low. These has been the great opportunity for the Company's policy, having its business expansion plan to the AEC countries for the past 3 years, recognizing the revenues prematurely and having clear tentative of continued growth.



RISK MANAGEMENT AND RISK FACTORS

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

1. Financial Risk

1.1 Liquidity The impact may occur in 2 cases as follows :-

1.1.1 Customer Service Fees : The current economic recession affected the entrepreneurs widely. Some customers paid debts over the duration, including denying the debts from going out of business more than ever been, both by the large and small customers. The Company managed the risk by trying to follow up, asking for payment, accelerating debt settlement even closer, and applying a leniency policy in time conditions, together with the lawsuits to return debt. The policy has also been rigorous in selecting customers with stable financial status and collateral. For the legal action shall mean only the last option. These are to maintain the customer base when the economy goes into normal.

1.1.2 Debt from investment : Due to the Company's operation result decreased by the industrial situation, while the Company has been in the process of the business expansion both domestic and overseas for sustainable growth, according to the business plan. These affected to the liquidity, the Company was necessary to rely on loaning from financial institutions. The Company managed the risk of loan and interests by controlling not to pay overdue. Meanwhile, there has been the rearrangement of investment plans in accordance with liquidity, including trying to return all debts soonest. For the investment in the overseas inspection business, the revenues were clearly recognized. Meanwhile, the investment in the energy business was proceeding well, the documentation of power plant operations have been completed on time. Nowadays, the Company is considering the sources of funds and investors, by taking into account of the best benefits of the Company. The Company is confident that for the year 2018, the liquidity will return to normal.

1.2 Foreign Exchange Risk:

1.2.1 The majority of equipment, tools and raw materials are imported by the policy of purchasing in the Baht currency, in order to reduce foreign exchange risk.

1.2.2 For the foreign customers, the workpieces which are imported and the foreign serviced: All imported and foreign services payment are settled in Thai Baht or through a forward contract to specify the fixed costs.

2. Marketing Risk

2.1 Raw Material Procurement Risk:

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. Therefore, 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 regards to the accurate quantities and fixed pricing.

2.1.2 Draw a carefully-planned for raw material usage according to the actual project workload, along with closely tracking the industrial situation.

2.1.3 Maintain a close relationship with the suppliers and distributors so that every party in the supply chain can jointly solve whenever there is any tendency of price fluctuation and unexpected shortage 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 policies and regulations of the government sector and other related to prevent any disruption of the law and regulations.

RISK MANAGEMENT AND RISK FACTORS

2.2 Competition and Industrial Risk:

Normally, oil and gas prices are only a small part of the growth rate of overall industrial and inspection industry. In the past, the transition of oil and gas prices was gradual, most of the industries were in the better situation and not so much negative impact. However, from the recent unprecedented fell in the price of oil and gas rapidly, continuously and non - occurrence, affecting the crisis of industrial situation concerning to the proceeding as mentioned above, as well as the inspection industry situations have shrunk in the same direction. While a few job in the market, the remaining number of entrepreneurs were still the same. In addition, the more complicated procurement with more conditions by the owner occurred, the market shares competition of the entrepreneurs of inspection were severely for the both in terms of the low prices, and conditions of mutual benefits concerned, etc. For these situations, the Company has utilized the risks management policy by maintaining position to conduct the business by servicing with no risk of loss or oppose to professional ethics, good governance and anti - corruption of all types. Therefore, the policy by maintaining the existing numbers of customers by achieving through customers' satisfaction both in terms of services and mutual appropriate prices, which was a great way to establish partners for the future when the economy turns back to normal. At the same time, there was also a long-term plan for risk reduction and opportunity distribution by expanding the business into other countries with high potential of NDT business growth, starting with the Republic of Indonesia which the result was satisfactory. The Company could recognize its revenue since the end of the year 2015. Besides, the Company would adhere the plans to develop the inspection business into other industries with modern techniques and other technical services, etc. so as to support the technological changes in the industry by the present time and in the future.

2.3 Contractors' Procurement Risk:

The construction contractors (customers) are mostly the private sectors, and are usually responsible by the contractors and have been approved on the efficiency of the inspections by the project owners. Therefore, the NDT & Inspection Services opportunities shall be depended on the two parties, while the terms, conditions and service fees are typically determined by these contractors. Acquiring NDT businesses through the contractors in this nature carries some inherent risks by reliance on contractors, receiving 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 quality of services, 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. Due to no economic recovery and recession in the construction industry, causing the more complicated procurements in terms of service charges and conditions of procurement which was a greater risk of corporate governance. Furthermore, the procurement by auction method for the large projects, which was the Company's target customers group, belonged to the project owners. While the inspection industries were competed severely, there were opportunities for people involved in the auction to create conditions for the benefits of the bidder easily. With the Company's standpoint in adhering to the good corporate governance, made it a great opportunity to miss these auctions. Any missing of opportunities would mean a significant impact on operations of the year. The Company has managed this risk through the turnkey services by QA & QC management in order for the burden reduction of the project owner and for more business opportunities of the Company. This policy would be implemented in year 2018.

3. Management Risk in the Organization

3.1 Sufficient Manpower:

The qualified NDT personnel and experts are in high demand in both the industrial sector and the inspection entrepreneurs. To qualify these personnel have to waste time and capital for training, especially the timing. The amount of qualified personnel and the demands in the industry do not match, resulting in the shortage of qualified personnel and migration, which will increase in violation on the expansion of industry. Nevertheless, by the current shrinkage of the industrial sector, the shortage will not occur. On the other hand, the shortage of workload, the overflow personnel occurred. The Company has resolved these issues by planning to expand the inspection to other industrial groups with the upcoming transforming technologies. Therefore, the Company has accelerated the promotion and development of techniques and the performance of the overflow personnel, for appropriateness to support this expansion plan later.



RISK MANAGEMENT AND RISK FACTORS

3.2 The Personnel Management:

There are three guidelines, they are :

(A) By the policy of its personnel partial self-training, selecting and promoting for more qualified personnel and updated performing, 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 professional ethics, morals, and virtues and to oppose corruption in all training courses so as to cultivate the awareness of being a good member of the organization including to motivate the organization awareness, so as to reduce the shortage of qualified personnel migration and the overflow of unskilled personnel.

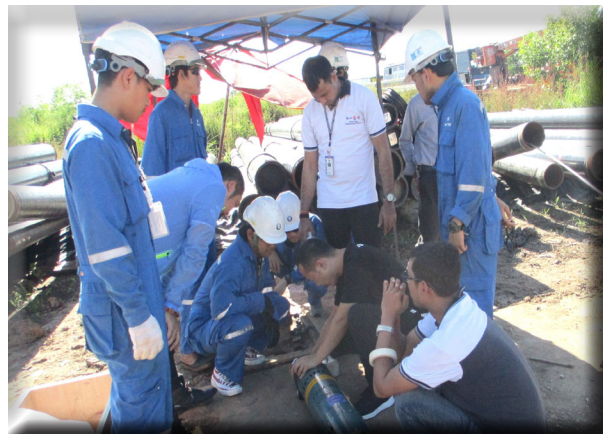
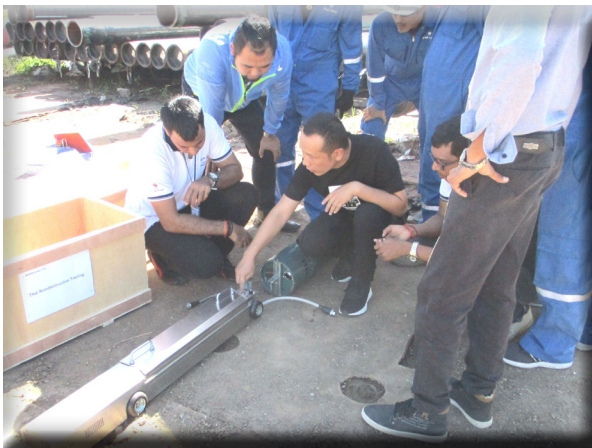
(B) Seeking for the qualified personnel with knowledgeable, experience and expertise, correspond directly to reduce the cost and time in forming the personnel and minimizing damage when migrating, including utilizing the policy of immigrating international NDT personnel are to reduce the time and labour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

(C) Accelerating to develop and create innovation, to enhance competitiveness and reduce the unnecessary labor.

3.3 Roles of maintaining qualified personnel with the Organization for the long term

(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 without anxiety.

(B) Remunerate the abilities, honour and pride of being a part of the Organization by praising, respecting and giving rewards, including allowing higher career paths, and eventually the opportunity to be part of or own the business, etc.



4. Operational Risk

4.1 Impact on Employee and other concern:

The NDT Testing and Inspections have sometimes been done in hazardous locations, for examples : work at height, confined spaces or chemicals area including a regular testing and inspection with radiation, etc. Therefore, in order to protect the employees and the environment from possibility of dangers, the Company has set up declaration, policy statements and safety measures, both the international standards and the domestic related to the rules and regulations strictly. Moreover, the Company fully provide the standard 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, subcontractors and customers and reviews regularly and timely. They are 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 employees, especially the radiation operators, 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.

RISK MANAGEMENT AND RISK FACTORS



4.2 Impact on Community, Society and Environment:

The Company recognizes the importance of the business to take into account the above-mentioned impact thoroughly in compliance with the rules and regulations set by the international standards or the public and the private sectors, 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 ASNT standards, etc., 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 and responsibilities, procedures and how to proceed in the emergency case 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, if political uncertainty retards confidence in economics and corporate governance, and cannot motivate the 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 as well, but it was not much severe than the governance crisis that was happening in society widely nowadays. 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, etc., in order for risks reduction and opportunities increase.

5.2 Governance Agency Risk:

The Company's business is a professional service which upholds the procedures and adheres strictly to code of conduct and ethics, and corporate governance, including the regulatory announcements of government regulations, which the objectives are to ensure fairness to those affected by the businesses' performance. Even some government officials may have authority and personal discretion for unfairness to entrepreneurs, which 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 offense against the profession which the Company has adopted thoroughly, particularly the anti-corruption.

5.3 Regulatory Risk:

Due to the Company's business involves safety and security of human lives, property and the environment, as well as being regulated by many rules and regulations of the independent entities and the governmental organizations concerned. These rules and regulations have been modified and updated in content currently and continually. Although the compliance with the rules and regulations will incur additional costs of services, the more social rules and the easier management will occur. Therefore, the Company continues to monitor the government policies and regulatory requirements closely to accommodate any consequences and allow effective business management.



RISK MANAGEMENT AND RISK FACTORS

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, but not so much affected to the qualified personnel. However, the Company reduces the risk of unskilled labor to be accelerated the development of NDT personnel with more potential and efficiency to serve the customers in order for more volumes of work, customers' satisfaction, and higher service fees in reasonable prices. Therefore, the cost of increasing wages, for the qualified personnel, is not the key factor of 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 36 years, the Company has not received a loss in revenue due to its technical business necessity to the industrial sectors and its unique characteristics, resulting to the certain level of the business' stability. As time passes on, more competitors have emerged in the business, the more severe competition may potentially affect the commercial unfavourable operation, including the recession in industry may affect the results of performance at a level of no conducive to commercial, as well as the evolving age of technology, consumers' behaviour and new opportunities which constantly arises. Remodelling the business management policy in appropriate situation is necessary for the growth of Organization. Therefore, this risk is managed by considering the expansion of services to other industries both domestic and international, such as transportation, property, communication, etc. including renewed services, and diversify to the accustomed 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 5 years and estimated to have a significant result in revenues no later than year 2018. For the business of NDT & Inspection, which were still the main business of the Company, have developed in technical. The processes of services were developed to meet the modern era and the future, by focusing on reducing reliance on unskilled labour by utilizing the new technologies and innovation instead.

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 47.47% 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.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Valued Shareholders,

The Nomination and Remuneration Committee (NRC) comprises of three members, (1) Mr. Narong Rattana / Chairman of the Nomination and Remuneration Committee (Independent Director), (2) Mr. Vichai Watcharavattanakul / Director of the Nomination and Remuneration Committee (Independent Director) and (3) 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 2017, the Committee convened 2 meetings.

The Nomination and Remuneration members are knowledgeable on their roles and corporate governance, being independent, honest, careful and time devotee on their duties, being fairness in nomination and election with transparency to nominate the Company's Directors and the Top Executives (Managing Director and Deputy Managing Director), including determining appropriate and fairness remuneration of the Directors and Managing Director. 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 and reviews annually 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 2017, 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 2017**", the topic of "Selection of Board Members and Top Executives" and "**the Annual Disclosure Information 2017**", 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 business 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. 11/2017.

In addition, as the Board of Directors' Meeting No. 4/2017, 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 2018, which was distributed to the shareholders through the Stock Exchange of Thailand and the Company Website (www.tndt.co.th) during January 4, 2018 to February 3, 2018.

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 by the comparison 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 (NRC) has governed the development plan (Skill Matrix) for the Board and Committees to develop skills, knowledges and capabilities involved, including any renewing of the Laws, Rules and Regulations which was related to the business, by focusing on the performance on the Directors' duties to achieve the objectives, goals and the best interests of the organization which set up by the SEC, 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.

In year 2017, the 3 Directors have attended the training for 6 courses, in line with the Development Plan as specified by the NRC.

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 annually, in order to comply with the Rules and Guidelines under the good corporate governance, as well as compliance with the Rules and Regulations of the Securities and Exchange Commission, together with the direction of organization 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, the performance assessment forms of the Managing Director by comparison with the assessment of SET and applied to suit for the organization, 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 and the compliance with the Corporate Governance, 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, (1) 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 Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Audit Committee performs the duties as authorized by the Board of Directors, and has strictly adhered to the Charter of the Audit Committee. The Committee's policies are to monitor and 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 the SEC and the SET. In 2017, 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 2017.

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 and the adequate disclosure as well as the monitoring were done on disclosure of relevant transactions. Besides, there were also the review of disclosure of connected 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. Monitoring the financial liquidity and ability of debt repayment together with the management was as well. These were 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. In 2017, there were 2 meetings attended by only the external auditors, and were held without attendance of the Company's management, in order for 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 2017 has been prepared in accordance with the financial reporting standards of Thailand with reliable, transparency and 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 the development, review and improvement of internal audit process and risk management to be more efficient by focusing on risk assessment on the activities which covered 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, conformed to the external auditors' conduct, reported no major fraudulent incidents on the Company's Financial Statements.



REPORT OF THE AUDIT COMMITTEE

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 by both executives and employees. The Audit Committee was of opinion that the system of the Company's risk assessment, risk management of business operations in all internal and external factors were adequate and efficient to manage the risk, and reduced the impact of any potential risk on the acceptable level.

4. Monitoring the Prevention and Anti-Corruption

The Audit Committee monitored the policies and the measures of prevention and anti-corruption, together with corruption risk assessment which might occur in all processes regularly, including the review process to promote and encourage the employees to be aware of performing their duties with honesty, transparency, and was of opinion that the Anti-Corruption Policy was performed on each activity of operations. The Committee has self-assessed on anti-corruption measures in accordance with the requirements of Thai Institute of Directors, and found that the prevention and anti-corruption measures in business operations were sufficient. Furthermore, there were various channels for whistle-blowing/complaints, including measures to protect whistle - blowing / complainant to prevent and manage the risks, in order to prevent any corruption that may cause corruption in any action to the Company by disclosing the channels in www.tndt.co.th, the Annual Disclosure Information (56-1) and Annual Report (56-2).

Anyway, the Company intends to take parts in the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) actually in 2018.

5. Monitoring of Good Corporate Governance, Corporate Social Responsibility, and the Concerned Rules & Regulatory Compliance in Business Operations.

The Committee has monitored the code of business conduct, corporate governance and was of opinion that the Company has complied with the Code of Business Conduct and the Corporate Governance which has been merged with the new CG Code. Besides, 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. In 2017, the Company has been assessed for Corporate Governance Responsibility (CGR) on "Excellent Level" for the second consecutive year with an increase score from 2016.

The Audit Committee monitored the Company's compliance with the Regulations and the Requirements of the SEC and the SET, and other relevant standards pertaining to its business and performances, and was of opinion that the Company has complied with relevant regulatory requirements and no significant deficiencies were found.

6. Assessment of the Performance and the Appointment of Certified External Auditors for the year 2018.

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. They are:-

- | | | | |
|------------------|----------------|--------------------------|--------|
| 1. Mr. Pisit | Chiwaruengroch | Auditor Licence No. 2803 | and/or |
| 2. Mr. Akadet | Pliensakul | Auditor Licence No. 5389 | and/or |
| 3. Miss Kornthip | Wanichwisedkul | Auditor Licence No. 6947 | |

of M.R. & ASSOCIATES Co., Ltd. to be the auditors of the Company and its subsidiaries for 2018. 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 fee.

REPORT OF THE AUDIT COMMITTEE

7. Monitoring of relevant Transactions which may have conflicts of interests and the Information Technology System.

The Audit Committee has monitored the relevant transactions which might have conflicts of interests between the Company and the Management, the Board or the Shareholders, including those related to the Company, to prevent the Company's assets, information and opportunities to be improper utilized and unauthorized. The transaction would be considered by adhering to the 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, completely complied with the stipulated business conditions, the regulations of the SEC, the SET, including the formulation of policies and measures to protect the security of access to information technology.

8. 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 Good Corporate Governance, as well as the rules and regulations of the SEC and the SET, together with the direction of the organization. The Committee has regularly and entirely practiced on the Charter of the Audit Committee.

9. Considering the Self-Assessment.

The Audit Committee has performed individually and entirely for self-assessment according to the Good Practices of the SET and the Good Corporate Governance, together with the opinions upon the Committee's previous performances.

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. The self-assessments should be reported annually to the Board of Director.



(Dr.Wicha Jiwalai)

Chairman of the Audit Committee



INTERNAL CONTROLS

In the Board of Director's meeting No. 1/2018, held on 25 February 2018, 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 and the internal control system. All of the Directors and Executives recognized the importance of the continuity of the Company's internal control by monitoring to cover all activities of business operations adequately and appropriately, including complying with the laws and standards concerned.

The Board of Directors has considered the policy and risk management framework by the internal and external factors along with monitoring the performance of internal control system by consulting / questioning Managing Director, Auditors and all concerned, as well as 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, Anti-Corruption and the Concerned Rules & Regulatory Compliances related to the business operations and articles of association, the relevant transactions which might have conflicts of interests, and review the information technology. 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 2017, The Audit Committee was of the opinion that the internal control system was still efficient in governance, monitoring and assessing to prevent the improper deployment of the Company's assets, information or opportunities by the Executives, prevent any activities which might cause any corruption of the Company, together with prevent the inappropriate transactions with persons related to the Company. In the past, the transaction was approved on the basis of the best interests 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 onwards.

The Internal Auditors have performed their duties independently for the development and review the effectiveness of the risk management system, 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, Internal Auditor 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 Chief of Internal Audit" of **the Annual Disclosure Information 2017** and on **the Annual Report 2017** in the title of "The Management - Company Secretary and Chief of Internal Audit", Page 53.

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 were 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. In these, the Directors monitored the Company to set up the Policy and Guidelines of Anti-Corruption as well as the process of promoting and encouraging the employees to be aware of their duties and performing with honesty. Meanwhile, the Directors will keep track of the results of operations regularly.

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, standardized regulations and the legal related requirements".

In all, the Company has publicized the knowledges by the communication technology, announcement letter and training for 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, employees and all stakeholders could inform through the Company designated to conduct the audit, find solutions and protection, including reporting to the Board of Directors later. Those whistle blower / complaints could consider the channels of informing as appropriate.

In addition, the Company's internal auditors have been responsible for monitoring by 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.

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 may 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.

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.



CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2016 and 2017 are as follows:

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
1. Munja Company Limited 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, 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.	No transaction in 2016 and 2017.	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 Executive Board, the transaction will be rational under the Audit Committee's evaluation.
2. Property lease from Mrs. Kongmuang Dangpibulskul	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 2016 and 2017.	This transaction was to lease employee's residence to facilitate the operation and customer service. The lease rate was fair when compared to the same location. The Audit Committee evaluated the transaction and was of opinion that the transaction was rational and done at a fair price.
3. Property lease from Mr. Thanun Satavuthi	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 was 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 during each of 2016 and 2017.	This transaction was 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 was fair when compared to the nearby location. The Audit Committee evaluated the transaction and was of opinion that the transaction was rational and done at a fair price.
4. Use Mr. Thanun Satavuthi personal assets as collateral for the Company's loan. (Transaction occurred in 2016)	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 188.00 million respectively. In 2017, No any transaction, except the financial institution had decreased the credit limit from Baht 258 million to 70.00 million, while other guarantee conditions were still the same.	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 was of opinion that the transaction was necessary for the Company's business operations.



CONNECTED TRANSACTIONS

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
5. Directors guarantee the Company's loan.	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director. and Mr. Suwat Dangpibulskul, Chairman of the Board and President of Executive Board.	<p>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 258.00 m., the credit limit of Baht 68.00 m., 25.00 m., 20 m. respectively.</p> <p>In 2016, no transaction.</p> <p>In 2017, the more personal guaranteed on credit line of Baht 3.98 million and the financial institution had decreased from credit line of Baht 258.0 m. to 70.0 m., while other guarantees conditions as above were still the same.</p>	<p>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 was of opinion that the transactions was necessary for the Company's business operations.</p>
6. Use directors' personal assets as collateral for the Company's loan.	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director.	<p>In 2015, the transactions occurred as follows:</p> <p>(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 millionin to the financial institution. In December, 2015, the guarantee had been withdrawn and already decreased the credit limit. 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.</p> <p>(2) 4 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.</p> <p>(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 to add value of mortgage.</p> <p>(4) Land Deeds No. 143218, Saphansung Sub-district, Bangkok District, Bangkok with area 250 square wah has been mortgaged to the financial institution for increasing the asset guarantee as the second sequence of the mortgaged debt with the mortgage debt of the company.</p>	<p>The Company has loaned from a financial institution for business operations. The Audit Committee evaluated the transaction and was of opinion that the transaction was necessary for the Company's business operations and its subsidiaries' activities.</p>



CONNECTED TRANSACTIONS

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
6. Use directors' personal assets as collateral for the Company's loan.	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director.	(5) Land Deeds No. 77654, Ban-na Sub-district, Kabinburi District, Prachinburi with area 30 Rais was guaranteed on mortgage loan of Baht 25 million to the financial institution. (6) In 2016 Land Deeds No. 77654, Banna Sub-district, Kabinburi District, Prachinburi with area 30 Rais was guaranteed on mortgage loan of Baht 5 million to the financial institution as the second and third sequence of the mortgage loan. In 2016, the guarantee covered as on (1) - (5) In 2017, the guarantee covered as on (1) - (6)	The Company has loaned from a financial institution for business operations. The Audit Committee evaluated the transaction and was of opinion that the transaction was necessary for the Company's business operations and its subsidiaries' activities.
7. Use directors' personal assets as collateral for the Company's loan.	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 and 2017, no transaction. The guarantee conditions were still the same.	The Company has loaned from a financial institution for business operations. The Audit Committee evaluated the transaction and was of opinion that the transaction was necessary for the Company's business operations.
8. Enspect Group Co.,Ltd.	Miss Chomduen Satavuthi, Director / Executive Director / Managing Director, is authorized Directors of Enspect Group Co.,Ltd. and hold 75%	In 2016 and 2017, no transaction.	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.
9. OIS (Thailand) Co.Ltd.	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. In 2016 and 2017 the settlement has not completed.	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.

CONNECTED TRANSACTIONS

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
10. LTNDT Co., Ltd.	The Company invest and held 70%, the Company in Lao PRD held 30% of the paid up capital.	In 2016 and 2017, no transaction.	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 was of opinion that the transaction was rational.
11. TNDT CM Co., Ltd.	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 2016, 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 2017, there were total advances payment at the amount of 58.83 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.
12. MKTNDT Company Limited	The Company invest and held 55%, and Min Khit Thit Mining Company Limited, Myanmar held 45% of the registered capital.	As of December 2016, 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 2017, there were advances payments at the amount of Baht 11.52 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.
13. TNDT POWER Company Limited	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 2016, there were total advances payment at the amount of Baht 162.00 million. In 2017, there were advances payment at the amount of Baht 227.51 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, 2017, 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 6, 2018, comprised of:

Name	Number of Shares	%
1. The Ms. CHOMDUEN SATAVUTHI consist of¹		
1.1 Ms. Chomduen Satavuthi	37,833,940	37.83
1.2 Mr. Krirkkiat Satavuthi	4,270,000	4.27
1.3 Mr. Suwat Dangpibulskul	1,830,000	1.83
1.4 Mr. Anusorn Satavuthi	1,587,500	1.59
1.5 Mrs. Juraistri Satavuthi	1,451,400	1.45
1.6 Ms. Rassiya Satavuthi	498,600	0.50
Total	47,471,440	47.47
2. Mr. Anuroj Seneeprakornkrai	6,000,000	6.00
3. The PAN-NGUM consist of		
3.1 Mr. Ittiphol Pan-ngum	1,570,000	1.57
3.2 Mrs. Wattanee Pan-ngum	1,910,000	1.91
3.3 Mr. Settha Pan-ngum	650,000	0.65
3.4 Mrs. Thippawan Satphaibulkij	245,500	0.25
Total	4,375,500	4.38
4. Mr. Charoen Vattasingha	4,100,000	4.10
5. The WONGKUSONLERD consist of		
5.1 Mr. Sompong Wongkusonlerd	2,235,000	2.24
5.2 Ms. Patinya Wongkusonlerd	600	0.00
Total	2,235,600	2.24
6. The SAKULRAEMRUNG consist of		
5.1 Ms. Vajana Sakulraemrung	1,974,000	1.97
5.2 Ms. Naiyana Sakulraemrung	4,500	0.00
Total	1,978,500	1.98
8. Mr. Borworn Jirasuk	1,714,000	1.71

SHAREHOLDING STRUCTURE

Name	Number of Shares	%
8. The SATHIENSAK PONG consist of		
8.1 Mr. Muangthong Sathiensakpong	1,524,300	1.52
8.2 Mrs. Thipaporn Sathiensakpong	20,000	0.02
8.3 Mrs. Pimpaka Sathiensakpong	7,000	0.01
8.4 Mr. Nutthun Sathiensakpong	3,900	0.00
8.5 Mr. Surin Sathiensakpong	2,000	0.00
8.6 Mr. Chaipreuk Sathiensakpong	1,500	0.00
Total	1,558,700	1.56
9. Miss Janthawan Charoontham	1,234,500	1.23
10.Mr.Yutthana Likhitkamjorn	821,500	0.82
Total top 10 major shareholders	71,489,740	71.49
Others	28,510,260	28.51
Total	100,000,000	100.00

Remark:

⁻¹A group of majority shareholders of the Company, namely, the Ms.CHOMDUEN SATAVUTHI consisted of Ms. Chomduen Satavuthi, Mr. Krirkiat 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 6, 2018.

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	1,345	99,998,989	100.00	2	548,500	0.55	1,343	99,450,489	99.45
Foreign Shareholders	3	1,011	0.00	0	0	0.00	3	1,011	0.00
Total	1,348	100,000,000	100.00	2	548,500	0.55	1,346	99,451,500	99.45

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 2017.

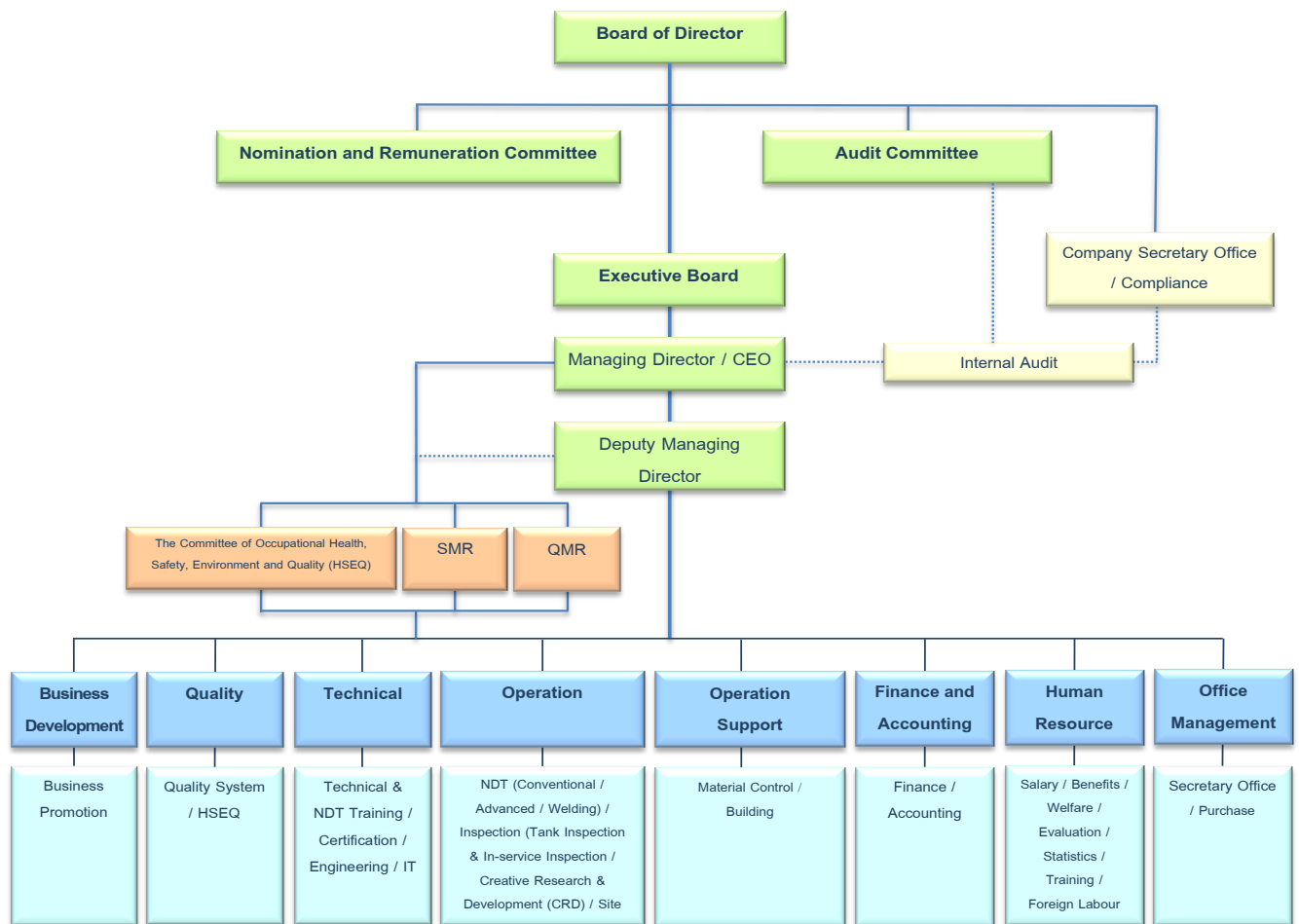
No.	The Directors and the Executives Name	Position	As December 31, 2017 (Ratio / No. of Shares)	As December 31, 2016 (Ratio / No. of Shares)	Increase/ (Decreases)	% Change
1.	Mr. Suwat Dangpibulsul	- Chairman of the Board - President of Executive Board	1.82% / 1,824,000	1.81% / 1,810,000	14,000	00.77
	Spouse / Immature Children		37.83% / 37,833,940	43.83% / 43,833,940	(6,000,000)	(13.69)
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	37.83% / 37,833,940	43.83% / 43,833,940	(6,000,000)	(13.69)
	Spouse / Immature Children		1.82% / 1,824,000	1.81% / 1,810,000	14,000	00.77
4.	Mr. Krirkkiet 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 / Operation Support Manager	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, 2017 and 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.



MANAGEMENT STRUCTURE



The Company in year 2017 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

The Board of Directors consists of 8 Directors, with 3 Executive Directors and 5 Non-Executive Directors, 3 of whom are 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) Responsible as the leader of the Board of Directors to oversee, monitor, supervise, and the duties' performance of the Executive Board and other Committees to make them achieve the objectives, policies, and goals of the organization pursuant to the specified plan efficiently and effectively.

2) Ensure that all directors contribute to the company's ethical culture and good corporate governance. The board should assume a leadership role in creating and driving a culture of compliance and ethical conduct throughout the company, and lead by example.

3) Set the board meeting agenda by discussing with the CEO and Independent Director to ensure that important matters are included in the agenda and proposed thoroughly to the meeting.

4) Call the Board of Directors' meeting and overseeing the delivery of the notice which included the sufficient documents and having time for the Directors to consider.

5) Act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting and controls the meeting effectively in accordance with the Company's Article of Association and the agenda.

6) Allocate sufficient time for the Board and the Executives to propose all topics, and for Directors to debate important matters thoroughly, as well as encourage the Directors to exercise independent judgment for the best interest of the Company.

7) Act as a decisive vote in Board meetings in case of equal votes of both sides.

8) Promote the constructive relations between all the Committees, and between the Directors and the Executives.

Authority and Responsibilities of the Board of Directors

Strategy / Policy

1) Specify, review and approve the vision, mission, commitment, policies, strategies, goal, business plans, budget and operating direction of the Company annually, as well as allocate the significant resources appropriately by deploying the suitable technology and innovation, and having the access protection system, in order for the effective and efficient performance as specified.

2) Supervise and monitor the business operations to be tailored to changing internal and external factors appropriately, by adhering on the corporate governance, ethics and good moral, the activities that benefit to society as a whole and does not affect directly and indirectly to all stakeholders.

The Executives is assigned to set up, review and develop the policies/manuals, such as the Charter of the Board of Directors, Principles of Corporate Governance, the Code of Business Conduct or Anti-corruption policy in written, to communicate to directors, executives, and employees for adhering as a common practice.

3) Consider, select, appoint, remove, transfer and determine Authority and Responsibilities of the Board of Directors, sub-Committee, Managing Director / CEO, and Company Secretary Including Executives.

Role and Duties

1) Perform duties in accordance with Authority and Responsibilities in accordance with the laws, regulations, objectives, and the Company's Article of Association including other relevant matters as well as the resolutions of the Board of Directors and the shareholders' meeting compliance with their fiduciary duties for the Company's best interest.

2) Responsible for shareholders' right on equitable basis and operate with the shareholders' best interest at heart. Ensure information disclosure is accurate, complete, transparently, timely and in compliance with the relevant regulations, rules, and regulations of the relevant agencies.

3) Review and approve, as well as to supervise and monitor the performance regularly, to ensure that the operations are in line with the policy.



MANAGEMENT STRUCTURE

4) Consider and approve the Company's authority plan regarding the necessary and relevant matters to the Company or beneficial to the business of the Company. The authorities of the Board of Directors are as follows:

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

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

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

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

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

4.6 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.

4.7 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.

5) Appoint / authorize a director, several directors, or any other persons ("Attorney") to perform any actions on behalf of the board of directors under the extent authorized by the Board of Directors deems appropriate. The Board of Directors may cancel, withdraw, change or revise authorizations as deemed necessary.

Thus, authorizations must not have characteristics of allowing the aforementioned persons to consider and/or approve of transactions in which they or other persons with potential conflicts of interests as stakeholders or other potential conflicts of interest with the company or its subsidiaries, except for approval of routine business transaction according to normal trade conditions or according to policies and criteria considered and approved by the Board of Directors under criteria, conditions and designated methods concerned with connected / related transactions and acquisition or distribution transaction of key properties of registered companies according to announcements by the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any other announcements by related agencies.

6) Consider, appointment, the scope of authority and responsibilities, Management Structure of the Executive Committee, Managing Director and Sub-Committees such as the Audit Committee, the Nomination and Remuneration Committee, etc., as appropriate.

7) Consider and approve the guidelines and policies of the remuneration of the Company's Directors and the Top Executives by the Board Nomination and Remuneration Committee present.

8) Consider and approve the remuneration of the Board of Directors as proposed by the Nomination and Remuneration Committee before proposing to the shareholders for approval.

Supervision and Monitoring Compliance

1) Supervise and monitor the executives to perform various matters according to the policies, goals and defined work plans to increase the maximum economic value to the Company and report of the performance to the Board for acknowledgment and evaluation of performance.

2) Oversee and monitor the Company's compliance with regulatory laws, rules and regulations of the Securities and Exchange Commission (SEC), the Capital Market Commission, the Stock Exchange of Thailand (SET) and / or agencies associated with the Company's business.

3) Determine, review and approve the charter of the Board of Directors and Sub-Committees annually and perform the duties completely.

4) Consider and approve the Report of The Sub-Committees' responsibilities and the Accountability to Financial Report.

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

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 Directors, 2 independent Directors and 1 non-Executive Director, of whom more than half of the Directors are Independent Directors.

Authority and Responsibilities of the Nomination and Remuneration Committee

Nomination

1) Consider the board structure, in terms of size, composition, and the proportion of Independent Directors in the Board of Directors to be appropriate to the business, organization, and the relevant environment.

2) Consider and set up the guidelines and policies in nominating the Board of Directors and other Committee Members, including the qualifications of Board Members and Executives or key positions in the management structure on the Company's Good Corporate Governance Manual and Succession Plan. Also reviewed annually to be proposed to the Board of Directors at least once a year.

3) 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. The nominees have to be proposed to the Board of Directors and/or to the meeting of shareholders for approval (case by case basis).

4) Prepare a Skill Matrix development plan to continuously improve skills, knowledge and relevant abilities in order to achieve the performance objectives, goals and the best interests of the organization.

5) Coordinate to arrange orientation for new directors according to the guidelines of the Stock Exchange of Thailand and the Development Plan.

6) Assess the performance of Managing Director and propose to the Board of Directors for approval.

7) Perform other issues relating to the nomination as assigned by the Board of Directors, with the consent of the Nomination and Remuneration Committee.

Remuneration

1) Consider guidelines and policy of remuneration for the Board and Committees, which includes Meeting Allowance, Remuneration Allowance, with principles or guidelines and structure which are fair and reasonable, then propose to the Shareholders' Meeting for approval.

2) Consider guidelines and policy of remuneration for the Managing Director, which includes wages, yearly bonus and other benefits, both monetary and non-monetary, with principles or guidelines and structure which are fair and reasonable.

3) Perform other issues relating to the remuneration as assigned by the Board of Directors with the consent of the Nomination and Remuneration Committee.

Corporate Governance

1) Support the Company to allow the shareholders to nominate directors to replace those who retired by rotation prior to the Annual General Meeting.

2) Provide policy, guideline and the performance assessment, as well as consider Self Assessments of Board, Committees and Executives both on an individual and team basis including the senior management assessment, then proposed to the Board of Directors for approval.

3) Perform other issues relating to the corporate governance as assigned by the Board of Directors with the consent of the Nomination and Remuneration Committee.

4) Determine, review and proposed the charter of the Nomination and Remuneration Committee to the Board of Directors for approve annually and perform the duties completely.

5) Report the duties as required by the SET as well as the relevant authorities and published in the Company's Annual Report. The report must be signed by the Chairman 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.



MANAGEMENT STRUCTURE

Audit Committee

The Nomination and Remuneration Committee consists of 3 Directors, all of the members are non-executive directors, non-employees or consultants of the Company and possess all required qualifications as stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Authority and Responsibilities of the Audit Committee

Supervision and Monitoring Compliance

- 1) Review the Company's financial report and monitor the disclosure transparency and appropriateness.
- 2) Review the Company's internal control and audit systems adequately and efficiently, review internal auditor's independence and approve the appointment, remove, dismiss and evaluate the chief of the internal audit unit or any other unit in charge of an internal audit, as well as determine operating framework and schedule of internal audit unit.
- 3) Review the Company compliance with the laws and regulations imposed by the Securities and Securities Exchange, the SET's regulations and any relevant regulations concerning the business operation, including supervise the Company's Compliance unit.
- 4) Consider, select and nominate independent accountants to be the Company's auditor as well as propose the auditor's remuneration and dismiss the auditor, including establishing operation guideline with the certified public accountant. The Committee shall meet with the auditors at least once a year, without the management attendance.
- 5) Ensure accurate and complete information disclosure in case of connected transaction or any transaction that may raise conflict of interest issues and that transactions are entered with reasonableness for the benefit to the Company.
- 6) Consider other issues that may affect the Company's business and propose them to the Board of Directors for consideration.
- 7) Report the performance of the Audit Committee in accordance with the regulations of the SET including related agencies and published in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee and must contain the following minimum information:
 - (7.1) Opinions on the accuracy, completeness and credibility of the Company's financial report.
 - (7.2) Opinions on legal compliance on the rule and regulations of the SEC and the SET or laws related to the Company's business.
 - (7.3) Opinions on sufficiency of the Company's internal control system.
 - (7.4) Opinions on auditor's suitability.
 - (7.5) Opinion on potential conflict of interest transactions.
 - (7.6) Number of Board of Audit's meetings and meeting attendance by each audit director.
 - (7.7) Overall opinion or observation rendered by Board of Audit receives on execution of duty in line with charter.
 - (7.8) Other transactions that should be known by shareholders and general investors with the scope of the duties and responsibilities set forth by the board of directors.
- 8) Act in other issues as assigned by the Board of Directors with the consent of the Audit Committee.

Corporate Governance

- 1) In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may significantly affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for corrective action within the appropriate time.
 - (1.1) any transaction which cause a conflict of interest.
 - (1.2) any indication or corruption case, or significant defect in the internal control system
 - (1.3) any violation or illegal practice of the SEC and SET's regulations or any law related to the Company's business.
- If the Board or the Executive do not take any corrective action on the time prescribed by the Audit Committee, the Committee must disclose such action in the annual report and report to the SEC or the SET.

MANAGEMENT STRUCTURE

(2) Review policy and guidelines for prevention and anti-corruption as well as assessing the risk of corruption that may occur in all process. The Company also promote and encourage employees to cultivate awareness and practices.

(3) Review the practices and rearrange the policies, including guidelines on business ethics, CG principles and CSR at least once a year, and propose to the Board of Directors for acknowledgment and approval. The Corporate Governance Report is published in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.

(4) Review the Company's operation to comply with the SET, SEC's regulations and other standards related to the business operation of the Company.

Audit Committee 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.

Executive Board

Authority and Responsibilities of the Executive Board

1) Determine the policies, strategies, work plans, command, corporate plans and targets for the Company's business, to comply with the policies as determined by the Board of Directors.

2) Plan the investment and capital raising process according to the Company's policies.

3) Approve the appointment of consultant as necessary for business operations.

4) Determine the employee's benefits as appropriate to situations, cultures and relevant regulations.

5) Approve the procurement, cancellation, or selling of assets, investments and other expenses necessary for business operations, the details are mentioned in the authority plan.

6) Approve the asset procurement, expenses due to the Company's operations, under the contract and/or the agreement with the business partners. The details are mentioned in the authority plan.

7) Authorize the Managing Director to operate the business within the scope of authority and responsibility as determined by the Executive Board under the supervision of the Executive Board.

8) Authorize any Executive Board or any person or persons to operate under the control of the Executive Board within a period of time deemed fitting by the Executive Board. The Executive Board may cancel, withdraw, change, or revise authorized persons or authorizations as deemed necessary.

9) Have authority and responsibility according to policies assigned by the Board of Directors.

The Scope of Authority for Approval of Executive Board is under the principles of laws and regulations of the SEC and SET or the laws that is related to the Company business as well as the Company's articles of association.

In all, any potential connected transaction or conflict of interests or related person by the law, regulations and/or article of association with the Company or subsidiaries. The transaction with such nature must be proposed to the Board of Directors and/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.



MANAGEMENT STRUCTURE

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) Coordinate and take responsibility for disclosing the Company's information in line with the SET's and SEC's regulations, and other regulatory bodies.

3) Provide 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) Prepare and store the 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) Supervise 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.

6) Coordinate and arrange new director orientation.

7) Coordinate with related parties to ensure that the resolutions from the Board of Directors Meetings and the Shareholders Meetings are carried out.

8) Execute additional duties as assigned by the Board of Directors and the Securities and Exchange Commission announcement.

In case of the Company Secretary cannot perform her duties, the Board shall appoint a new Company Secretary within 90 days from the date the former secretary vacates office or fails to perform her duties.

MANAGEMENT STRUCTURE

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	Tangchitthavongul	Operational Manager / HSEQ Manager / Quality Manager
6. Mr. Thammarath	Sroysomboon	Operational Manager and Operation Support Manager
7. Ms. Vajana	Sakulraemrung	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. The 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 (SEC) and the Stocks Exchange of Thailand (SET), 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's Act)

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

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 SEC 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 shall 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 SEC Regulations and any relevant announcement, regulations, and/or order of the SET.



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 SET and any relevant announcement, Regulations, and/or order of the SET. 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) 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 nominating the qualified directors of each Board/Committee, with the policy of board diversify by the features of knowledge, skill, and expertise in the Company's business and the related industries, specific profession, beneficial experiences for the business, appropriate gender and age, including the essential proficiency to achieve the objectives and goals of the organization and the Board Skill Matrix. The Board of Director shall comprise of at least one of the non-executive directors, who shall be expertise in the Company's business or main industry, in order for the achievement of the Company's objectives and stakeholders' interests. The Professional Search Firm or the Director Pool of Thai Institute of Director (IOD) is the channels of nomination as well.

DETAILS OF DIRECTORS

1. Mr. Suwat Dangpibulskul

Age 76 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: 1.83

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 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.
KODAK (Thailand) Company Limited

Tenure of Directors in TNDT: 11 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 80 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)
: - Vice Chairman of the Advisory Board of CES Solar Cells Testing Center - CSSC King Mongkut's University of Technology Thonburi (KMUTT)
: - 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: 9 years

- 27 April 2009 - 23 April 2012
- 23 April 2012 - 27 April 2015
- 27 April 2015 - 24 April 2017
- 24 April 2015 - Present



DETAILS OF DIRECTORS

3. Miss Chomduen Satavuthi

Age 72 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: 37.83

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 - 2017 : - Director
mai Listed Company Association.
- 2006 - Present : - Director
Nuclear Society of Thailand

3. Miss Chomduen Satavuthi (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 : - Managing Director
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: 11 years

26 April 2007 - 27 April 2009
27 April 2009 - 27 April 2011
27 April 2011 - 28 April 2014
28 April 2014 - 24 April 2017
24 April 2017 - Present

DETAILS OF DIRECTORS

4. Mr. Krirkkiat Satavuthi

Age 71 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: 11 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 83 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: 11 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 74 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

1. Chairman of the Audit Committee
STP&I Public Company Limited
2. Audit Committee
Thai Optical Group Public Company Limited

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

1. Chairman of Saliltara Company Limited
2. 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 Saliltara 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 (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: 11 years

- 26 April 2007 - 28 April 2008
- 28 April 2008 - 27 April 2011
- 27 April 2011 - 28 April 2014
- 28 April 2014 - 24 April 2017
- 24 April 2017 - Present

DETAILS OF DIRECTORS

7. Mr.Narong Rattana

Age 76 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: 9 years

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

8. Mr. Vichai Watcharavatanakul

Age 65 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: 2 Companies

1. Independent Director / Member of the Audit Committee of
Marsun Co.,Ltd.
2. Director of Consulting System Company Limited

Family Relation to Executive Directors:

- None -

Experience (In the past - present):

- | | | |
|----------------|---|--|
| 2017 - Present | : | - Independent Director /
Member of the Audit Committee
Marsun Co.,Ltd. |
| | : | - Director of Consulting System Company Limited |
| 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: 11 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	34	Master degree - Business Administration, Assumption University Bachelor degree - Electrical and Electronic Engineering Asian University	-	2016 - Present 2013 - 2516	Deputy Managing Director Assistant Managing Director	Thai NDT Public Company Limited Thai NDT Public Company Limited
2.	Mr. Sahawat Techachan Business Development Manager	58	Certificates - Mechanical Engineering, Northeastern Technology College	lower than 1%	1989 - Present 2012 - Present	Business Development Manager Vice President	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
3.	Mr. Tin Maung Aye Technical Manager	55	Bachelor degree - Mechanical Engineering, Institute of Technology, Yangon, Burma Certificates - Welding Engineer, International Institute of Welding - ASNT NDT Level III ASNT	lower than 1%	1998 - Present 2010 - 2012	Technical Manager Director	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
4.	Mr. Somouy Tangchitthavongul Operations Manager HSEQ Manager Quality Manager	49	Master degree - Business Administration, Ramkhamheang University Bachelor degree - 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 Operation Support Manager	49	Bachelor degree - Welding Engineering, King Mongkut's Technology North Bangkok University	lower than 1%	2017 - Present 1998 - Present 2010 - 2012	Operation Support Manager Operations Manager Director	Thai NDT Public Company Limited Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
6.	Miss Vajana Sakulraemrungs Office Management in Administrative, Secretary Office Purchasing and Human Resource	58	Bachelor degree - 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	51	Bachelor degree - Accounting, Kasem Bundit University High Vocational - College of Technology and Vocational Education, Bangkok Commercial Campus	-	2011 - Present 2002 - Present	Finance and Accounting Manager Office Manager Director Assistant Auditor	Thai NDT Public Company Limited Piya Arpa Accounting Arpakorn Advisory Company Limited S.B. Auditing Service Company Limited
8.	Miss Sasiprapha Saengchai Company Secretary	37	Master degree - Master of Science (Agro-Industrial Technology Management) Kasetsart University Bachelor degree - Food Process Engineering, Chiangmai University	-	2014 - Present 2012 - Present 2009 - 2012 2004 - 2009	- Nomination and Remuneration Secretary - Company Secretary - Audit Committee Secretary - Executive Board Secretary - Senior Supervisor Administration - Executive Secretary - Auditor of Internal Quality Audit - Production Supervisor - Auditor of Internal Quality Audit	Thai NDT Public Company Limited Thai NDT Public Company Limited Pakfood Public Company Limited Asia Pacific (Thailand) Company Limited affiliated company in Pakfood Public Company Limited
9.	Mr. Krod Songmuang Chief of Internal Audit - Freelance	44	Master degree - M.B.A. (Accounting for Planning and Control) Kasetsart University. Bachelor degree - B.A. (Accounting) Rajamongkula Institute of Technology.	-	2016 - Present 2014 - Present 2011 - Present	- Assistant to the Dean for Special Affairs - Chief of Internal Audit - Planning and Development Committee - Risk Management Committee - Head of Department of Accounting Assistant in Student Affair	Faculty of Business Administration, Kasembundit University Thai NDT Public Company Limited Faculty of Business Administration, Kasembundit University

REMUNERATION AND BENEFITS

1. Remuneration of Directors

A. Remuneration in Cash

During the Extraordinary Shareholders' Meeting No. 11/2017 on April 24, 2017, 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 2017. 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.-	249,000.-	324,000.-
2. Mr. Chaya	Jivacate	- Vice Chairman of the Board - Director of the Nomination and Remuneration Committee	70,000.-	237,000.-	307,000.-
3. Miss Chomduen	Satavuthi	- Director - Executive Director - Managing Director	50,000.-	224,500.-	274,500.-
4. Mr. Krirkkiat	Satavuthi	- Director - Executive Director	50,000.-	224,500.-	274,500.-
5. Squadron Leader Anek	Panturaks	- Director	50,000.-	224,500.-	274,500.-
6. Dr. Wicha	Jivalia	- Independent Director - Chairman of the Audit Committee	110,000.-	251,000.-	361,000.-
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.-	224,500.-	334,500.-
Total of 8 Directors			635,000.-	1,865,000.-**	2,500,000.-

Remark:

** All the 8 directors presented their intention not to receive the remuneration, total amount of 1,865,000.- (One million eight hundred sixty five thousand Baht), so as to reserve for the Company's business expansion opportunity.

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
- 4 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 2017, 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)		
	2015	2016	2017
Salary + Other Income	9,092,439.00	9,377,852.00	9,803,468.00
Bonus	1,277,140.00	1,344,371.75	305,000.00
Providence Fund	869,652.00	888,796.00	732,522.00
Welfare	222,976.34	156,873.51	151,075.91
Total	11,572,731.00	11,937,019.75	10,992,065.91

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 2017, 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 has been transferred to K Master Pool Fund of Kasikorn Fund Management. The employees can 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)		
	2015	2016	2017
Salary + Other Income	141,490,262.02	107,741,641.59	107,843,481.50
Bonus	10,425,610.75	8,119,484.25	3,353,998.50
Providence Fund	2,182,115.00	2,506,239.00	2,416,702.00
Professional Fees	904,645.86	800,675.81	939,575.42
Welfare	2,536,655.35	3,116,184.00	3,454,098.00
Total	166,449,515.85	131,339,664.67	118,007,855.42

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)		
	2015	2016	2017
Male	250	243	274
Female	74	69	65
Total	324	312	339



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 Non-destructive 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 knowledge, 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 and developing skills, knowledge, expertise in performing duties. The training center and the Creative Research and Development (CRD) Division were built to support the employees' training, both theoretical and practical, for more efficiency and in accordance with the International standards practices.

HSE / SAFETY Courses by Lecturer of the Company	Level of attendees - Number of participants (Person)								
	Admin	Operation	Technician	Admin & Technical Supervisor	Engineer	Asst.- Company Secretary	Asst.-Manager		TOP Executive
							Division	Dept.	
Health Safety and Environmental at Work (8 hrs.)	4	14	83	- / 2	10	-	10	-	-
RT Safety	-	5	77	- / 1	8	-	8	1	-
Preparation for requesting type 4 Safety Driving License	1	-	7	- / 5	1	-	1	-	-

NDT Courses by Lecturer of the Company	Level of attendees - Number of participants (Person)								
	Admin	Operation	Technician	Admin & Technical Supervisor	Engineer	Asst.- Company Secretary	Asst.-Manager		TOP Executive
							Division	Dept.	
Orientation for New Employee	5	7	50	1 / -	7	-	1	1	-
MT,PT I - Liquid Penetrant Testing and Magnetic ParticleTesting Level I	-	4	48	- / 1	6	-	-	-	-
MT II - Magnetic Particle Testing Level II	-	1	16	- / 5	2	-	-	-	-
PT II - Liquid Penetrant Testing Level II	-	2	10	- / -	2	-	-	-	-
RT I - Radiographic Testing Level I	-	-	11	- / -	1	-	-	-	-
Ultrasonic Thickness Measurement Testing Level II	-	-	29	- / 1	7	-	-	-	-
Composite Material Wrapping Training	-	1	7	- / 1	-	-	-	-	-
Magnetic Flux Leakage	-	-	8	- / -	3	-	-	1	-

In addition, the Company has invited specialists both local and international to strengthen the knowledge on various aspects for the employees in all levels so as to develop knowledge 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.

HUMAN RESOURCE DEVELOPMENT POLICY

In-house Training Courses by External Lecturer	Level of attendees - Number of participants (Person)								
	Admin	Operation	Technician	Admin & Technical Supervisor	Engineer	Asst.- Company Secretary	Asst.-Manager		TOP Executive
							Division	Dept.	
30 Hours Verbal English at work	4	3	-	6 / 1	1	2	1	1	-
First Aid	-	-	13	- / 2	-	-	-	-	-
Safety Officer for Supervisor Level	-	3	21	- / 3	5	-	-	-	-
Basic Fire training	2	6	41	1 / 2	5	-	-	1	-
Fire Fighting and Evacuation Fire Drill	22	17	65	7 / 8	15	2	2	10	-

In 2017, the Company held the in-house training courses for 17 programs or 41 times at the amount of 220,221.45 Baht or 15,026.00 Hrs./year. There were 762 employees attended (double counting) (or 313 people - individual counting), the average cost at 289.00 Baht/ person/year (or 703.58 Baht/person/year) and the average 19.72 hours/person/year (or 48.01 hours/person/year - individual counting).

2. External Training

The Company has provided opportunities for employees' external training, both local and foreign organizations which should be standardized and international acceptance. These training were for developing the efficiency and expertise to keep pace with the development and rapid change of technologies and were to respond the customers' more requirements. Selecting the employees to external training, the Company will consider the moral and effectiveness of the training organization, and the worthy benefits as appropriate. 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, meaning to the future of the Company as well. By the availabilities of these reasons, the Company could be expanded up till the present time.

No.	Level of attendees	Details of Training				
		Number of Courses	Number of Participants / double counting (Person)	Number of Participants / individual counting (Person)	Total (Hrs.)	AVG / Person / Year (Hrs.)
1.	Director	12	12	2	84.5	7.04
2.	Top Executive	16	16	2	221.5	13.84
3.	Executive - Department	15	15	9	113.5	7.57
4.	Executive - Division	8	8	3	61.0	7.63
5.	Company Secretary	16	16	1	81.5	5.09
6.	Engineer	15	27	14	442.0	16.37
7.	Technician	22	57	48	1,011.0	17.74
8.	Admin Supervisor	18	18	2	137.0	7.61
9.	Technical Supervisor	6	6	5	74.0	12.33
10.	Admin Officer	8	9	10	46.0	5.11
11.	Operation Officer	6	10	7	165	16.5



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2.1 Board of Director

The Directors would attend the training courses and seminars, concerning to their roles and responsibilities, which would be in accordance with the rules and regulations of SEC, SET and the relevant authorities, as well as to be organized by SEC, SET, IOD, TIA, Thaipat, MaiA, etc. in order to perform the duties, advise, improve, develop and to be guidelines for the Company's operations. These activities were to report in the Board of Directors' meetings. In 2017, the training courses and seminars were

(A). Miss Chomduen Satavuthi

Director / Executive Director / Managing Director

7 Courses, Total 37.0 Hrs.

- กระทรวงการต่างประเทศ : สัมมนา “โอกาสการค้าและการลงทุนของไทยในเวียดนาม”
- เนชั่นทีวี กระทรวงอุตสาหกรรม และหน่วยงานการค้าการลงทุน ประเทศกัมพูชา สปป.ลาว เมียนมาร์ และเวียดนาม : สัมมนา “CLMVT พลังขับเคลื่อนเศรษฐกิจใหม่ของเอเชีย : จุดเชื่อมระเบียงเศรษฐกิจ ตะวันออก”
- คณะวิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย : สัมมนาหัวข้อ “การรับฟังความคิดเห็นใน (ร่าง) แผนการเตรียมความพร้อมในการใช้พลังงานนิวเคลียร์สำหรับผลิตไฟฟ้าอย่างปลอดภัย”
- สำนักงานคณะกรรมการส่งเสริมการลงทุน (BOI) : สัมมนา “Business rules and regulations for investment in Cambodia, Indonesia, Myanmar and Vietnam” / Thailand Overseas Investment Forum 2017
- สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (สทน.) : การศึกษาและทบทวนผลการวิเคราะห์การจัดทำแผนธุรกิจและศึกษาความเป็นไปได้ (Feasibility) พร้อมปรับปรุงข้อมูลเกี่ยวกับลักษณะเฉพาะทางเทคนิค (Technical Specification) ของเครื่องปฏิกรณ์นิวเคลียร์วิจัยตัวใหม่ที่เหมาะสมกับสถานการณ์ของประเทศไทยปัจจุบัน
- มูลนิธิรักไทย : งานปาฐกถาพิเศษในหัวข้อ “อนาคตไทยในบริบทโลก”

(B) Mr. Vichai Watchravathanakul

Independent Director /

Director of the Nomination and Remuneration Committee /

Director of the Audit Committee

5 Courses, Total 47.5 Hrs.

- สมาคมส่งเสริมผู้ลงทุนไทย และ สมาชิกสภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์ : สัมมนา “กรรมการอิสระ : บทบาท หน้าที่ และความหวัง ของผู้ถือหุ้นรายบุคคล”
- คณะบัญชี มหาวิทยาลัยหอการค้าไทย ร่วมกับ สมาคมศิษย์เก่าคณะบัญชี มหาวิทยาลัยหอการค้าไทย : รับมือ TFRS ที่ต้องรู้ปี 61 : ร่างมาตรฐานการบัญชี ฉบับที่ 7 เรื่องงบกระแสเงินสด และร่างมาตรฐานการรายงานทางการเงิน ฉบับที่ 16 เรื่องสัญญาเช่า / ก้าวทันมาตรฐานการรายงานทางการเงินปี 2560
- สภาวิชาชีพบัญชี : เทคนิคการสร้างระบบงานที่ดี รุ่น 2/60
- จัดการรายจ่ายอย่างไรให้ได้สิทธิเพิ่ม : สรรพการสาส์น

2.2 Executives and Company Secretary

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

In 2017, the details of training courses were as follows:-

2.2.1 Top Executives :16 Courses, Total 22.1.5 Hrs. as follows;

- (A) ตลาดหลักทรัพย์แห่งประเทศไทย : งาน Quarterly Economic Wrap-up: “Year 2017 Things to Watch Out for” / เทคนิคการวิเคราะห์และการบริหารความเสี่ยงโครงการลงทุนเพื่อสร้างมูลค่าเพิ่มของกิจการอย่างยั่งยืน / IT Future for Listed company 2017 Cyber Security Endpoint Intelligent, End of threats / Formulation Corporate Strategy and Execution
- (B) สมาคมส่งเสริมกรรมการบริษัทไทย : FSD-Financial Statement for Directorss
- (C) กระทรวงการต่างประเทศ : สัมมนา “โอกาสการค้าและการลงทุนของไทยในเวียดนาม”
- (D) เนชั่นทีวี กระทรวงอุตสาหกรรม และหน่วยงานการค้าการลงทุน ประเทศกัมพูชา สปป.ลาว เมียนมาร์และเวียดนาม : สัมมนา “CLMVT พลังขับเคลื่อนเศรษฐกิจใหม่ของเอเชีย : จุดเชื่อมระเบียงเศรษฐกิจ ตะวันออก”
- (E) TMA : TMA-TEA TALK 2017 “The Future of Work”

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(F) สำนักงานคณะกรรมการส่งเสริมการลงทุน (BOI) : สัมมนา “Business rules and regulations for investment in Cambodia, Indonesia, Myanmar and Vietnam” / Thailand Overseas Investment Forum 2017”

(G) สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (สทน.) : การศึกษาและทบทวนผลการวิเคราะห์การจัดทำแผนธุรกิจและศึกษาความเป็นไปได้ (Feasibility) พร้อมปรับปรุงข้อมูลเกี่ยวกับลักษณะเฉพาะทางเทคนิค (Technical Specification) ของเครื่องปฏิกรณ์นิวเคลียร์วิจัยตัวใหม่ที่เหมาะสมกับสถานการณ์ของประเทศไทยปัจจุบัน

(H) มูลนิธิรักไทย : งานปาฐกถาพิเศษในหัวข้อ “อนาคตไทยในบริบทโลก”

(I) มูลนิธิสถาบันวิจัยและพัฒนาองค์การภาครัฐ (IRDPA) : การบริการและการสร้างแบรนด์ยุค Digital Economy สำหรับผู้บริหารองค์กรภาครัฐและเอกชน (Smart Service & Branding Excellence)

(J) คณะวิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย : สัมมนาหัวข้อ “การรับฟังความคิดเห็นใน (ร่าง) แผนการเตรียมความพร้อมในการใช้พลังงานนิวเคลียร์สำหรับผลิตไฟฟ้าอย่างปลอดภัย”

(K) คณะเศรษฐศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย : Project Investment : Analysis and Management #2

(L) แดตต้า อคาเดมี่ : โซลาร์เซลล์ รุ่นพิเศษ

2.2.2 Executives of the Department : 15 Courses, Total 113.5 Hrs. as follows;

(A) ตลาดหลักทรัพย์แห่งประเทศไทย : Sustainability Strategy : Key Blueprint for Business Growth / Sustainable Investment : Opportunity of Long Term Growth for Businesses and Investors / การเตรียมความพร้อมของธุรกิจจดทะเบียนกับ CG Code ใหม่ / บริษัทจดทะเบียนไทยก้าวไกลไปกับไทยแลนด์ 4.0 / P01 : การบริหารความรับผิดชอบต่อสังคมเพื่อการพัฒนาอย่างยั่งยืน (CSR for Corporate Sustainability) / S01 : การบริหารความรับผิดชอบต่อสังคมเชิงกลยุทธ์ / S02 : การเชื่อมโยงห่วงโซ่อุปทานและผู้มีส่วนได้ส่วนเสีย / S03 : การพัฒนานวัตกรรมเชิงกลยุทธ์เพื่อการพัฒนาอย่างยั่งยืน

(B) MASCI : ISO 9001:2015&Innovation Management system

(C) สถาบัน NYC : TFRS ใหม่ ที่ต้องรู้

(D) American Petroleum Institute (API) : Re - Certification API 653

(E) Rockcamp International Co.,Ltd.: Working at Height

(F) สำนักพัฒนามาตรฐานแรงงาน : เทคนิคและศิลปะการสื่อสารภายในองค์กรอย่างมีประสิทธิภาพ

(G) สำนักงานสวัสดิการและคุ้มครองแรงงาน กรุงเทพมหานครพื้นที่ 4 : ประชุมชี้แจง เกี่ยวกับการจัดทำระบบมาตรฐานการป้องกันและแก้ไขปัญหาเสตดิดในสถานประกอบการ

(H) สมาคมส่งเสริมเทคโนโลยี (ไทย-ญี่ปุ่น) : MOOC/SPOC เปลี่ยนชีวิตและองค์กร

2.2.3 Executives of the Division : 8 Courses, Total 61.0 Hrs. as follows;

(A) สมาคมบริษัทจดทะเบียนในตลาดหลักทรัพย์ เอ็ม เอ ไอ : สานพลัง...MAI ทำดีเพื่อสังคม

(B) ธนาคารกสิกรไทย : ธุรกิจนำเข้า-ส่งออก พิชิตค่าเงิน ปรับตัวรับโอกาสปี 60

(C) ธนาคารกรุงเทพ : Exploring Business Opportunities under the Belt and Road Initiative through Hong Kong

(D) MASCI : ISO 9001:2015&Innovation Management system

(E) สวัสดิการกรมพัฒนาธุรกิจการค้า : งบการเงินรวม

(F) สำนักพัฒนามาตรฐานแรงงาน กรมสวัสดิการและคุ้มครองแรงงาน : การพัฒนาภาวะผู้นำ / การเจรจาต่อรองบนหลักสุจริตใจเพื่อการแรงงานสัมพันธ์ที่ดี / เทคนิคและศิลปะการสื่อสารภายในองค์กรอย่างมีประสิทธิภาพ

2.2.4 Company Secretary : 16 Courses, Total 81.5 Hrs. as follows;

(A) สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ : การเตรียมความพร้อมของธุรกิจจดทะเบียนกับ CG Code ใหม่ / แนวทางการใช้ระบบรายงานการเปลี่ยนแปลงการถือหลักทรัพย์ของกรรมการ ผู้บริหาร และผู้สอบบัญชี (แบบ 59-2) ทางอิเล็กทรอนิกส์ / บริษัทจดทะเบียนไทยก้าวไกลไปกับไทยแลนด์ 4.0

(B) สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ และตลาดหลักทรัพย์แห่งประเทศไทย : Smart Disclosure Program (SDP)

(C) ตลาดหลักทรัพย์แห่งประเทศไทย : Company Snapshot Program Training / Sustainability Strategy : Key Blueprint for Business Growth / การใช้งานระบบการเปิดเผยข้อมูลของธุรกิจจดทะเบียน (SET Portal) ที่ปรับปรุงใหม่

(D) สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) : IOD Open House 1/2017 : IOD OPEN HOUSE FOR COMPANY SECRETARY บทบาทเลขานุการส่งเสริมด้านการกำกับดูแลกิจการที่ดีให้กับองค์กร



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(E) สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) และตลาดหลักทรัพย์แห่งประเทศไทย : CG Workshop 1/2017 "Enhancing Good Corporate Governance based on CGR Scorecard / งานประกาศผลสำรวจการกำกับดูแลกิจการของบริษัทจดทะเบียนไทย ประจำปี 2560

(F) บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด : การประชุมบริษัทผู้ออกหลักทรัพย์ประจำปี 2560

(G) สมาคมบริษัทจดทะเบียนในตลาดหลักทรัพย์ เอ็ม เอ ไอ : สานพลัง...MAI ทำดีเพื่อสังคม

(H) สมาคมบริษัทจดทะเบียนไทย : หลักสูตรผู้ปฏิบัติงานเลขานุการบริษัท Advances for Corporate Secretaries (หลักสูตร 4 วัน)

(I) ชมรมนักลงทุนสัมพันธ์แห่งประเทศไทย และสมาคมบริษัทจดทะเบียนไทย : IR Workshop 3/2560 "MD&A Best Practice-Learn from the Pros

(J) สมาคมส่งเสริมผู้ลงทุนไทย : ตัวเข้มให้เต็ม 100 เพื่อ AGM 2561

(K) สมาคมส่งเสริมเทคโนโลยี (ไทย-ญี่ปุ่น) : MOOC/SPOC เปลี่ยนชีวิตและองค์กร

2.3 Administration and Operation Department

2.3.1 Engineer : 15 Courses, Total 442.0 Hrs. as follows;

(A) American Petroleum Institute (Thailand) : API 570 / Retest - API 570

(B) Technical Petroleum Training Institute (TPTI) : BOSIET-Basic Offshore Safety Induction & Emergency Training / DDC-Defensive Driving Course - Full Course (การขับรถเชิงป้องกันอุบัติเหตุ)

(C) MOG Industry Training Co.,Ltd : BOSIET-Basic Offshore Safety Induction & Emergency Training

(D) Rockcamp International Co.,Ltd. : IRATA-Industrial Rope Access Trade Association Level I / Working at Height

(E) Dacon Inspection Service Co.,Ltd : IRATA-Industrial Rope Access Trade Association Level I

(F) ATTAR9 Training CO.,LTD. : Persuasive & Powerful Presentation

(G) ASNT : MT III - Liquid Penetrant Testing Level III / Visual Testing Level III

(H) BI NDT / A-STAR : Re-Certificate RI (5Years)

(I) ศูนย์วิจัยและบริการวิศวกรรมเชื่อม (มจร. KINGWELD) : Recertificate Visual Inspection Level II

(J) NPC S&E : จป. หัวหน้างาน-เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน

(K) สมาคมส่งเสริมเทคโนโลยี (ไทย-ญี่ปุ่น) : Pivot Table and Pivot Chart in Excel 2013 / การพัฒนาภาวะผู้นำในการทำงาน

(L) สำนักงานปรมาณูเพื่อสันติ : การบริหารจัดการและแผนรักษาความมั่นคงของวัสดุกัมมันตรังสี

2.3.2 Admin Supervisor : 18 Courses, Total 137.0 Hrs. as follows;

(A) สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ : แนวทางการใช้ระบบรายงานการเปลี่ยนแปลงการถือหลักทรัพย์ของกรรมการ ผู้บริหาร และผู้สอบบัญชี (แบบ 59-2) ทางอิเล็กทรอนิกส์

(B) ตลาดหลักทรัพย์แห่งประเทศไทย : Company Snapshot Program Training / การใช้ระบบการเปิดเผยข้อมูลของบริษัทจดทะเบียน (SET Portal) ที่ปรับปรุงใหม่ / P01 : การบริหารความรับผิดชอบต่อสังคมเพื่อการพัฒนาอย่างยั่งยืน (CSR for Corporate Sustainability) / S01 : การบริหารความรับผิดชอบต่อสังคมเชิงกลยุทธ์ / S02 : การเชื่อมโยงห่วงโซ่อุปทานและผู้มีส่วนได้ส่วนเสีย / S03 : การพัฒนากิจกรรมเชิงกลยุทธ์เพื่อการพัฒนาอย่างยั่งยืน

(C) สมาคมส่งเสริมผู้ลงทุนไทย : ตัวเข้มให้เต็ม 100 เพื่อ AGM 2561

(D) สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย (IOD) และตลาดหลักทรัพย์แห่งประเทศไทย : งานประกาศผลสำรวจการกำกับดูแลกิจการของบริษัทจดทะเบียนไทย ประจำปี 2560

(E) สำนักงานสวัสดิการและคุ้มครองแรงงาน กรุงเทพมหานครพื้นที่ 4 : ประชุมชี้แจงเกี่ยวกับการจัดทำระบบมาตรฐานการป้องกันและแก้ไขปัญหาเสพติดในสถานประกอบกิจการ

(F) สำนักพัฒนามาตรฐานแรงงาน กรมสวัสดิการและคุ้มครองแรงงาน : การเจรจาต่อรองบนหลักสุจริตใจเพื่อการแรงงานสัมพันธ์ที่ดี / การพัฒนาภาวะผู้นำ / การเรียนรู้ภาษาเมียนมาร์เพื่อความสัมพันธ์ที่ดีในองค์กร

(G) สำนักงานสวัสดิการและคุ้มครองแรงงาน : สิทธิหน้าที่นายจ้างและลูกจ้างควรรู้และวินัยในการทำงานและการพัฒนาความรู้ด้านแรงงาน

(H) กรมส่งเสริมและพัฒนาคุณภาพชีวิตคนพิการ : การประชุมเชิงปฏิบัติการชี้แจงแนวทางการปฏิบัติตามกฎหมายการจ้างงานคนพิการในสถานประกอบการ

(I) สมาคมสโมสรนักกลutton : วิธีการเตรียมข้อมูลงานสิทธิและประโยชน์สำหรับเครื่องจักรด้วยระบบอิเล็กทรอนิกส์แบบครบวงจร

HUMAN RESOURCE DEVELOPMENT POLICY

- (J) สมาคมส่งเสริมเทคโนโลยี (ไทย-ญี่ปุ่น) : สื่อสารภาษาอังกฤษอย่างไรได้ใจลูกค้า
(K) ATTAR9 Training CO.,LTD. : Persuasive & Powerful Presentation

2.3.3 Technical Supervisor : 6 Courses, Total 74.0 Hrs. as follows;

- (A) สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (องค์การมหาชน) : งานบริการรับรองบุคลากรสาขาการถ่ายภาพด้วยรังสี ระดับ 1
(B) สมาคมสมิสรหม์ลงทุน : วิธีการเตรียมข้อมูลงานสิทธิและประโยชน์สำหรับเครื่องจักรด้วยระบบอิเล็กทรอนิกส์แบบครบวงจร
(C) SECCO ENGINEERING & CONSTRUCTION CO.,LTD : ช่างไฟฟ้าภายในอาคาร
(D) Technical Petroleum Training Institute (TPTI) : Refresher DDC-Defensive Driving Course
(E) TWI Training & Service Co.,Ltd. (Thailand) : EXAM - Radiographic Interpretation (RI)
(F) MOG Industry Training Co.,Ltd : BOSIET-Basic Offshore Safety Induction & Emergency Training

2.3.4 Admin Officer : 8 Courses, Total 46.0 Hrs. as follows;

- (A) สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์ และตลาดหลักทรัพย์แห่งประเทศไทย : Smart Disclosure Program (SDP)
(B) ตลาดหลักทรัพย์ และตลาดหลักทรัพย์แห่งประเทศไทย : New Issuer Portal / การใช้ระบบงาน SCP Straight through
(C) บริษัทหลักทรัพย์จัดการกองทุน กสิกรไทย จำกัด : การจัดทำและนำเสนอข้อมูลเงินกองทุนสำรองเลี้ยงชีพด้วยระบบ Member Service System (MSS)
(D) สำนักงานสวัสดิการและคุ้มครองแรงงาน : สิทธิหน้าที่นายจ้างและลูกจ้างควรรู้ และวินัยในการทำงานและการพัฒนาความรู้ด้านแรงงาน
(E) สมาคมสมิสรหม์ลงทุน : วิธีการเตรียมข้อมูลงานสิทธิและประโยชน์สำหรับเครื่องจักรด้วยระบบอิเล็กทรอนิกส์แบบครบวงจร / วิธีการเตรียมข้อมูลสิทธิและประโยชน์สำหรับเครื่องจักร
(F) สำนักงานประกันสังคมเขตพื้นที่ 9 : ประชุมชี้แจงให้ความรู้งานประกันสังคม 2560

2.3.5 Operation Officer : 6 Courses, Total 165.0 Hrs. as follows;

- (A) สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (องค์การมหาชน) : การป้องกันอันตรายจากรังสี ระดับ 1
(B) สมาคมส่งเสริมความปลอดภัยและอนามัยในการทำงาน (ประเทศไทย) : คณะกรรมการความปลอดภัย อาชีวอนามัย และสภาพแวดล้อมในการทำงาน
(C) บริษัท ปิ่นทองกรุ๊ป แมนเนจเม้นท์ แอนด์ คอนซัลแตนท์ จำกัด : จป. หัวหน้างาน-เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน
(D) NPC S&E : จป. เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค / จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน / ผู้เฝ้าระวังเหตุ (Fire Watchman)

2.3.6 Technician : 23 Courses, Total 1,011.0 Hrs. as follows;

- (A) สมาคมส่งเสริมความปลอดภัยและอนามัยในการทำงาน(ประเทศไทย): คณะกรรมการความปลอดภัย อาชีวอนามัย และสภาพแวดล้อมในการทำงาน
(B) สถาบันเทคโนโลยีนิวเคลียร์แห่งชาติ (องค์การมหาชน) : งานบริการรับรองบุคลากรสาขาการถ่ายภาพด้วยรังสี ระดับ 1
(C) สำนักงานปรมาณูเพื่อสันติ : สอบเจ้าหน้าที่ความปลอดภัยด้านรังสี ระดับต้น (RSO)
(D) American Petroleum Institute (Thailand) : API 570
(E) Technical Petroleum Training Institute (TPTI) : BOSIET-Basic Offshore Safety Induction & Emergency Training / CA-EBS Compressed Air Emergency Breathing System / DDC-Defensive Driving Course - Full Course (การขับรถเชิงป้องกันอุบัติเหตุ) / Refresher DDC-Defensive Driving Course
(F) MOG Industry Training Co.,Ltd : BOSIET-Basic Offshore Safety Induction & Emergency Training / CA-EBS Compressed Air Emergency Breathing System



HUMAN RESOURCE DEVELOPMENT POLICY

(G) TWI Training & Service Co.,Ltd. (Thailand) : CSWIP 3.1 Welding Inspector Level II

(H) Rockcamp Interenational Co.,Ltd. : IRATA-Industrial Rope Access Trade Association Level I / IRATA-Industrial Rope Access Trade Association Level II / Working at Height

(I) NPC S&E : Confined Space - ความปลอดภัยในการทำงานในที่อับอากาศ 4 หน้าที่ (สำหรับผู้อนุญาต ผู้ควบคุมงาน ผู้ช่วยเหลือ และผู้ปฏิบัติงาน) / Confined Space - ความปลอดภัยในการทำงานในที่อับอากาศสำหรับผู้ปฏิบัติงาน / จป. เทคนิค - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับเทคนิค / จป. หัวหน้างาน - เจ้าหน้าที่ความปลอดภัยในการทำงาน ระดับหัวหน้างาน / ผู้เฝ้าระวังเหตุ (Fire Watchman)

(J) มรท. พระนคร / TIWS : Persuasive & Powerful Presentation / Welding Qualification of ASME Section IX

(K) BI NDT / A-STAR : Re-Certificate RI (5Years)

(L) SECCO ENGINEERING & CONSTRUCTION CO.,LTD : ช่างไฟฟ้าภายในอาคาร

In 2017, the Company held the in-house training courses for 88 programs or 176 times at the amount of 1,900,254.25 Baht or 2,352.50 Hrs./year. There were 182 employees attended (double counting) (or 97 people - individual counting), the average cost at 10,440.96 Baht / person / year (or 19,590.25 Baht / person / year) and the average number of hours 12.93 hours/person/year (or 24.25 hours/person/ year - individual counting).



CORPORATE GOVERNANCE (CG)

The Company has been assessed by the Corporate Governance Report of Thai Listed Companies 2017 from Thai Institute of Directors Association (IOD) in the “Excellent” level with the score of 93%, greater than the score received in year 2016 at 90% in the level of “Excellent”. 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 2017 on Monday 24 April 2017, at 09.30 a.m., at The Grand Fourwings Convention hotel, on 9th Floor at Srinakarin 1 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 55 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’s website (www.tndt.co.th) in the “investor relations” section under the title of “shareholder information” subtitle of “Meeting of Shareholder” 38 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 31 days prior to the meeting date. Moreover, the invitation has also been 3 days continually published in the newspaper, 23 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. 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 2017 the Company’s proportion of free float shares were at 48.11 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 quarter 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 has 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. 11/2017, the Company had submitted the minutes on May 08, 2017

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 2017 with a score of 100 (for the year 2016 with a score of 98.75).



CORPORATE GOVERNANCE (CG)

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) 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. 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.



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 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 Annual Report (56-2).

For the year 2017, 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 2017, 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).



CORPORATE GOVERNANCE (CG)

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's website: 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.

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 recognizes 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 2017, the Company promoted and supported its customers by training and educating the customers in various job sites, there were 120 participants for the knowledges of radiation safety and safety in operations.

The Company has set up the target of Customer Satisfaction Survey of year 2017 at 71.43%. While the results of 228 Survey sheets of various customers were at 91.85%, in the "very good" level. The customers' satisfaction in highest scores were by the following five aspects:-

1. Priority for the future	100.00 %
2. Equipment	94.96 %
3. Technical Competency and Technical Communication	93.28 %
4. Employees' Attitude	92.94 %
5. Working Procedures	92.91 %

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 2017, The Company had 2 collaboration projects with the partners from Indonesia and Malaysia. 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 calumniate, 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 as agreed strictly, transparency and no secrecy. In case of the Company cannot comply with the contracts or 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.

CORPORATE GOVERNANCE (CG)

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 2017, the Company supported its Contractors by training and educating the knowledge of safety in operations, there were 25 participants attending these courses.

Government Offices

The Company will cooperate and follow the rules and regulations of government offices and the related standards. The Company will follow the procedures with accuracy, honestly. 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:- annual 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 2017, the Company has cooperated with the Official Banking Institutes for the employees' lower interest rate loans to create their extra career creation or solve their personal debt, 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, training 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 2017 has to be viewed on **the Annual Information Form 2017** (56-1 Section 8.5.5) and **the Annual Report 2017** in the title of **"Human Resource Development Policy"**, page 57 - 63.

The employee remunerations and benefits policies have to be viewed on **the Annual Information Form** (56-1 Section 8.5) and **the Annual Report 2017**, title of **"Remuneration"**, page 54 - 56

For the anti-corruption, the Company promotes and emphasizes all employees to strictly comply with the rules and regulations in accordance with relevant standards and laws. The Company also provides opportunities for employees to clue, complain or suggest on various matters arising from the operations via email / post / Human Resources Department while un-disclosing the information of the complainant. More information can be viewed on **the Annual Report 2017** in the title of **"Anti-Corruption"**, page 28.

In 2017, 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 equivalent opportunity to work under the lawful rules, regulations, announcements 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 human rights law. The additional information of the human rights policy can be viewed in **the Annual Report 2017** under **"Corporate Social Responsibility (CSR)"**, page 81 - 90

Intellectual Properties and Copyrights

The Company encourages the employees to use their abilities in research and development of practical equipment and innovation that contributes to business value, comply with international standard, reduce the cost of importing, and will also result in an increase in revenue for the Company. The research and development projects are progressing to satisfactory. During 2017, some of the developed equipment have been used to reduce the operations period, more convenient and safety for health and environment. The Company was also selected for being initiated and supported by the National Innovation Agency.



CORPORATE GOVERNANCE (CG)

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 2017, there has been no case of employees utilizing illegal software or violation of intellectual properties in the Company.

Information Technology

The Company has controlled the information technology utilizing. The purposes are for security, confidentiality, and availability, as well as preventing such violation data utilizing. In 2017, no any information technology was used inappropriate way.

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. In 2017, the activities of community's developing has been reported on **the Annual Report 2017** under **"Corporate Social Responsibility (CSR)"**, page 80 - 90 and **the SD Report** on **the Company website (www.tndt.co.th)** in the section of **"Sustainability"** under the title of "Corporate Social Responsibility (CSR)", subtitle of "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 2017, the Company has returned the 52 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 1.84 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 provide regularly the activities and training concerning to the safety for the employees and the customers.

In 2017, the safety training courses for the employees were the health, safety and environmental = 98 attendees (a.), radiation safety training = 55 a., emergency radiation drills = 38 a., safety driving training course = 12 a., driving for hazardous materials transport vehicles = 12 a., basic fire-fighting = 80 a., fire-fighting and fire evacuation drill = 146 a., alcoholic and drugs random check = 20 a., illumination measurement = 52 points, annual detection and analysis of the concentrations of hazardous chemicals in the workplace atmosphere and chemical storage facilities, in compliance with the safety standards and regulations.

Moreover, the Company provided annual health check-up for the employees to guarantee the health and safety issue, including giving constant and continuing advice to the employees. The Company also provided safety system during work for employees and the general public involved, as well as random checked the safety of radiation areas by the internal control unit and annual random checked the safety in radiation store-room by the officer of atomic for peace. They were to assure to the society and environment concerned. The Company's operations always emphasize on working based on occupational ethics and morals.

CORPORATE GOVERNANCE (CG)

Awards for Safety, Health and Environmental Practices and Policies (HSE)

For the adherence of compliance to the HSE practices and policies in year 2017, the Company received the awards in Health, Safety and Environment as follows :-

1. The honourable award of “ The Company participating in the IRPC Turnaround 2017 during January 20, 2017 – April 1, 2017. “ from IRPC Public Company Limited. – IRPC for the completion of job without accident.
2. “ The CEO Contractor Award for SSHE Excellence ” from PTT Exploration and Production Public Company Limited - PTTEP for no accidents for 3 consequent years.



Statistics of Incidents at Work in 2017:

In 2017, the 17 incident occurrences were totally 17 cases (in 2016, there were 19 cases.) They were :-

1. 11 vehicle incidents.
2. 6 radiation exceedings..

The incidents from works were illuminated by protection and prevention measurement for non-reoccurrence.

Risk Assessment of Anti-Corruption

The Company recognizes the importance of good corporate management for the growth of organization and stabilities of expansion, strong financial position which can generate the returns for shareholders at the appropriate level. The Company considers to assess and manage the risk to prevent corruption that may occur by the frameworks of operation and procedures of risk management in accordance with the international standard guidelines of The Committee of Sponsoring Organizations (COSO), for those who concerned will understand the principles of risk management and apply appropriately. The Company has disclosed the information on **the Annual Report 2017** under “**Anti-corruption**” on page 28 and “**Corporate Governance (CG)**”, **Section 5 : Board Responsibilities, item 1.1.10 Internal Control System**” on page 76.

Clues / Complaints / Comments or Suggestions

The Company has disclosed the information on **the Annual Report 2017** under “**Anti-corruption**” on page 28. During 2017, no any clues, complaints or etc. were submitted to the Company.

CORPORATE GOVERNANCE (CG)

Section 4 : Disclosure and Transparency

The Company recognizes the importance of information disclosure with correctness, completeness, transparency 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 58-59). Moreover, the Shareholding Structure, Management Structure, Good Corporate Governance Policy , Articles of Association, Charters of Director, 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, Annual Disclosure Information (56-1), Annual Report (56-2), reporting quarterly results of operations, providing information and meeting with analysts, investors and shareholders, press release and Company's websites (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 compile and coordinate in reporting the securities transition to the SEC and reporting to the Board of Directors.

Remuneration of Auditors

The Remuneration of Auditors for the Company and its subsidiaries:

1. Remuneration of auditors

For the year 2017, M R & Associates Limited, 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 1,600,000 baht, they were quarterly monitoring at 210,000 baht, the year ended audit fee at 900,000 baht, and the review of compliance with BOI at 70,000 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 2017, No any other expense charged.

Details	Amount (Baht)	
	TNDT	Subsidiaries
The annual audit fee for the year ended December 31, 2017.	800,000.00	100,000.00
The quarterly review fee for the period ended March 31, 2017.	160,000.00	50,000.00
The quarterly review fee for the period ended June 30, 2017.	160,000.00	50,000.00
The quarterly review fee for the period ended September 30, 2017.	160,000.00	50,000.00
The review fee of compliance with BOI.	70,000.00	00.00
Other Services fee	Charge the expenses as occurred.	
Total	1,350,000.00	250,000.00
Overall	1,600,000.00	

Besides, the Company has recognized the importance of strengthening relations with the shareholders. By the year 2017, the Company has met investors, shareholders in appropriate opportunities, 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.

Roles and Authority of the Board of Directors

Please see the title of “**Management Structure**” under the topic of “**Board of Directors**”, page 38

Roles and Authority of the Board of Directors

1.1.1 Assigning, Reviewal and Authorization

Please see the title of “**Management Structure**” under the topic of “**Board of Directors**”, page 38 - 39

1.1.2 Good Corporate Governance Policy

The Board of Directors, as the leadership to achieve sustainable corporate value creation, 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 has monitored the Executives and Employees to commit and comply regularly with the good corporate governance, the rules and regulation concerning to the business operations. 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 Board of Directors 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 every year. On the Board's Meeting No. 1/2018 on February 25, 2018, the Board of Directors has considered and approved the principles of corporate governance (revised edition).



CORPORATE GOVERNANCE (CG)

In 2017, 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 President of Executives. Due to the Non Destructive Testing and Inspection for engineering safety, which is the specific business, 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 President of Executives 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 President of Executives 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 50 percentages 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 President of Executives 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 the Directors and Executives

Please see the title of “**Remuneration**”, page 54 - 55.

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 Directors in **the Annual Report 2017**, the title of “**Report of the Board of Directors' Accountability to Financial Report**”, page 91.

Furthermore, the Company has arranged for the financial report announcement and the meeting with shareholders, analysts and investors during the 'Annual General Meeting', including answering the enquiries on various topics to the shareholders via Investor Relation and other communication channels of the Company.

1.1.2.4 Roles and Authority 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 37 - 44 and “**Details of Directors**”, page 48 - 52. 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 2017, please see the information on the “**Shareholding Structure**”, page 36. 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 investor 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's website (www.tndt.co.th)** and the title of “Company Information and Communication”, page 5.

CORPORATE GOVERNANCE (CG)

1.1.2.7 Policies and Performances of CSR

Please see the title of “**Corporate Social Responsibility (CSR)**”, page 81 - 90.

1.1.3 Business Ethics

The Board of Directors has set 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.1/2018, held on February 25, 2018, 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 their subordinates to be aware, understand and encourage the compliance with the Company's Code of Business Conduct. The Company also holds training and educating the Code of Business Conduct to the new employees regularly. The details of the Company's Code of Business Conduct can be found at **the Company's 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, objectives, goals, business plans including the Company's budget and supervises, followed up the operations of management in order to meet the designated goals and for the best interests of the Company and all groups of stakeholders. Besides, 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.

1.1.5 Conflict of Interest / Insider's Information Prevention

To prevent conflict of interest issue, the Board of Directors supervised the Company by the policies of information disclosure, management of confidential information to prevent data leakage, protection of confidential information and market sensitive information. They were the 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 be market sensitive information. 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 confidential 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 71)



CORPORATE GOVERNANCE (CG)

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.

- 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 stakeholding Directors may not vote and may not attend the meeting.

CORPORATE GOVERNANCE (CG)

In 2017, there were meetings and attendances 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	-	-	4/4
2. Mr. Chaya* Jivacate	5/5	2/2	-	-
3. Miss Chomduen Satavuthi	5/5	-	-	4/4
4. Mr. Krirkkiat Satavuthi	5/5	-	-	4/4
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 2017, the Directors, who were 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, financial liquidity and repayment condition, 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:

- 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 2017, the Audit Committee has reviewed each operational control system and filed the reports by the Audit Committee as shown in **the Annual Report 2017** page 24 - 26.



CORPORATE GOVERNANCE (CG)

1.1.11 Directors' Reports

The Board of Directors shall be responsible to control, promote and monitor for managing important business transactions, corporate governance, financial statements and public information disclosure, in the Annual Disclosure Information (56-1), Annual Report (56-2) and the Company website (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 3 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 Committees : The Board of Directors have appointed 3 Sub Committees as follows:-

1.2.1 Nomination and Remuneration Committee (NCR) :

The Nomination and Remuneration Committee, half of members must be independent Directors and all the members must be appointed by the Board of Directors. They have 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. Moreover, the meeting of NCR should be done regularly at least 2 times a year.

1.2.2 Audit Committee :

The Audit Committees must be independent Directors and the Company's Directors which have been 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 Board :

The Board of Directors appoints the Executive Board 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 37 - 44.

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 and the Internal Control System to review and evaluate the risks management of the operations in all aspects both internal and external organization including the overseas businesses, for the best interests 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 2017** (56-1 : Part 1, Section 3 and Part 2, Section 11) and **the Annual Report 2017** (Form 56-2) under the topic **"Risks Management and Risk Factors"**, page 17 - 21 and **"Internal Control System"**, page 27.

CORPORATE GOVERNANCE (CG)

2. Selection of Board Members and Executives

Please see the title of “**Selection of Board Members and Executives**” page 45 - 47.

3. Secretary

3.1 Company Secretary

Please see the title of “**Management Structure**” under the topic of “**Company Secretary**”, page 43 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 “**Good 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.

5. Self-Assessment

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, by applying the form of the Stock Exchange of Thailand to suit for the Company, 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:-

CORPORATE GOVERNANCE (CG)

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 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 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 Director.

The Self-Assessment of the Board of Directors are divided into 5 levels, they are :- 4 = Excellent / 3 = Good / 2 = Average / 1 = Below Average / 0 = Must be improved. The 2017 Self-Assessment of the Board of Directors could be summarized as follows:-

Board of Directors / Committee	Assessment Score of year 2017 (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

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 2017, was in "very good" level. The details of assessment were personal confidential information and could not be disclosed.

CORPORATE GOVERNANCE (CG)

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**”, page 54).

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**”, page 55).

6.3 Remuneration of Executives:

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**”, page 55).

7. Capability 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 2017, the training courses / seminars of the Directors / the Executives / the Company's Secretary / the Management group and the Employees were disclosed in **the Annual Report 2017**, under the title of “**Human Resource Development Policy**”, page 57 - 63, **the Annual Disclosure Information 2017** , on part 2 section 6 item 8.5.5 and **the Company website www.tndt.co.th** on page “**Sustainability**”, under the title of “**Corporate Governance**” subtitle of “**Corporate Governance Report**”.

8. Development and Succession Planning

Please see the topic of “**Selection of Board Members and Executives**” under the title of “**Development and Succession Planning**”, page 47.



CORPORATE SOCIAL RESPONSIBILITY (CSR)



The Company's business is the professional testing and inspection in engineering by utilizing the Non-Destructive Testing (NDT) in order to ensure the safety of the industrial sectors which involve the high 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 36 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. Besides 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, security 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 to 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 operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

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 2017, 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 2017, the Company has been assessed for Corporate Governance Responsibility (CGR) on **"Excellent Level"** for the second consecutive year with an increase score from 2016.

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.

In 2017, the Company received the score of the satisfaction surveys at 100% from customers, in the title of "Priority for the future". (Please see the title of **"Corporate Governance, Section 3: Roles of Stakeholders"**, page 67)



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 procedures. Therefore, the Company was of opinion to set up the anti-corruption policy to act as a guideline in conducting business and to develop to a sustainable 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.

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 remodelling 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 basic 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 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 operation 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.

In 2017, the Company has attended and passed the Project of **"Self-proclaim in accordance with Thai Labour Standard TLS 8001-2003"** with the Bureau of Labour Standards Development, Department of Labour Protection and Welfare. The Company has been assessed in **"Fundamental Level"** which will be maintained and develop to the better level of operations in the next few years.



บริษัท ไทย เอ็น ดี ที จำกัด (มหาชน) ผ่านการประกาศแสดงตนเอง

THAI LABOUR STANDARD (TLS 8001-2003) , มาตรฐานแรงงานไทย (มทล.๘๐๐๑-๒๕๕๓)

บัญชีรายชื่อสถานประกอบการที่ผ่านการพิจารณาขึ้นเว็บไซต์สำนักพัฒนามาตรฐานแรงงาน ระดับพื้นฐาน
ประจำเดือนเมษายน 2560

เลขที่ประกาศ	รายชื่อสถานประกอบการ	จังหวัด	วันที่ประกาศ	วันที่หมดอายุ
SDBL.119/2560	บริษัทไทย เอ็น ดี ที จำกัด (มหาชน)	กรุงเทพมหานคร (บางกะปิ)	24 เมย 60	23 เมย 61

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 knowledges 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, in order 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.

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 2017, the results of customers' satisfaction surveillances, please see the title of **"Corporate Governance under the topic of Section 3: "Roles of Stakeholders"**, page 67 and **"Customer Satisfaction, Corporate Social Responsibility (CSR)"**, page 85.

6. Environment Conservation

6.1 The Company emphasizes on the rules and regulations which benefit to the social and 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 appropriate occasion and time.

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.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

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.

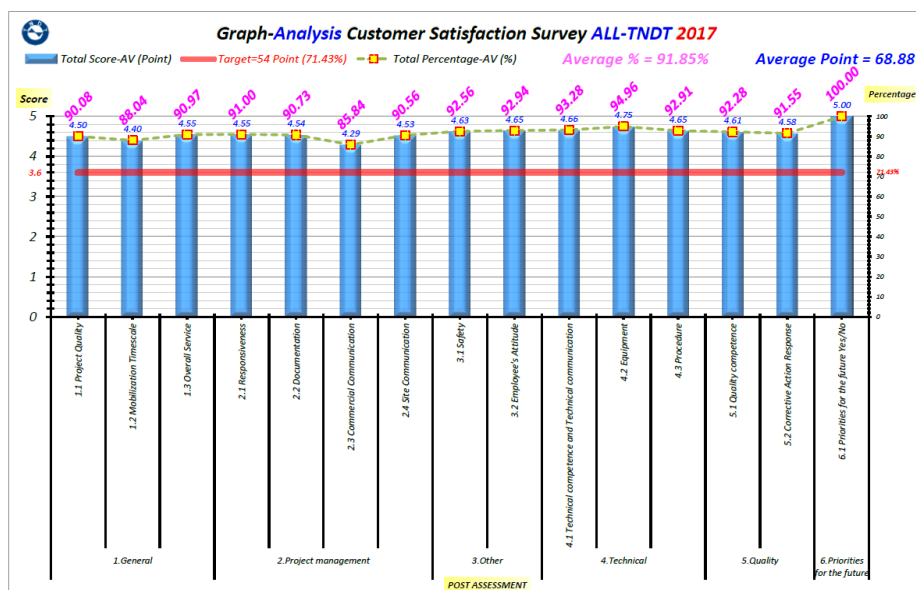
On November 28, 2017, the Company has been approved for the supporting fund from National Innovation Agency (NIA) under the project of **“Technological transformation for financial support”** which was the Government policy of promoting innovations. The Company’s Innovation topic was **“the Semi-auto powered X-ray machine for oil and gas pipeline inspection by non-destructive testing”**. The innovation would utilize the electromagnetic energy to replace in some part of the radiation which will enhance the safety of radiation effects on the operators, the related persons, and the surrounding environment as well. (Please see the title of **“Significant Development of the Company”**, page 13)

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 28)

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 67)



CORPORATE SOCIAL RESPONSIBILITY (CSR)

The New Year Blessing by MD.



Children's Day @ Bangkapi Youth Center



Love Environment and Love Our Canal Day



Songkran Festival



TNDT Artificial Funeral Flower For the late King Bhumibol



CORPORATE SOCIAL RESPONSIBILITY (CSR)

English Skill Training by the Skill Development Institute



Blood Donation for the late King
At The Red Cross



Annual Health Check in Bangkok



Annual Health Check in Rayong



Management review Meeting



Performance Check at CUEL Site



CORPORATE SOCIAL RESPONSIBILITY (CSR)

PROJECT OF DISABLED BY SECTION 35

Agriculture



Broom Making



Vocational training for children with autism



THAI NDT TEAM BUILDING 2017



MD. Give Moral & Spirit



New Year Party



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Social Security Training



Orientation For New Employees



Safety Officer - Supervisor Level



Internal Communication



Fire Fighting and Evacuation in BKK office



Fire Fighting and Evacuation in Rayong Branch



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Effective Communication Technics in the Organization



PTTRP CEO Contractor Award



Technical Discussion on the Role of Nuclear Technology and Radiation in Thailand 4.0.



PTTNDT Indonesia Site Visit



Observation at Solar Go Co.,Ltd.



SGS Auditing in Rayong and BKK office



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 2017.

As the performance mentioned above, the Board of Directors has 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 2017.

The Board of Directors was of the opinion for the financial statements of the Company and subsidiaries for the year ended 31 December 2017 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 2017 [The Company Only]

Total Assets

As of 31 December 2017, the total assets of the Company registered at 992.01 million baht, an increased of 130.34 million baht or 15.13% compared with that of the end of 2016. Such total assets consist of current assets of 603.29 million baht (60.81% of the total assets) and non-current assets of 388.72 million baht (39.19% of the total assets). The current assets have increased from the year 2016 for 117.98 million baht or 24.31% due to an increased significantly in advances (increased 64.71 million baht or increased 27.05%), short-term loans to other parties (increased 26.38 million baht or increased 26.38%) and account receivable (increased 20.49 million baht or increased 16.38%). For non-current assets in 2017, the Company has disposed and acquired additional equipment to accommodate the expansion in the future. Therefore the land, buildings and equipment have increased from the year 2016 for 8.43 million baht or increased 3.30% while the other non-current assets has slightly decreased.

Total Liabilities

As of 31 December 2017, the total liabilities of the Company registered at 441.41 million baht, an increased of 115.48 million baht or increased 35.43% compared with that of the end of 2016. Such total liabilities consist of Current Liabilities of 411.05 million baht (93.12% of the total liabilities) and non-current liabilities of 30.37 million baht (6.88% of the total liabilities). For current liabilities that are significantly for the Company were overdraft and short-term loans from financial institutes and were 238.54 million baht or 54.04% of the total liabilities. In addition, in 2017 the Company had borrowed the short-term loan registering at 128.98 million baht (29.22% of total liabilities) as of 31 December 2017. In 2017 the major increased in liabilities are increased in the overdrafts and short-term loans have increased 109.22 million baht. The decline in the liabilities was long-term loans have decreased 9.60 million baht or decreased 26.96% from 2016.

Shareholders' Equity

As of the ending date of 2017, the shareholders' equity of the Company registered at 550.60 million baht, an increased of 14.87 million baht or 2.77% compared with that of the end of 2016. The net profit in 2017 was 26.86 million baht and the Company has announced the dividend payment for the year 2016 for 12 million baht so the unappropriated retained earnings were 389.43 million baht.

The operation results for the fiscal year ended December 31, 2017

Total Revenue

The total revenues for the year ended 31 December 2017 registered at 321.05 million baht compared with that of the end of 2016, a decline of 24.34 million baht or decreased 7.05% while the main income of the Company was the service income of 314.09 million baht or 97.83 % of the total revenue.

Total Expenses

Expenses in 2017 were 275.00 million baht consisting of the service cost of 230.04 million baht (71.65% of total revenue), and administrative and general expenses of 44.96 million baht (14.00% of total revenue). Besides, the financial cost of the Company were 15.03 million baht. The service cost in 2017 has decreased 23.77 million baht, compared with that of 2016, due to the decline in sales while the administrative expenses have decreased 4.35 million baht or decreased 8.82% compared with that of 2016.

Earnings before financial cost and tax (EBIT)

In 2017, the earnings before financial cost and tax of the Company were 46.05 million baht, increased of 3.78 million baht or increased 8.94% from 2016. Increased in earnings before financial cost and tax such as decreased of costs of service. However, the earnings before financial cost and tax of the Company were able to cover the financial expenses of the Company.

Net Profits

In 2017, the profit of the Company was 26.86 million baht, a decline of 2.70 million baht or decline 9.13% from that of 2016 due to the decline in sales such a decline in economic conditions. In addition the net profit to sales in 2017 was 8.37%, compared with 8.56% in 2016.

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 or the Company's Website (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, 2017, 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, 2017, 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, 2017, 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, 2017, 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 together with the ethical requirements that are relevant to my 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 2017 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 statements of financial position as at December 31, 2017 as well as service income and cost of services in the statements of comprehensive income for the year ended December 31, 2017. 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 23 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 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 Matter

The comparative consolidated financial statements of Thai Nondestructive Testing Public Company Limited and its subsidiaries and the comparative separate financial statements of Thai Nondestructive Testing Public Company Limited for the year ended December 31, 2016 were audited by another auditor in my office, whose report dated February 26, 2017, expressed an unmodified opinion on those statements.

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.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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.

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.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

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.

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.



(Mr. Akadet Pliensakul)
Certified Public Accountant
Registration No. 5389

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 25, 2018

STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017 AND 2016

ASSETS

		In Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
CURRENT ASSETS					
Cash and cash equivalents		3,143,724	3,834,247	1,023,939	741,032
Current investment		9,517	9,436	9,517	9,436
Trade receivables					
- Billed - net	5	102,786,841	83,656,922	102,786,841	83,656,922
- Unbilled		42,790,241	41,426,536	42,790,241	41,426,536
Short-term loans to and interest receivable from related person	4	5,899,475	5,847,867	-	-
Short-term loans to other parties	6	126,380,494	99,996,669	126,380,494	99,996,669
Advances to subsidiaries	4	-	-	298,237,519	231,375,950
Supplies	7	4,697,421	8,501,306	4,697,421	8,501,306
Other current assets					
- Advances	4	69,174,551	72,354,177	5,730,358	7,877,264
- Others	4	23,536,570	13,753,195	21,634,772	11,725,381
Total Current Assets		378,418,834	329,380,355	603,291,102	485,310,496
NON-CURRENT ASSETS					
Restricted deposits at banks	27	7,100,000	13,015,595	7,000,000	12,915,595
Investment in available-for-sale securities	8	36,504	36,177	36,504	36,177
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	593,030,247	470,804,403	263,851,991	255,417,884
Intangible assets - net	12	866,530	1,226,823	866,530	1,226,823
Advances for equipment and intangible assets - net of allowance for doubtful account of Baht 2,232,000		290,870	161,127	290,870	161,127
Other advances	4	110,832,799	86,987,250	88,726,632	79,216,086
Deferred tax assets	21	2,684,000	2,405,000	2,684,000	2,405,000
Other non-current assets		3,362,472	1,933,773	2,071,937	1,788,837
Total Non-Current Assets		718,203,422	576,570,148	388,723,805	376,362,870
TOTAL ASSETS		1,096,622,256	905,950,503	992,014,907	861,673,366

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



STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	238,539,711	215,836,625	238,539,711	215,836,625
Trade payables		5,630,940	5,746,170	5,630,940	5,746,170
Current portion of liabilities under hire purchase					
and finances lease contracts	14	1,890,438	4,325,015	1,578,732	4,038,622
Current portion of long-term borrowings	13	7,944,225	10,218,853	7,944,225	10,218,853
Short-term loans and accrued interest from related persons	4	47,063,325	34,804,117	31,975,585	19,759,651
Short-term loans from other parties	15	97,000,000	-	97,000,000	-
Income tax payable		2,703,235	634,266	2,703,235	634,266
Accrued expenses and other current liabilities	4, 16	142,866,904	80,919,516	25,674,057	34,555,753
Total Current Liabilities		543,638,778	352,484,562	411,046,485	290,789,940
NON-CURRENT LIABILITIES					
Liabilities under hire purchase and finances lease					
contracts - net	14	3,854,768	2,319,318	2,610,551	763,395
Long-term borrowings - net	13	18,066,497	25,394,664	18,066,497	25,394,664
Liability for post-employment benefits	17	9,689,754	8,989,035	9,689,754	8,989,035
Total Non-Current Liabilities		31,611,019	36,703,017	30,366,802	35,147,094
Total Liabilities		575,249,797	389,187,579	441,413,287	325,937,034
SHAREHOLDERS' EQUITY					
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	18	51,171,072	51,171,072	51,171,072	51,171,072
Retained earnings					
- Appropriated for legal reserve	18	10,000,000	10,000,000	10,000,000	10,000,000
- Unappropriated		370,427,260	361,114,314	389,428,545	374,563,584
Other components of equity					
- Change in fair value of investment in available-for-sale secur	8	2,003	1,676	2,003	1,676
- Difference on financial statement conversion of subsidiaries		(4,363,559)	(1,918,096)	-	-
Equity attributable to Owners of the Parent		527,236,776	520,368,966	550,601,620	535,736,332
Non-controlling interests	1, 9	(5,864,317)	(3,606,042)	-	-
Total Shareholders' Equity		521,372,459	516,762,924	550,601,620	535,736,332
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,096,622,256	905,950,503	992,014,907	861,673,366

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

STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Baht			
		Consolidated		The Company Only	
	Note	2017	2016	2017	2016
REVENUES					
Service income - net		314,094,090	338,582,585	314,094,090	338,582,585
Other income	4	6,702,995	6,725,258	6,955,485	6,808,687
Total Revenues		320,797,085	345,307,843	321,049,575	345,391,272
EXPENSES					
Cost of services	4, 20	230,038,422	253,811,859	230,038,422	253,811,859
Administrative expenses	4, 12, 20	51,689,244	56,988,554	44,957,712	49,306,338
Finance costs	4, 13, 14	15,858,621	13,071,244	15,032,353	12,355,539
Total Expenses		297,586,287	323,871,657	290,028,487	315,473,736
PROFIT BEFORE INCOME TAX EXPENSE	24	23,210,798	21,436,186	31,021,088	29,917,536
Income Tax Expense	21, 24	4,156,127	354,284	4,156,127	354,284
PROFIT FOR THE YEAR		19,054,671	21,081,902	26,864,961	29,563,252
Other Comprehensive Income (Loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Change in fair value of investment in available-for-sale securities	8	327	(22,746)	327	(22,746)
Difference on financial statement conversion of subsidiaries		(2,445,463)	(1,327,038)	-	-
Other Comprehensive Income (Loss) for the Year		(2,445,136)	(1,349,784)	327	(22,746)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,609,535	19,732,118	26,865,288	29,540,506
Profit (Loss) Attributable to:					
Owners of the parent		21,312,946	24,398,663	26,864,961	29,563,252
Non-controlling interests		(2,258,275)	(3,316,761)	-	-
Profit for the Year		19,054,671	21,081,902	26,864,961	29,563,252
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		18,867,810	23,048,879	26,865,288	29,540,506
Non-controlling interests		(2,258,275)	(3,316,761)	-	-
Total Comprehensive Income for the Year		16,609,535	19,732,118	26,865,288	29,540,506
Basic Earnings per Share		0.21	0.24	0.27	0.30
Weighted Average Number of Common Shares		100,000,000	100,000,000	100,000,000	100,000,000

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



STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Consolidated (In Baht)									
Equity attributable to Owners of the Parent									
					Other Components of Equity				
					Difference				
					Change in Fair Value	on Financial	Equity		
					of Investment in	Statement	attributable to	Total	
					Available-for-Sale	Conversion	Owners of	Non-Controlling	Shareholders'
Note	Share Capital	Premium on Common Shares	Appropriated for Legal Reserve	Unappropriated	Securities	of Subsidiaries	the Parent	Interests	Equity
Beginning Balance as at January 1, 2016	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	22	-	-	(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
Payment of dividends	22	-	-	(12,000,000)	-	-	(12,000,000)	-	(12,000,000)
Total comprehensive income for the year		-	-	21,312,946	327	(2,445,463)	18,867,810	(2,258,275)	16,609,535
Ending Balance as at December 31, 2017	100,000,000	51,171,072	10,000,000	370,427,260	2,003	(4,363,559)	527,236,776	(5,864,317)	521,372,459

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

STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

The Company Only (In Baht)							
			Retained Earnings		Other Component of Equity		
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Appropriated for Legal Reserve	Unappropriated	Change in Fair Value of Investment in Available-for-Sale Securities	Total Shareholders' Equity
Beginning Balance as at January 1, 2016		100,000,000	51,171,072	10,000,000	362,000,332	24,422	523,195,826
Payment of dividends	22	-	-	-	(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
Payment of dividends	22	-	-	-	(12,000,000)	-	(12,000,000)
Total comprehensive income for the year		-	-	-	26,864,961	327	26,865,288
Ending Balance as at December 31, 2017		100,000,000	51,171,072	10,000,000	389,428,545	2,003	550,601,620

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



STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	23,210,798	21,436,186	31,021,088	29,917,536
Adjustments				
Depreciation and amortization	32,401,825	28,892,051	29,002,503	25,509,720
Expenses on post-employment benefits	700,719	652,401	700,719	652,401
Increase in allowance for doubtful accounts	1,619,677	1,094,442	1,619,677	1,094,442
Loss on written-off assets	-	54,410	-	54,410
Gain on sales of equipment	(354,896)	(149,829)	(354,896)	(149,829)
Gain on sales of investment in available-for-sale securities	-	(25,978)	-	(25,978)
Unrealized loss (gain) on exchange rate	1,241,471	(1,469,796)	3,686,934	(142,758)
Interest income	(3,259,414)	(2,886,314)	(3,206,844)	(2,830,288)
Interest expense	15,407,220	10,802,944	14,580,952	10,087,239
Decrease (increase) in operating assets				
Trade receivables	(25,804,072)	8,324,476	(25,804,072)	8,324,476
Supplies	3,803,885	5,073,233	3,803,885	5,073,233
Other current assets	(2,357,072)	1,656,407	(3,515,808)	1,692,420
Other non-current assets	(1,425,312)	(894,298)	(283,100)	(803,377)
Increase (decrease) in operating liabilities				
Trade payables	(111,393)	2,638,777	(111,393)	2,841,648
Accrued expenses and other current liabilities	281,300	(26,103,162)	(4,575,671)	(33,039,553)
	45,354,736	49,095,950	46,563,974	48,255,742
Proceeds from the refunded withholding tax	-	863,377	-	-
Income tax paid	(2,369,545)	(822,551)	(2,366,158)	(822,548)
Net Cash Provided by Operating Activities	42,985,191	49,136,776	44,197,816	47,433,194
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in restricted deposits at banks	5,915,595	11,379,157	5,915,595	11,479,157
Decrease (increase) in current investment	(81)	616,814	(81)	616,814
Increase in advances to subsidiaries	-	-	(66,861,569)	(61,509,440)
Increase in short-term loans to other parties	(26,383,825)	(76,009,702)	(26,383,825)	(76,009,702)
Additions to property, plant and equipment	(91,170,862)	(85,690,186)	(39,938,888)	(18,084,545)
Additions to intangible assets	-	(786,850)	-	(786,850)
Increase in other advances	(17,713,519)	(15,225,425)	(3,378,516)	(4,820,293)
Proceeds from sales of investment in available-for-sale securities	-	870,000	-	870,000
Proceeds from sales of equipment	2,111,287	892,699	2,111,287	892,699
Interest received	73,945	164,168	72,983	163,191
Net Cash Used in Investing Activities	(127,167,460)	(163,789,325)	(128,463,014)	(147,188,969)

STATEMENTS OF FINANCIAL POSITION

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	22,703,086	79,303,508	22,703,086	79,303,508
Increase in short-term loans from related persons	12,119,850	34,500,399	12,119,850	19,500,400
Increase in short-term loans from other parties	97,000,000	-	97,000,000	-
Payments of liabilities under hire purchase and finances lease contracts	(4,511,019)	(6,701,765)	(4,224,626)	(6,438,631)
Increase in long-term borrowings	-	26,000,000	-	26,000,000
Repayment of long-term borrowings	(9,602,795)	(8,175,763)	(9,602,795)	(8,175,763)
Dividends paid	(11,861,885)	(17,000,000)	(11,861,885)	(17,000,000)
Interest paid	(22,355,491)	(14,980,364)	(21,585,525)	(14,309,126)
Net Cash Provided by Financing Activities	83,491,746	92,946,015	84,548,105	78,880,388
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(690,523)	(21,706,534)	282,907	(20,875,387)
Cash and Cash Equivalents at Beginning of Year	3,834,247	25,540,781	741,032	21,616,419
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,143,724	3,834,247	1,023,939	741,032
Supplementary disclosures of cash flow information:				
A. Cash and cash equivalents at end of year:				
Cash in hand	337,004	239,785	242,930	139,521
Current accounts and savings deposits at banks	2,584,091	3,409,124	558,380	416,173
Fixed deposits at bank	222,629	185,338	222,629	185,338
Total	3,143,724	3,834,247	1,023,939	741,032
B. Non-cash transactions:				
Purchases of vehicles by means of hire purchase and finances lease contracts	3,611,892	1,638,865	3,611,892	1,638,865
Increase (decrease) in payables on purchase of equipment	61,370,756	25,366,809	(4,588,329)	4,646,794
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	6,132,030	3,916,810	6,132,030	3,916,810
Dividends payable	138,115	-	138,115	-

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



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements December 31, 2017 and 2016

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, Marbaphud, 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, 2017 and 2016 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	
		2017	2016	2017	2016
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 from coal-fired thermal power	Baht 1 million	Baht 1 million	99.97	99.97
MKTNDT Company Limited (Myanmar)	Procurement and services of public utility systems 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, 2017, 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 by FAP, which became effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Company and its subsidiaries.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette in September 2017 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, 2018 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 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	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, 2016 for being the comparative information in the financial statements for the year ended December 31, 2017 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.

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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.

Supplies Valuation

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



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

Investments

Current investment

Current investment represents investment in fixed deposit with 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:

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	No. of Years
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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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 (if any), 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 if significant.

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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 21 and 24).

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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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	
			2017	2016
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
TNDT Power Company Limited	Generating and sales of electricity from coal-fired thermal power	Subsidiary	99.97	99.97

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

Company / Person Name	Type of Business	Relationship	Percentage of Holding	
			2017	2016
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 Sakulraemrungs	-	Relative of shareholder and director	-	-
Ms. Kanchana Sakulraemrungs	-	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
Management fee income	Mutually agreed price
Office rental charges	Mutually agreed price
Land and structure rental charges	Mutually agreed price
Interest expense	Mutually agreed interest rate (3.5%, 7% and 7.76% per annum)
Sales of vehicles	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Corporate guarantee on credit facilities and liabilities by directors	Free of charge



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

Transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Mrs. Ghongmuang Daengpiboonsakul				
Office rental charges (recorded as part of cost of services)	240	240	240	240
Mr. Thanan Satavuthi				
Land and structure rental charges (recorded as part of cost of services)	216	216	216	216
Ms. Chomduen Satavuthi				
Interest expense	1,050	344	894	344
Ms. Vajana Sakulraemrung				
Interest expense	478	179	478	179
Mr. Krirkkiat Satavuthi				
Interest expense	525	466	-	-
Ms. Kanchana Sakulraemrung				
Interest expense	16	-	16	-
Mr. Songyot Chomsri				
Interest income	51	55	-	-
TNDT Power Co., Ltd.				
Sales of vehicles	-	-	-	858
Management fee income	-	-	421	-
Key management's remunerations				
Short-term benefits	12,997	14,816	12,997	14,384
Post-employment benefits	204	191	204	191

Outstanding balances with related parties as at December 31, 2017 and 2016 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Laos Thai Nondestructive Testing Co., Ltd.				
Advances	-	-	375	375
TNDT CM Co., Ltd.				
Advances	-	-	58,829	57,713
Other advances	-	-	29,094	29,094
TNDT Power Co., Ltd.				
Advances	-	-	227,514	161,986
Management fee income (other current assets)	-	-	100	-
MKTNDT Co., Ltd.				
Advances	-	-	11,520	11,302
Ms. Chomduen Satavuthi				
Advances (accrued expenses and other current liabilities)	16,340	15,340	-	-
Short-term loans and accrued interest	15,928	10,481	15,928	10,481
Mr. Krirkkiat Satavuthi				
Short-term loans and accrued interest	15,087	15,044	-	-
Mr. Thanan Satavuthi				
Prepaid rental charges (other current assets)	1,818	2,034	1,818	2,034
Short-term loans	1,400	500	1,400	500
Mr. Suwat Daengpiboonsakul				
Short-term loans	3,600	2,500	3,600	2,500

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Ms. Vajana Sakulraemrung				
Short-term loans and accrued interest	6,532	6,279	6,532	6,279
Ms. Kanchana Sakulraemrung				
Short-term loans and accrued interest	4,516	-	4,516	-
Mr. Songyot Chomsri				
Short-term loans and interest receivable	5,899	5,848	-	-
Advances (other current assets)	4,190	4,190	4,190	4,190
Advances (accrued expenses and other current liabilities)	409	409	-	-
Mr. Sangkhagna Chanthakhot				
Other receivables (other current assets)	370	370	370	370
Advances (other current assets)	26	29	-	-
Mr. Sai Won Pan				
Advances (other current assets)	26,280	28,637	-	-
Other advances	15,320	15,320	15,320	15,320
Advances (accrued expenses and other current liabilities)	3,105	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, 2016	Movement	Balance as at December 31, 2017
		Increase	Decrease
Mr. Songyot Chomsri			
Short-term loans	5,750	-	-
Interest receivable	98	51	-
Total	5,848	51	-

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, 2016	Movement	Balance as at December 31, 2017
		Increase	Decrease
Short-term loans			
Ms. Chomduen Satavuthi	10,400	22,900	17,600
Mr. Krirkkiat Satavuthi	15,000	-	-
Mr. Suwat Daengpiboonsakul	2,500	1,100	-
Ms. Vajana Sakulraemrung	6,100	7,920	7,600
Ms. Kanchana Sakulraemrung	-	4,500	-
Mr. Thanan Satavuthi	500	900	-
Total short-term loans	34,500	37,320	25,200
Accrued interest			
Ms. Chomduen Satavuthi	81	1,050	903
Mr. Krirkkiat Satavuthi	44	525	482
Ms. Vajana Sakulraemrung	179	478	545
Ms. Kanchana Sakulraemrung	-	16	-
Total accrued interest	304	2,069	1,930
Total	34,804	39,389	27,130



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	The Company Only (In Thousand Baht)			
	Balance as at December 31, 2016	Movement		Balance as at December 31, 2017
		Increase	Decrease	
Short-term loans				
Ms. Chomduen Satavuthi	10,400	22,900	17,600	15,700
Mr. Suwat Daengpiboonsakul	2,500	1,100	-	3,600
Ms. Vajana Sakulraemrung	6,100	7,920	7,600	6,420
Ms. Kanchana Sakulraemrung	-	4,500	-	4,500
Mr. Thanan Satavuthi	500	900	-	1,400
Total short-term loans	19,500	37,320	25,200	31,620
Accrued interest				
Ms. Chomduen Satavuthi	81	894	747	228
Ms. Vajana Sakulraemrung	179	478	545	112
Ms. Kanchana Sakulraemrung	-	16	-	16
Total accrued interest	260	1,388	1,292	356
Total	19,760	38,708	26,492	31,976

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 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 as well as transportation of coal for supplying the power plant in the future. As at December 31, 2017 and 2016, the balances of other advances in the statements of financial position consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Costs of preparation and leveling the ground surface for power plant	29,008	29,008	29,094	29,094
Costs of licenses and procurement for land	8,956	8,956	8,956	8,956
Costs of project consultancies	29,665	24,717	19,045	19,045
Costs of interest and financial charges	15,639	5,717	13,649	5,717
Other costs	27,565	18,589	17,983	16,404
Total	110,833	86,987	88,727	79,216

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

5. BILLED TRADE RECEIVABLES

As at December 31, 2017 and 2016, billed trade receivables classified by outstanding period are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Current	37,782	34,666
Overdue:		
Not exceeding 3 months	33,543	32,504
Between 3 months and 6 months	1,056	6,681
Between 6 months and 12 months	28,917	5,606
Exceeding 12 months	22,029	23,120
Total	123,327	102,577
Less allowance for doubtful accounts	(20,540)	(18,920)
Net	102,787	83,657

As at December 31, 2017 and 2016, the Company transferred the right on cash collection from certain trade receivables totalling approximately Baht 4.9 million and Baht 4.2 million, respectively, 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, 2016	Movement		Balance as at December 31, 2017
		Increase	Decrease	
Short-term loans to customer (see Note 11)	36,029	13,234	200	49,063
Short-term loans to business alliance	63,968	13,349	-	77,317
Total	99,997	26,583	200	126,380

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 Executive Board 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 the unsecured loans to a business alliance incorporated in Indonesia whose business is engaged in rendering the nondestructive engineering services in Indonesia which necessarily requires huge volumes of the Company's services and technical assistance relating to nondestructive testing both in current and future periods. These loans bear interest at 7.5% per annum and due on demand.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

7. SUPPLIES

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
General supplies	3,099	6,336
Industrial radiation ores	1,598	2,165
Total	4,697	8,501

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, 2017 and 2016, cost of this investment amounted to Baht 36 thousand and Baht 35 thousand, respectively, while fair value (evaluated from Level 1 inputs of fair value hierarchy) amounted to Baht 37 thousand and Baht 36 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)	
	2017	2016	2017	2016	2017	2016
	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 2017 and 2016, 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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

In October 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 October 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 Myanmar in the proportion of 46% and 8%, respectively. The Company has control and governing power over the financial and operating activities of TNDT CM through the voting rights in the Board of Directors’ meeting and subsidizing the financial assistance and support to TNDT CM.

Significant financial information in the financial statements for the years 2017 and 2016 of TNDT CM which included the non-controlling interest at the proportion of 54% is as follows:

	In Million Baht	
	2017	2016
Other current assets	45.9	45.9
Other non-current assets	7.9	11.2
Other current liabilities	65.6	64.5
Other non-current liabilities	1.2	1.6
Capital deficiency	(13.0)	(9.0)
Revenues	-	-
Loss for the year	(4.0)	(6.0)
Total comprehensive loss for the year	(4.0)	(6.0)

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 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.

In August 2015, MKTMC, who is the key business alliance of the Company (seller / electric power supplier), has entered into the power purchase agreement for the electricity to be generated from the coal-fired power plant in Myanmar with the Power Committee of Tachileik (buyer) whereby 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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

10. INVESTMENT IN SHARES OF RELATED COMPANY - NET

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
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.

11. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2016</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2017</u>
Cost					
Land	21,842	-	-	-	21,842
Building and improvements	81,062	106	-	1,720	82,888
Operating tools and equipment	225,906	33,646	3,935	-	255,617
Furniture, fixtures, and office equipment	27,220	978	-	-	28,198
Vehicles	52,423	76	4,040	-	48,459
Construction in progress and equipment under installation	213,847	121,218	-	(1,720)	333,345
Total Cost	<u>622,300</u>	<u>156,024</u>	<u>7,975</u>	<u>-</u>	<u>770,349</u>
Accumulated Depreciation					
Building and improvements	26,956	3,936	-	-	30,892
Operating tools and equipment	141,105	15,705	2,182	-	154,628
Furniture, fixtures, and office equipment	21,616	2,179	-	-	23,795
Vehicles	32,423	8,111	4,036	-	36,498
Total Accumulated Depreciation	<u>222,100</u>	<u>29,931</u>	<u>6,218</u>	<u>-</u>	<u>245,813</u>
Net	400,200				524,536

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	Consolidated (In Thousand Baht)				
<u>Assets held for lease</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2016</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2017</u>
Cost					
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
Total Cost	<u>71,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,747</u>
Accumulated Depreciation					
Building and improvements	867	1,639	-	-	2,506
Operating tools and equipment	165	257	-	-	422
Furniture, fixtures, and office equipment	111	214	-	-	325
Total Accumulated Depreciation	<u>1,143</u>	<u>2,110</u>	<u>-</u>	<u>-</u>	<u>3,253</u>
Net	<u>70,604</u>				<u>68,494</u>
	470,804				593,030

	Consolidated (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2015	Addition	Deduction	Transfer	December 31, 2016
Cost					
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
Total Cost	517,544	106,846	2,090	-	622,300
Accumulated Depreciation					
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
Total Accumulated Depreciation	195,944	27,449	1,293	-	222,100
Net	321,600				400,200

	Consolidated (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>
Cost					
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
Total Cost	<u>-</u>	<u>71,747</u>	<u>-</u>	<u>-</u>	<u>71,747</u>
Accumulated Depreciation					
Building and improvements	-	867	-	-	867
Operating tools and equipment	-	165	-	-	165
Furniture, fixtures, and office equipment	-	111	-	-	111
Total Accumulated Depreciation	<u>-</u>	<u>1,143</u>	<u>-</u>	<u>-</u>	<u>1,143</u>
Net	<u>-</u>				<u>70,604</u>
	321,600				470,804



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	The Company Only (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2016	Addition	Deduction	Transfer	December 31, 2017
Cost					
Land	21,842	-	-	-	21,842
Building and improvements	79,353	106	-	1,720	81,179
Operating tools and equipment	215,186	33,646	3,935	-	244,897
Furniture, fixtures, and office equipment	26,739	975	-	-	27,714
Vehicles	47,170	76	4,040	-	43,206
Construction in progress	10,611	4,029	-	(1,720)	12,920
Total Cost	400,901	38,832	7,975	-	431,758
Accumulated Depreciation					
Building and improvements	26,706	3,822	-	-	30,528
Operating tools and equipment	137,243	13,564	2,182	-	148,625
Furniture, fixtures, and office equipment	21,484	2,083	-	-	23,567
Vehicles	30,654	7,062	4,036	-	33,680
Total Accumulated Depreciation	216,087	26,531	6,218	-	236,400
Net	184,814				195,358

	The Company Only (In Thousand Baht)				
<u>Assets held for lease</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2016	Addition	Deduction	Transfer	December 31, 2017
Cost					
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
Total Cost	71,747	-	-	-	71,747
Accumulated Depreciation					
Building and improvements	867	1,639	-	-	2,506
Operating tools and equipment	165	257	-	-	422
Furniture, fixtures, and office equipment	111	214	-	-	325
Total Accumulated Depreciation	1,143	2,110	-	-	3,253
Net	70,604				68,494
	255,418				263,852

	The Company Only (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	December 31, 2015	Addition	Deduction	Transfer	December 31, 2016
Cost					
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
Total Cost	384,470	18,521	2,090	-	400,901
Accumulated Depreciation					
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
Total Accumulated Depreciation	193,313	24,067	1,293	-	216,087
Net	191,157				184,814

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	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>
Cost					
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
Total Cost	-	71,747	-	-	71,747
Accumulated Depreciation					
Building and improvements	-	867	-	-	867
Operating tools and equipment	-	165	-	-	165
Furniture, fixtures, and office equipment	-	111	-	-	111
Total Accumulated Depreciation	-	1,143	-	-	1,143
Net	-				70,604
	191,157				255,418

As at December 31, 2017 and 2016, the Company's certain vehicles and operating tools and equipment in the separate financial statements, of which carrying amounts totalling approximately Baht 6.5 million and Baht 12.2 million, respectively, and in the consolidated financial statements amounted to approximately Baht 8.0 million and Baht 14.4 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 133.9 million and Baht 446.3 million, respectively, in 2017 and Baht 136.7 million and Baht 446.3 million, respectively, in 2016 as collateral for credit facilities as described in Note 13. The abovementioned land and structures thereon as at December 31, 2017 and 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, 2017 and 2016 amounting to approximately Baht 68.5 million and Baht 70.6 million, respectively, 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 and then reduced to Baht 0.1 million per month, starting from September 2017.

As at December 31, 2017 and 2016, cost of a portion of the Company's plant and equipment which has been fully depreciated but still in use amounting to approximately Baht 131.1 million and Baht 129.6 million, respectively.

Depreciation of plant and equipment in the separate financial statements for the years ended December 31, 2017 and 2016 amounted to approximately Baht 28.6 million and Baht 25.2 million, respectively, and in the consolidated financial statements amounted to approximately Baht 32.0 million and Baht 28.6 million, respectively.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

12. INTANGIBLE ASSETS - NET

Consolidated and The Company Only (In Thousand Baht)			
	Balance as at December 31, 2016	Movements during the Year Addition Deduction	Balance as at December 31, 2017
Cost	5,057	-	5,057
Accumulated amortization	(3,830)	(360)	(4,190)
Net	1,227	(360)	867

Consolidated and The Company Only (In Thousand Baht)			
	Balance as at December 31, 2015	Movements during the Year Addition Deduction	Balance as at December 31, 2016
Cost	4,270	787	5,057
Accumulated amortization	(3,530)	(300)	(3,830)
Net	740	487	1,227

As at December 31, 2017 and 2016, cost of a portion of the Company's intangible assets which has been fully amortized but still in use amounting to approximately Baht 3.4 million and Baht 2.9 million, respectively.

Amortization of intangible assets for the years ended December 31, 2017 and 2016, which was presented as part of "Administrative expenses" in the statements of comprehensive income, amounted to approximately Baht 0.4 million and Baht 0.3 million, respectively.

13. CREDIT FACILITIES FROM BANKS

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
<u>Bank overdrafts and short-term borrowings from financial institutions</u>		
Bank overdrafts	83,811	85,440
Loans under promissory notes	117,062	123,000
Loans under trust receipt agreements	33,743	4,078
Loans under factoring	3,924	3,319
Total	238,540	215,837
<u>Long-term borrowings</u>		
Long-term borrowings	26,011	35,614
Current portion	(7,944)	(10,219)
Net	18,067	25,395

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

As at December 31 2017 and 2016, the Company has overdraft line and other credit facilities from five local banks. As at December 31, 2017, 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	128.0	4.35% - 4.50%, MLR - 1.62%, MLR - 1.75% and MOR - 1%
Trust receipt / letter of credit	50.0	MLR and MLR - 1%
Factoring	20.0	MOR - 0.5%
Letter of guarantee	67.0	-
Forward exchange contract (buy / sell)	25.6	-
Total short-term credit facilities	375.6	
<i>Long-term loan credit facilities</i>	46.0	MLR - 2.62%, MLR - 0.5%
Total	421.6	(2016 of approximately Baht 577.7 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 132.0 million as well as guarantee by certain directors of the Company.

The abovementioned long-term loans are loans from two local banks in 2017 and 2016 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 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.

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	
	2017	2016	2017	2016
Liabilities under hire purchase and finances lease contracts				
- Due for payments within 1 year	2,209	4,749	1,777	4,317
- Due for payments within 2 - 5 years	4,295	2,510	3,033	817
Total	6,504	7,259	4,810	5,134
Less deferred interest	(759)	(615)	(621)	(332)
Liabilities under hire purchase and finances lease contracts - net of deferred interest	5,745	6,644	4,189	4,802
Less current portion	(1,890)	(4,325)	(1,579)	(4,039)
Net	3,855	2,319	2,610	763



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

Amortized interest in the separate financial statements for the years ended December 31, 2017 and 2016 amounted to approximately Baht 0.3 million and Baht 0.5 million, respectively, and in the consolidated financial statements amounted to approximately Baht 0.5 million and Baht 0.6 million, respectively. The Company presented such amortized interest as part of “Finance costs” in the statements of comprehensive income for each the years.

During 2014 - 2017, the Company and its subsidiaries entered into hire purchase and finance lease contracts with a local bank and three private companies for the periods of 36 - 48 months whereby such hire purchase and finance lease contracts will end during 2017 - 2021.

15. SHORT-TERM LOANS FROM OTHER PARTIES

The Company had short-term loans and bills of exchange with terms of 4 month and 6 months with a non-related company and four non-related persons, totalling Baht 97 million, for being the working capital in operations, which bear interest at 6%, 8%, and 12% per annum. These loans are guaranteed by pledge of the Company’s 15,000,000 common shares, which are owned by certain director of the Company.

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Payables on purchase of assets	86,738	25,367	59	4,647
Advances from related person	19,854	16,752	-	-
Accrued employee bonus	8,277	9,536	8,277	9,536
Pending output tax	5,817	6,049	5,817	6,047
Retention payables	5,491	4,872	966	1,444
Other payables	3,519	3,126	1,483	1,023
Advances from customers	2,934	2,934	-	-
Payables to contractors	2,511	5,193	2,511	5,193
Accrued directors’ remunerations	1,865	1,875	1,865	1,875
Value-added tax	1,585	1,656	1,583	1,656
Others	4,276	3,560	3,113	3,135
Total	142,867	80,920	25,674	34,556

17. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2017 and 2016 are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Liability for post-employment benefits as at January 1	8,989	8,337
Current service cost	414	396
Interest cost	287	256
Expense recognized in statement of comprehensive income	701	652
Employee benefits paid during the year	-	-
Liability for post-employment benefits as at December 31	9,690	8,989

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

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, 2017 and 2016, 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.

18. 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.

19. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Employee expenses	131,355	136,544	130,196	134,823
Subcontract costs	32,895	52,095	32,895	52,095
Depreciation and amortization	32,402	28,892	29,003	25,510
Supplies and equipment consumed in services	32,230	37,789	32,230	37,789
Finance costs	15,859	13,071	15,032	12,356
Travelling and accommodation expenses	9,477	9,565	9,363	9,198
Repair and maintenance expenses	4,384	4,244	4,030	3,969
Consultancy and professional fees	4,082	6,013	3,581	5,702
Provision for doubtful accounts	1,620	1,094	1,620	1,094

20. 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 amounted to approximately Baht 2.4 million and Baht 0.8 million in 2017 and Baht 2.5 million and Baht 0.9 million in 2016, respectively.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

21. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2017 and 2016 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2017	2016	2017	2016
Income tax computed from accounting profit	4,642	4,287	6,204	5,984
Effects from non-deductible expenses	2,345	2,552	775	855
Effects from additional deductible expenses	(236)	(448)	(228)	(448)
Effects from reduction in income tax rate under investment promotion	(2,316)	(5,370)	(2,316)	(5,370)
Current tax computed from taxable profit	4,435	1,021	4,435	1,021
Increase in deferred tax assets	(279)	(667)	(279)	(667)
Income tax presented in statement of comprehensive income	4,156	354	4,156	354

Deferred tax assets presented in statements of financial position as at December 31, 2017 and 2016 consist of:

	Consolidated and the Company Only (In Thousand Baht)	
	2017	2016
Effects from temporary non-deductible items:		
- Allowance for doubtful accounts of trade receivables	746	607
- Liability for post-employment benefits	1,938	1,798
Total deferred tax assets	2,684	2,405

22. DIVIDENDS

At the general shareholders' meeting on April 24, 2017, the shareholders unanimously passed the resolution for the Company to pay dividends from the 2016 operations to the shareholders at Baht 0.12 per share, totalling Baht 12 million, whereby the Company paid such dividends to the shareholders on May 23, 2017.

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.

23. 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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

Information on Products or Services

	Consolidated (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2017	2016	2017	2016	2017	2016
Service income	250,883	279,257	63,211	59,326	314,094	338,583
Less Segment expenses	(132,171)	(161,743)	(14,157)	(6,497)	(146,328)	(168,240)
Segment result	<u>118,712</u>	<u>117,514</u>	<u>49,054</u>	<u>52,829</u>	167,766	170,343
Add non-allocated revenues						
- Other income					6,703	6,725
Less non-allocated expenses						
- Cost of services					(83,710)	(85,572)
- Administrative expenses					(51,689)	(56,989)
- Finance costs					(15,859)	(13,071)
- Income tax expense					(4,156)	(354)
Profit for the year					<u>19,055</u>	<u>21,082</u>

	The Company Only (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2017	2016	2017	2016	2017	2016
Service income	250,883	279,257	63,211	59,326	314,094	338,583
Less Segment expenses	(132,171)	(161,743)	(14,157)	(6,497)	(146,328)	(168,240)
Segment result	<u>118,712</u>	<u>117,514</u>	<u>49,054</u>	<u>52,829</u>	167,766	170,343
Add non-allocated revenues						
- Other income					6,955	6,808
Less non-allocated expenses						
- Cost of services					(83,710)	(85,572)
- Administrative expenses					(44,958)	(49,306)
- Finance costs					(15,032)	(12,356)
- Income tax expense					(4,156)	(354)
Profit for the year					<u>26,865</u>	<u>29,563</u>

Information on Geographic Areas

As at December 31, 2017 and 2016, 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 subsidiaries incorporated in Myanmar and Lao PDR 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 326.8 million and Baht 214.2 million were shown in the consolidated statements of financial position as at December 31, 2017 and 2016, respectively. The Company had fixed assets used in Indonesia, i.e. operating tools and equipment of which the carrying amounts totalling approximately Baht 13.1 million was shown in the consolidated and separate statements of financial position as at December 31, 2017.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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	
	2017	2016	2017	2016
Service income				
- Nondestructive testing services	38.89	30.94	38.89	30.94
- Inspection services for pressure vessel	-	-	-	-
Total service income	31.06	25.52	31.06	25.52

24. 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. However, the privileges from investment promotion of the Company have expired in July 2017.

Operating results classified by the promoted and non-promoted businesses for the years ended December 31, 2017 and 2016 are as follows:

	Consolidated (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2017	2016	2017	2016	2017	2016
Service income - net	110,140	290,041	203,954	48,542	314,094	338,583
Other income	-	-	6,703	6,725	6,703	6,725
Cost of services	(78,903)	(213,126)	(151,135)	(40,686)	(230,038)	(253,812)
Administrative expenses	(15,439)	(41,402)	(36,250)	(15,587)	(51,689)	(56,989)
Finance costs	(5,156)	(10,375)	(10,703)	(2,696)	(15,859)	(13,071)
Income tax expense	-	-	(4,156)	(354)	(4,156)	(354)
Profit (loss) for the year	10,642	25,138	8,413	(4,056)	19,055	21,082

	The Company Only (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2017	2016	2017	2016	2017	2016
Service income - net	110,140	290,041	203,954	48,542	314,094	338,583
Other income	-	-	6,955	6,808	6,955	6,808
Cost of services	(78,903)	(213,126)	(151,135)	(40,686)	(230,038)	(253,812)
Administrative expenses	(15,439)	(41,402)	(29,519)	(7,904)	(44,958)	(49,306)
Finance costs	(5,156)	(10,375)	(9,876)	(1,981)	(15,032)	(12,356)
Income tax expense	-	-	(4,156)	(354)	(4,156)	(354)
Profit for the year	10,642	25,138	16,223	4,425	26,865	29,563

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

25. 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 2017 and 2016.

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, 2017 and 2016, 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:

	Consolidated (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2017	2016	2017	2016	2017	2016
Deposits at banks	-	-	2,807	3,594	0.375 - 1.25	0.375 - 1.0
Current investment	10	9	-	-	0.25 - 2.0	0.8 - 1.02
Short-term loans to related person	-	-	5,899	5,848	0.9	0.9
Short-term loans to other parties	126,380	99,997	-	-	7.5	7.5
Restricted deposits at banks	-	-	7,100	13,016	0.8 - 1.15	0.75 - 1.0
Bank overdrafts and short-term borrowings from financial institutions	48,000	50,000	190,540	165,837	(see Note 13)	(see Note 13)
Long-term borrowings	-	-	26,011	35,614	(see Note 13)	(see Note 13)
Liabilities under hire purchase and finances lease contracts	6,504	7,259	-	-	2.35 - 8.52	2.35 - 8.52



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2017 and 2016

	The Company Only (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2017	2016	2017	2016	2017	2016
Deposits at banks	-	-	781	601	0.375 - 1.25	0.375 - 1.0
Current investment	10	9	-	-	0.25 - 2.0	0.8 - 1.02
Short-term loans to other parties	126,380	99,997	-	-	7.5	7.5
Restricted deposits at banks	-	-	7,000	12,916	0.8 - 1.15	0.75 - 1.0
Bank overdrafts and short-term borrowings from financial institutions	48,000	50,000	190,540	165,837	(see Note 13)	
Long-term borrowings	-	-	26,011	35,614	(see Note 13)	
Liabilities under hire purchase contracts	4,810	5,134	-	-	2.35 - 3.5	2.35 - 2.59

As at December 31, 2017, the above financial assets and liabilities, classified by periods of maturities, are as follows:

	Consolidated (In Thousand Baht)			
	On Demand	Not Exceeding		Over 5 Years
		1 Year	2 - 5 Years	
Deposits at banks	2,584	223	-	-
Current investment	-	10	-	-
Short-term loans to related person	5,899	-	-	-
Short-term loans to other parties	126,380	-	-	-
Restricted deposits at banks	-	7,100	-	-
Bank overdrafts and short-term borrowings from financial institutions	-	238,540	-	-
Long-term borrowings	-	7,944	18,067	-
Liabilities under hire purchase and finances lease contracts	-	2,209	4,295	-

	The Company Only (In Thousand Baht)			
	On Demand	Not Exceeding		Over 5 Years
		1 Year	2 - 5 Years	
Deposits at banks	558	223	-	-
Current investment	-	10	-	-
Short-term loans to other parties	126,380	-	-	-
Restricted deposits at banks	-	7,000	-	-
Bank overdrafts and short-term borrowings from financial institutions	-	238,540	-	-
Long-term borrowings	-	7,944	18,067	-
Liabilities under hire purchase contracts	-	1,777	3,033	-

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2017 and 2016

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 person, advances, restricted deposits at banks, 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.

26. 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 2017 and 2016.

Debt-to-Equity ratio for the consolidated financial statements as at December 31, 2017 and 2016 was 1.10 : 1.00 and 0.75 : 1.00, respectively, whereas the separate financial statements as at December 31, 2017 and 2016 was 0.80 : 1.00 and 0.61 : 1.00, respectively.

27. OTHERS

As at December 31, 2017:

- a. The Company had letters of guarantee issued by a local bank as performance bonds for engineering services rendered to eleven private sector customers and a government agency totalling approximately Baht 29.5 million which are guaranteed by the Company's fixed deposits with such bank of approximately Baht 7.0 million.
- b. A subsidiary (TNDTPW) had credit card facility for payment of fuels amounting to Baht 0.1 million with a local bank which is guaranteed by the subsidiary's fixed deposit with such bank amounting to Baht 0.1 million.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **Notes to Financial Statements (Continued)** **December 31, 2017 and 2016**

- 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 158.4 million, JPY 567.0 million, and USD 15.3 million (totalling in Baht of approximately 828.2 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 11.8 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).

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 25, 2018.



บริษัท ไทย เอ็น ดี ที จำกัด (มหาชน)
Thai Nondestructive Testing Public Company Limited

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