



TNDT

รายงานประจำปี
๒๕๖๑

Annual Report 2018



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



02-735-0801



www.tndt.co.th



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MESSAGE FROM THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

Dear Shareholders

Thai Nondestructive Testing Public Company's operating results in the year 2018 were under the downward trend, the revenue and net profit margin decreased from 2017 by 1.54% and 402.44% respectively. This is the fourth year that the Company's revenue has been declining due to the impact of industry slowdown since 2014, and intense competition in pricing to its risk of loss in the inspection industries. The allowance for doubtful accounts was also set, and another part of the revenue was used for the pending projects and overseas expansion. In addition, the Company is preparing to accommodate new business opportunities and emerging industries. As the Company considered that the current business model and industry situation are on saturation point, the Company's business goals and strategies need to be adjusted in order to increase customers in new industries in accordance to the following process:

1. 20 MW. Coal-Fired Power Plant Project

For the 20 MW. Coal-Fired Power Plant Project in Shan state, the Republic of the Union of Myanmar was established since 2012. The project has been continuously operating in terms of documenting and field preparing according to the procedures and laws of Shan state and the federal government. With its highly concerns on HIA and EIA, the project has been approved from Myanmar Investment Commission (MIC) since January 2018 which leads to the final process on implementing the Terms of Reference (TOR) for construction requirements process. Meanwhile, the field preparation for the power plant has been developed. Over 70% of other properties such as the office, accommodation, canteen, and the foundation of the power plant have been constructed, in order to prevent the damage from natural disasters, slope protection was also installed.

Regarding to the capital, foreign investment funds together with domestic and foreign investors have expressed their interest to support the project in terms of investment funds and venture capital after the approval of MIC procedure. All conditions are under the consideration process concerning to the best interests of the Company and shareholders as well as the rules of The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The process is expected to be concluded by the third quarter of 2019. However, the operation capital still requires some portions of the Company and Director's equity as the domestic financial institutions have not provided any opportunities for investing in Myanmar.

2. Investment in Indonesia

According to the significant decrease in the testing industry along with intense competition on reducing the service fee which turns in to high risk of loss, the Company decided to expand its inspection business to Indonesia as the competition in the market is still less aggressive. The expansion has shown the positive reaction beyond expected; however, the legal restrictions by that time still did not allow foreigners to practice this type of business. The procedures need to be proceeded through partnership and the business model has not yet adopted international standard system, especially, financing and accounting report. Recently, Indonesia has improved the laws to allow foreigners to own the share in this business. Therefore, the Company has the policy to join the capital in order to take further process and supervise to the former investment. The project is expected to be completed by 2019, which would be another major source to generate revenue for the Company in the future.

MESSAGE FROM THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

3. Debts Reserved for Doubtful Accounts

The amount of debts reserved for doubtful accounts were from foreign debtor who has been in the construction business of oil and gas industry for a long time. This company is admitted internationally and was a quality customer until it was severely affected by the recent oil and gas crisis together with the economic slowdown. Its revenue was inadequate and could not be able to pay off outstanding debts. TNDT has managed the risk by requesting the payment from existing assets which received good cooperation from the litigant company. The transferred assets are located in the Eastern Economic Corridor Development Area (EEC). The current value has been increased by at least 2 times compared to the acquired period. Expectedly, this would be able to recover the loss. In addition, the location of the area is greatly suitable for the company to use as a base of business expansion to enter the industrial sectors according to the government's economic development plan.

4. Expansion Plan of Inspection Business

The Company's expansion plan of inspection business is prepared for the new business opportunities to emerging industries. Together with the changing of consumer behavior according to the development of technology and innovation, the Company has seen the potential and has planned to prepare for those opportunities. Consequently, the Memorandum of Understanding (MOU) with CGN Dasheng Electron Accelerator Technology Company Limited was signed in December 2018 in order to corporately develop the technology and innovation of the electron beam properties for medical, industrial, and agricultural purposes, as well as public health and environmental conservation. Furthermore, it could help creating value added products and providing sources of learning and research for the country and Southeast Asia.

5. Diversification on Clean Energy Business

The Company has diversified its business line to clean energy. Two solar roof projects have been implemented and the revenue will be recognized within the second quarter of 2019. Over five projects opportunities are also expected to be within this year.

6. Backlog Projects

By the end of 2018, backlog projects that the Company has accumulated on hand in 2019 are valued 300 million baht.

The Company would like to thank all stakeholders for supporting the above progress and thank for all care and encouragement from the investors who has always followed the progress. The Company would also like to express sincere appreciation to all experts who are always there to provide advices; customers and partners who always provide kind support; as well as Company's employees who always devote themselves to work and assist the organization's activities to be success. The Chairman of the Board, Managing Director, and Executives will always adhere to lead the Company to sustainable organization.



(Mr. Suwat Dangpibulskul)
Chairman of the Board



(Miss Chomduen Satavuthi)
Managing Director



FINANCIAL SUMMARY

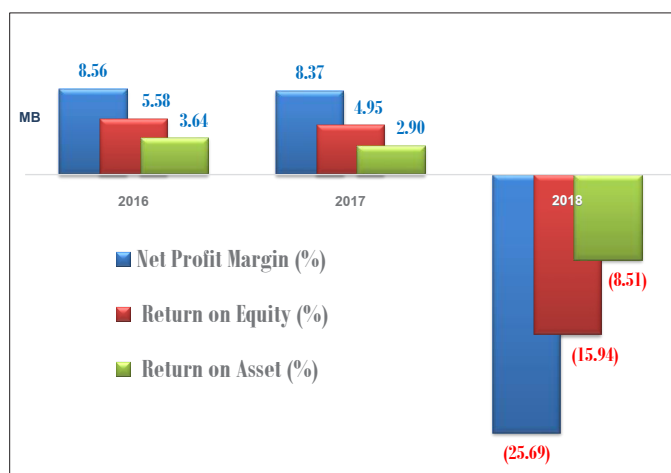
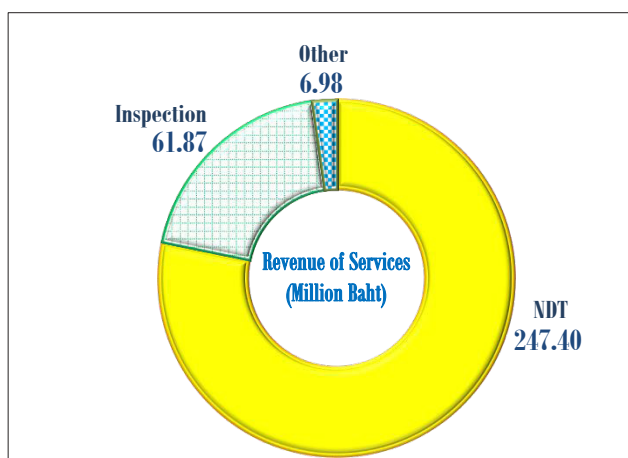
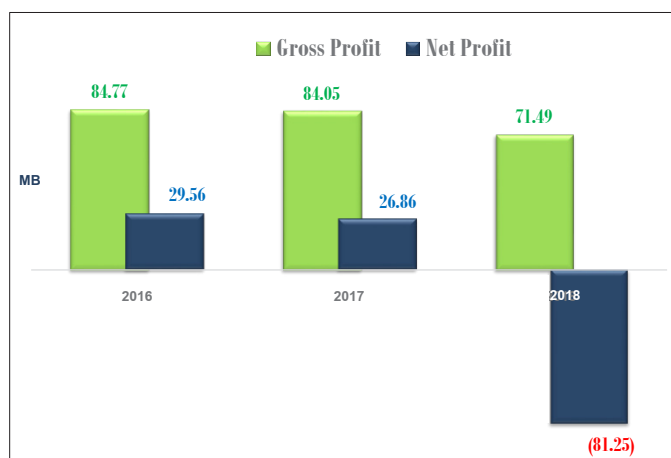
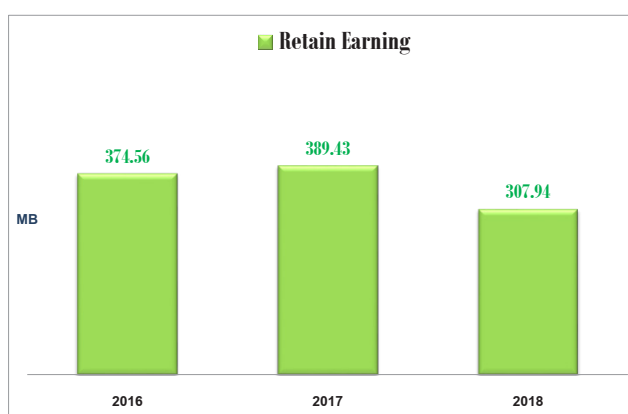
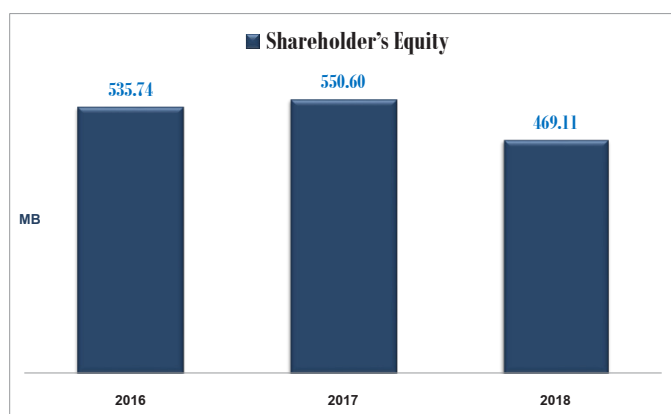
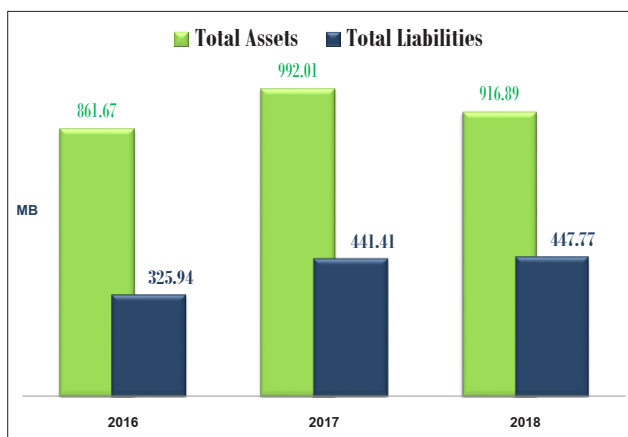
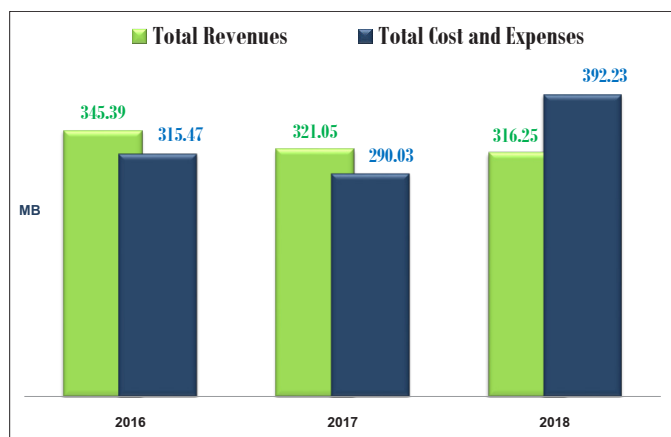
Financial Statement as of December 31, 2018. [The Company Only]

Financial Position / Operating Results (Million Baht)	2016	2017	2018
Total Revenues	345.39	321.05	316.25
Total Cost and Expenses	315.47	290.03	392.23
Gross Profit	84.77	84.05	71.49
Net Profit	29.56	26.86	(81.25)
Total Assets	861.67	992.01	916.89
Total Liabilities	325.94	441.41	447.77
Shareholder's Equity	535.74	550.60	469.11
Retain Earning (unappropriated)	374.56	389.43	307.94

Financial Ratio	2016	2017	2018
Net Profit Margin (%)	8.56	8.37	(25.69)
Return on Equity (%)	5.58	4.95	(15.94)
Return on Asset (%)	3.64	2.90	(8.51)
Debt Equity Ratio (times)	0.61	0.80	0.95
Net Profit per Share (Baht)	0.30	0.27	(0.81)
Book Value per Share (Baht)	5.36	5.51	4.69

Revenue of Services (Million Baht)	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
1. Revenue of the Service - NDT	279.26	80.85	250.88	78.14	247.40	78.23
2. Revenue of the Service - Inspection	59.32	17.17	63.21	19.69	61.87	19.56
Total Revenue of the Services	338.58	98.03	314.09	97.83	309.27	97.79
3. Other Revenue	6.81	1.97	6.96	2.17	6.98	2.21
Total Revenue	345.39	100.00	321.05	100.00	316.25	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 strictly based on the principle and guidelines under the international standard and the laws.
- b. Provide services with modern technologies, in accordance with the demands of the industrial sector. This means the constant development of technologies and innovations, 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 good governances in all parts of the Organization.
- d. Refuse and oppose all forms of corruption.
- 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) and increase business lines with high growth rates and low competition.
- g. Seek for the business opportunities according to the situation, for the stability of the organization.

Vision

To be a leader in NDT (Non-destructive Testing) testing and inspection services in the industrial sector according to the era and other techniques in the ASEAN region, as well as increasing business lines as opportunities.

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 to other industrial groups and catch up with the situation, together with increasing the energy business line to meet the target both domestic and in Asian Countries, especially in the Republic of the Union of Myanmar and the Republic of Indonesia, in which the projects 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. On the beginning, the Company's services were to supply in industrial sector with a high risk of accidents, for examples:- groups of oil, petrochemical and gas, including business chain and large steel structure, 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. While the consumption behaviour of society has constantly changed especially in technologies and innovations and the basic scientific principles used in the NDT process could be changed and applied to inspect in other industries easily such as the industrial, agricultural, medical and public health, etc., the NDT business could still have the opportunities of wide growth.

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 risks by the purpose of usability. In the testing process, both equipment and tools are used and based on scientific approaches, especially in the fields of physics, radioactivity substances, and chemistry, etc., together with the personnel with qualifications and expertise according to international standards, regulations, and law. The services can be operated in all conditions and are available as Real-Time system, being on-site, during the production or assembly processes, before usability and 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, professional practices and corporate governance 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 Regulations of the private and government agencies as follows:-

2.1 Department of Energy Business, Ministry of Energy

issues the certificate for testing and 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. Phor.PorLor.Bor.04/2561 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.

(5) Boiler Inspection Body by Thai Law, according to Certificate No. 7-60-007.



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 as follows :-

- 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 and issuing results as follows:-

- Safety standards of radiographic devices and radioactive materials.
- Results of film badges.

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 and Individual



BUSINESS OVERVIEW

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

The specifications and qualifications of NDT technicians 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 international standards and other related institutes.

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 4 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 Cycle Assessment

6. Efficiency of Technical Services

The Company offers 2 types of NDT technologies 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 the services fee is on the fundamental level.

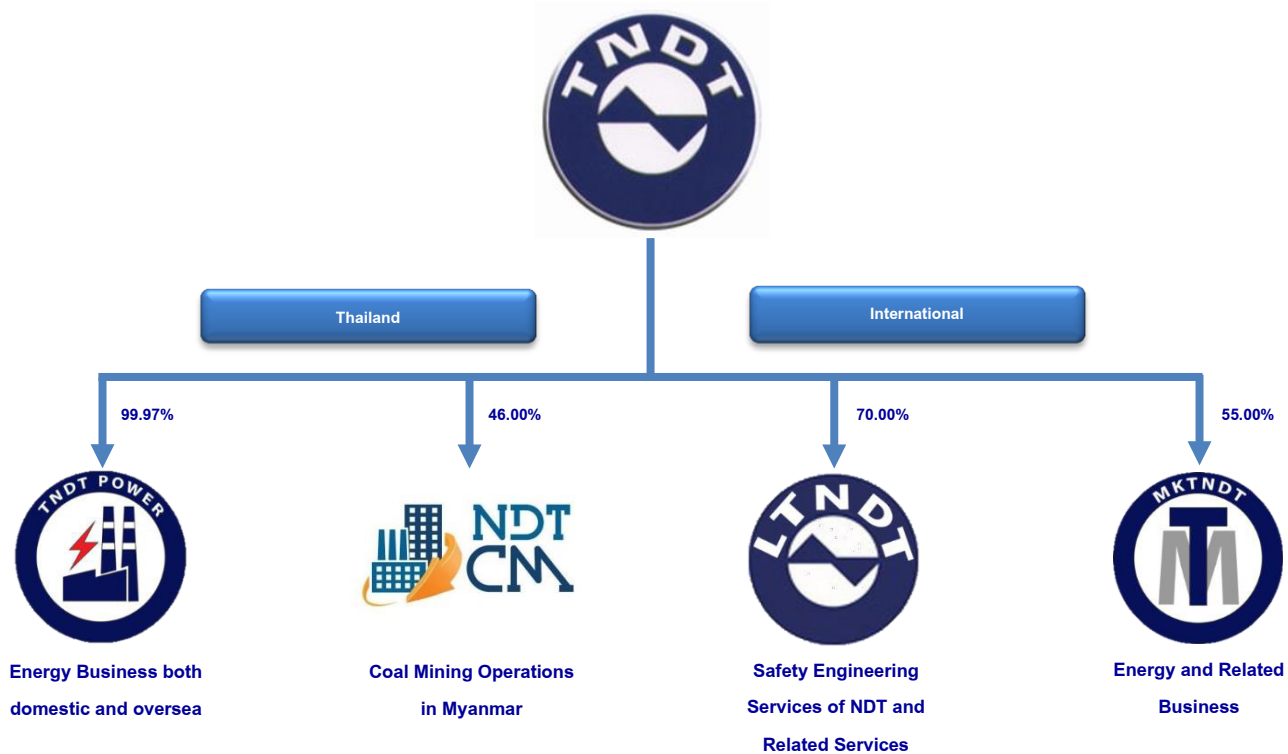
6.2 Advanced NDT: such as PA, AE, MFL, RBI, ET, etc.

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, 2018. (Register)

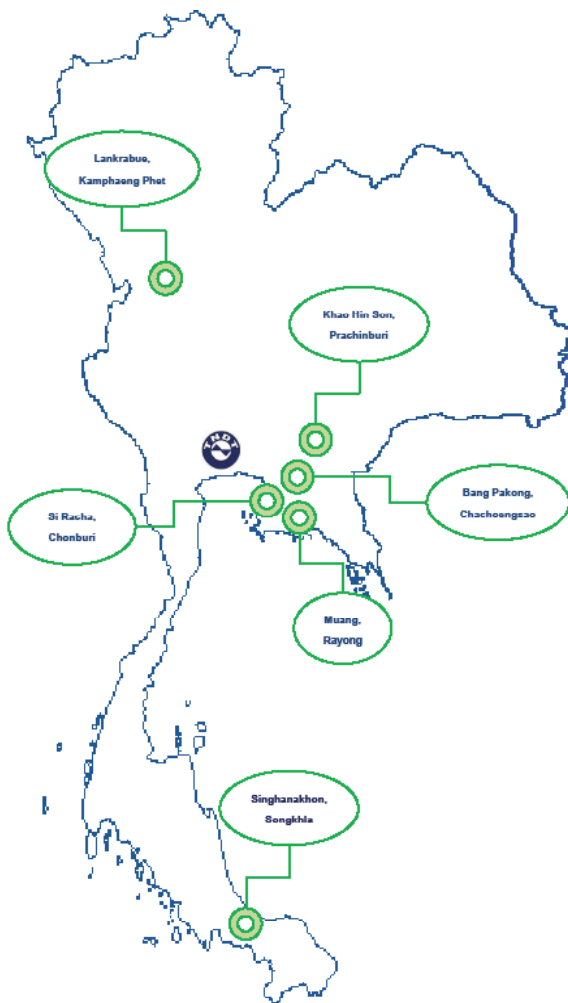


Service Centers

- 1990 Moved 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 Mabtaphut District, Rayong Province
- 1995 Site 1 LamKraBue District, Kampaengphet Province
- 1999 Site 2 KhaoHinSorn District, Prachinburi Province
- 2000 Site 3 Sriracha District, Chonburi Province
- 2013 Site 4 SingHaNaKorn District, Songkla Province
- 2018 Site 5 BangPaKong District, Chacheungsao Province

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
- Power Plant Expansion of the South Bangkok Power Plant
- 5TP-Fifth Transmission Pipeline Phase II Project, from Phanomsarakham, Chacheungsao to Sainoy, Nonthaburi.
- Module fabrication Project to Overseas (Wind Farm Formosa Project) - Chonburi
- PTTEP 5 Years Topside Offshore Project - Platform, Gulf of Thailand
- Module fabrication on Total U.S. Ethane Cracker / PTTGC ORP Naphtha Cracker Project - Chonburi



INDUSTRIAL SITUATION AND COMPETITIVE ENVIRONMENT

Normally, the business of testing and inspection services with NDT techniques, particularly the safety engineering in high-risk industries such as energy, petrochemicals, and fuel gas, chemicals, large scale structures, etc., is stable with an apparent group of customers. Due to the services shall cover legal requirements and international standard, the entrepreneurs in the above-mentioned industries, no matter how the economic situation is, if the productivities are still proceeding, the testing and inspection has to be inspected on the terms and by the third-party inspectors according to the law and international standards requirements. Meanwhile, the growth of the inspection business and the service fees are depending on the growth rate of the industrial situation, in which are in accordance with the demand-supply principle, and with restrictions on the qualifications of NDT technicians and entrepreneurs, in the knowledge, expertise and must pass the examination and certification from a variety of agencies causing the increasing rate of both NDT technicians and entrepreneurs to remain at a minimum. Similarly, the NDT business in other industrial sectors also comply with the international standards and specific laws of such industries. By these factors, the inspection business competition is not severe when compared to other businesses. The impact of industrial situation and competitive environment could be divided into 2 cases, in the case of a high growth industry, competition in the scramble for NDT technicians has caused a shortage of personnel. On the other hand, in the shrinking industry situation, the small volume of work would affect the low service price and the problem of overflow personnel. In the past, the Company rarely faced this situation due to the energy industry has often been on the upper stage, a little slowdown for a short period of time. By the crisis of oil and gas prices which had felt rapidly and continuously for a long time, never happened for nearly 40 years, affecting the whole industry and the inspection industry, which has fallen down violently for more than 5 years. While the competitions were still intense continuously, the trend of inspection business, which was currently serving to the oil and gas industry, has met the saturation point. In addition, during such time, there has been the development of new technologies and innovations occurring rapidly and have been wildly used in industrial sectors, such as in the industrial, agriculture, public health, etc. Many projects have been transformed, expanded, and increased widely, both in large infrastructure, energy, environment, productivity, and product value creation, etc. Such projects would result in the inspection industry with NDT techniques in the existing and emerging industries, with a high opportunity of returning to grow rapidly and continuously, while the competition was still not intense. The Company has fully prepared for this opportunity.



GOALS AND BUSINESS STRATEGIES

For the impact of economics and industrial conditions were in the recession. In particular, the crisis in petroleum oil and gas prices has been declining since 2014, affected directly to the inspection industry, shrinking continually till year 2018. There were severely competed for inspection industries with service providing in low price, causing the unfair business practices that affected service costs. These were the high risks of loss in revenues, and lack of third-party profession independence, which the Company has chosen to avoid operating business in this way, resulting fewer job opportunities. Anyway, the Company has still maintained to services with quality and standards, affecting the revenues to decrease continuously. Even though the Company has applied the policy to increase the advanced techniques to serve the customers' requirements with high service fees, including expanding the business base to the Republic of Indonesia with business opportunities and mild competition, in which achieved the goals. The results of operations in the year 2018 has clearly shown the recovery, but it was not enough to compensate the reduced. Although the oil and petroleum gas industry situation including the business chain have tended to be better, on the contrary as evaluating to the previous situation, the opportunities of inspection industry growth in the mentioned industries could not return to normal as before the crisis, and the competition that has been still continually intense, being a signal indicative of an era of business operations which has reached the transition point. There were remodelling of the types of business in various industries, usage of technologies and innovations, and the behavior of consumers, in which was clearly visible from the government's national economic and social development plans, and the projects that was of interest of the investors, for examples : renewable energy, energy saving, solving the environmental issues, creating the productivity value in agricultural and industrial, together with the expansion of infrastructure in the Mega Projects such as the EEC project, Double Track Railway project, U-Tapao Airport, etc. These projects would lead to changes and expansion in every industry, which would be an opportunity of inspection industry to return with continue growth. The Company has prepared both adapting and developing the technologies and innovations in the NDT services to be proper for the existing industry groups and emerging industry groups, by setting goals and strategies as follows:-

1. Goals in Business Operation

The Business Plan for 3 years (2019 - 2021)

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 30% 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 approximately 10% increase in 2019, and the business in energy saving at least 1 project per year.
- D. Expand to the new inspection industry at least 1 project per year.

1.1.2 Overseas

- A. 20% increase in revenues from inspection and testing services internationally per year.
- B. Expand the overseas business opportunities at least 1 project per year.

1.2 Diversify

In energy, fuel, and infrastructure.

1.2.1 Domestic

- Revenue recognition from the energy business at least 1 project per year.

1.2.2 Overseas

- Conclusion according to the energy business plan at least 1 project per year.



GOALS AND BUSINESS STRATEGIES

2. Business Strategies

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

2.1 Being confident and having faith in the leader.

2.2 Being accepted the transforming and changing behaviour to suit the era.

2.3 Encouraging unity; work together in the same direction to achieve the objectives.

2.4 Adjusting the attitudes and values with reason in the case of conflict of opinions, and eliminate conflicts in all cases.

2.5 Preparing the organization to support new business opportunities.

2.6 Seeking for the partners to diversify the services and expand the businesses.



SIGNIFICANT DEVELOPMENTS OF THE COMPANY

The major developments in 2018 can be summarized as follows :-

1. Domestic

1.1 Since the Company has received 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”** in the year 2017. The fund was used to invent the innovation until the completion in November 2018 and such innovation would be actually operated in **“Natural Gas Transmission Line Project No. 5, Part 2”**, with the project value of approximately 52 million baht.

1.2 The Company has signed the Memorandum of Understanding (MOU) with CGN Dasheng Electron Accelerator Technology Co., Ltd. to co-develop the technology and innovate the properties of Electron Beam (EB), to be a substrate for utilizing in medical, industrial, agricultural, public health, including environmental conservation and productivities creation of the Research and Development (R&D) Center in Thailand and South East Asia.

1.3 The Company has signed the Cooperation Agreement with Partner to jointly develop renewable energy and infrastructure businesses in Thailand.

1.4 The Company has entered into 2 solar-roof energy business projects, which would be recognized approximately in the 2nd quarter of 2019.



2. Overseas

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

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. Moreover, the Certification of Myanmar Investment Commission (MIC) has already been approved on January 2018, and the Terms of Reference (TOR) has been drafted for further selection of the construction contractors. For the current progress of the project, the construction of power plant components, such as office buildings, residences, canteens, including the foundation of the power plant, as well as slope protection to prevent erosion or sliding flow of soil which has already taken over 70%.

After the MIC approval, there were foreign funds and entrepreneurs both domestic and overseas paying attention to both financial support and investing in the project. The Company was considering the detail of conditions with regards to the best interests of the organization and the proportion of the investing, which should be complied with the procedures and criteria of the SEC and the SET. Nowadays, some of the investment funding have been by the Company and the Directors. Anyway, the sources of funding by the domestic financial institutions have not supported the investment in Myanmar.



SIGNIFICANT DEVELOPMENTS OF THE COMPANY



<< Temporary Office

Office Building >



Canteen

Carpark >>



<< Operator House

2.2 The Republic of Indonesia

The Company has invested with the Indonesian partner in the NDT Testing and Inspection business in the Republic of Indonesia since 2015 and was able to recognize the revenues since the 4th quarter of 2015 with continuous revenues generating. The Company was confident to invest in business operations permanently when the opportunities for Investment promotion law was opened, which was expected by the year 2019. The Company expected this opportunity would be a major source of revenues for the Company in the near future.

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 economic recovery was not in good order. Some customers still paid debts over the duration, including denying the debts from going out of business, 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, including the conversion of assets to pay debts. For the lawsuits would only be the last option, to maintain the customer base when the economy recovered. Anyway, the Company has also been rigorous in selecting customers with stable financial status and collateral.

1.1.2 Debt from investment :

Due to the Company's operation result was unrecoverable, some projects from business expansion plans were pending, both domestic and overseas. 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 oversea inspection business, the revenues were clearly recognized and had a tendency of growth continuously. For the coal-fired power plant project, the permits of power plant business operations have already been completed. Nowadays, the Company is considering the sources of funds and investors, by taking into account of the best benefits of the Company, and rules and regulations of the SET. Meanwhile, the investment in 2 solar solar-roof power projects, which were short-term projects, could be recognized the revenues approximately in the 2nd quarter of 2019.

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, either the workpieces which are imported or the foreign serviced, all 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 Drawing a carefully-planned for raw material usage according to the actual project workload in each period, along with closely tracking the industrial situation.

2.1.3 Maintaining 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 official regulations, 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:

Risk from the industrial situation and competition can be classified as follows:

2.2.1 In the inspection industry with high growth rates, the shortage of personnel especially NDT technicians, the competition for personnel snatching will be intense. The Company has managed this risk by educating NDT technicians regularly to suit the growth of the industrial situation and maintain the technicians by promoting, benefiting and motivating to stay with the organization consistently.

2.2.2 In the case of a severe industry contraction has occurred since 2014, the intense competition in low prices and the overflow of personnel, the Company has managed the risk as follows-

- A. Controlling the costs of services and manage the organization concisely.
- B. Maintaining the principle of business operations strictly with morality and standards, to retain the good customers base and the upcoming opportunities.
- C. Reducing the Risk from the industries the Company served, by increasing opportunities to other industries with an opportunity of continual growth in the future and low competition, such as renewable energy, value creation for productivity in industrial and agricultural, etc.
- E. Diversifying to business lines with high business opportunities.
- F. Seeking for business partners in order to strengthen the organization.

2.3 Contractors' Procurement Risk:

The construction contractors (customers) are mostly the private sectors. The projects 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 these issues, in order to avoid such risks, 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. For the recent crisis of oil and gas prices, there was a high competition to get jobs and led to the unfair business behaviour of customers which was a greater risk of loss and corporate governance. Furthermore, the procurement by auction method for the large projects was the Company's target customers group. While the inspection industries were competed severely and the economic recession, the auction would focus on low prices regardless of the cost, creating conditions for reciprocal benefits from bidders easily, and making it a great opportunity to miss these auctions. Any missing of opportunities would mean a significant impact on operations. The Company has managed these risks through the turnkey services by QA & QC management in order for the burden reduction and being beneficial to the project owners, for which still having low competition, and for more business opportunities of the Company.

3. Management Risk in the Organization

3.1 Sufficient Manpower:

The qualified NDT technicians and experts are the main factor of the inspection businesses and in high demand in the industrial sector and inspection entrepreneurs. To qualify these personnel must 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 regularly, which will increase in violation on the expansion of industry. Nevertheless, by the current shrinkage of the industrial sector, the overflow personnel occurred. The Company has resolved these issues by planning the appropriateness of personnel and workload, seeking the partners in inspection industry to solve the problem of shortage and overflow personnel problems appropriately.

RISK MANAGEMENT AND RISK FACTORS

3.2 The Personnel Management:

There are three guidelines, they are :

(A) Promoting personnel in the Organization for more quality and up-to-date efficiency, being trained by the instructors, specialists, experts, etc. both internal and external of the Organization, for the purpose of fully 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 both domestic and international, who are qualified NDT technicians with knowledgeable, experience and expertise, correspond directly to reduce the cost and time in forming the personnel and minimizing damage when migrating, reduce the labour law obligations, they are to enhance the services.

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

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 improve 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 Employees and other concerned:

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 has fully provided 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 has held trainings on correct and safe work practices, including how to deal with emergency cases for the employees, subcontractors and customers and reviewed regularly and timely. They were to ensure the safety and the confidence in the operations and services of the Company.

In addition, the Company was aware of the health and safety of the employees, especially the radiation operators, and would perform a monthly radiation dose check by the HSEQ department, as well as the Company's annual health check-up. This also included 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 corporate social responsibility thoroughly, complies 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 36 years of being in the business, the Company has never once been filed 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 overseas, it will affect both the whole industry and the inspection industry. In the past the Company was affected by the political policies, but it was not much severe than the governance and morality crisis that was happening in society especially the corruption problems nowadays. The Company has planned risk management by avoiding involvement in unfair business behaviour and accelerating the development of NDT personnel with potentiality and efficiency and expand the business steadily both domestic and other countries with high business growth, 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.

5.2 Governance Agency 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.

5.3 Regulatory Risk:

The government's policy, on minimum wage increase since 2012 onwards, affected directly to the Company's employee wages and increased in proportion to the increasing service costs, but not so much affected to the qualified personnel. However, the Company reduced the risk of unskilled labour to be accelerated the development of NDT personnel with more potential and efficiency to serve the customers in order for more volumes of work, revenues, 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.

RISK MANAGEMENT AND RISK FACTORS

5.4 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, throughout the past 32 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 passed on, more competitors have emerged in the business, the more severe competition might potentially affect the commercial unfavourable operation, including the recession in related industry might affect the results of performance at a level of no conducive to commercial, as well as the evolving age of technology, innovation, consumers' behaviour and new opportunities which constantly arises. Remodelling the business management policy in appropriate situation is necessary for the growth of Organization. Therefore, these risks are 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 in year 2019. 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 53.30% 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 control team to conduct the audit 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 AUDIT COMMITTEE

Dear Valued Shareholders,

The Audit Committee of Thai NDT Public Company Limited comprises of three Independent Directors, All of the Audit Committee members are not executives, 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). The Audit Committee has performed the duties as authorized by the Board of Directors, and has strictly adhered to the Charter of the Audit Committee. The Committee's duties were 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, including 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 2018, the members of the Audit Committee's meeting attendance were named as follows:-

No.	Name	Position	Attendance
1.	Dr. Wicha Jivalai	Independent Director / Chairman of the Audit Committee	5 / 5
2.	Mr. Narong* Rattana	Independent Director / Member of the Audit Committee	2 / 3
3.	Mr. Vichai Watcharavattanakul	Independent Director / Member of the Audit Committee	5 / 5
4.	Dr. Chumpol* Kluaymai-ngam	Independent Director / Member of the Audit Committee	- / -

**Mr. Narong Rattana, Independent Director / Member of Audit Committee had resigned on 14th August, 2018. The Board of Directors had the resolution to appoint Dr. Chumpol Kluaymai-ngam to be an Independent Director / Member of Audit Committee from 22nd December, 2018 onwards, with a term of tenure 2 years and 4 months.*

In addition, the Audit Committee had convened the meetings between non-executive directors, external auditors, and internal auditors, in the relevant agenda to discuss various issues regarding the management which was interesting, without participation by the Executives. In the year 2018, there were 5 meetings convened.

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 2018.

The Audit Committee has 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, as well as the preparation of the management discussion and analysis (MD&A). 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 were 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 2018, there were 4 meetings attended by only the external auditors, and were held without attendance of the Company's Executive, in order for the external auditors' independence in their duties and opinions.

Having carried out the responsibilities, the Audit Committee was of the opinion that the financial statements of the Company for the year ended 31 December 2018 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.

REPORT OF THE AUDIT COMMITTEE

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

The Audit Committee has reviewed the reports of Independence and Internal auditors (Audit Team) for the internal control systems 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, consistent with changes in the environment and various situations both inside and outside, 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.

3. Monitoring the assessment of Risk Management.

The Audit Committee monitored the policies and planning of risks management along with the corporate risk profile of 8 elements of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which covered the guidelines for determining the policies of management, operations and risk management, 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 by the internal audit team, 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 whistleblowing/complaints, including measures to protect whistle - blowing / complainant to prevent and manage the risks of corruption that might incur in any performances of the Company, the channels were disclosed on www.tndt.co.th, the Annual Disclosure Information (56-1) and Annual Report (56-2).

5. Monitoring of Good Corporate Governance, Corporate Social Responsibility, and Compliance with the Rules, Regulations and law related to 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 Responsibility to Corporate Social, Community and Environment. In 2018, the Company has been assessed for Corporate Governance Responsibility (CGR) on "Excellent Level" for the third consecutive year with a score of 93.

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.



REPORT OF THE AUDIT COMMITTEE

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, as well as the qualifications were in accordance with the regulations of the Public Company Act, the SET and the SEC, which defined that the auditor must have no shares, no any other services than auditor, no relationship or transaction with the Company, its subsidiaries, Directors, major shareholders or the connected person, should be independent to audit, and comment on the financial statements of the Company and its subsidiaries. In all, their performances were satisfactory, and the arrangements of financial statements were timely. The Committee has reviewed all appropriateness and appointed the auditors, including 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 2019. 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.

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 Executives, the Board, the Shareholders, or 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.

8. Reviewing the Information Technology System.

The Audit Committee has considered and promoted to set up the policy and measures to prevent access and safety control of the usage of information technology and internal information in the availability of information regularly, provided the information access in the order of employees' duty and position. In addition, there was a system to prevent damage of information technology which might be utilized dishonestly, or changing information without permission, or taking advantage of confidential information that might affect the price of securities. The Committee would monitor the internal control systems, through the auditing by the internal audit team.

9. The Review and Practice of the Charter of the Audit Committee

The Audit Committee has reviewed the charter of the Audit Committee annually, in compliance 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.

10. 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

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Valued Shareholders,

The Nomination and Remuneration Committee (NRC) of Thai NDT Public Company Limited comprises of three members, who are knowledgeable on the roles and corporate governance, being independent, reliable, prudent and time devotee on the 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. In 2018, the members of the Nomination and Remuneration Committee's meeting attendance were named as follows:-

No.	Name		Position	Attendance
1.	Dr. Wicha	Jivalai	Independent Director / Chairman of the NRC Committee	2 / 4
2.	Mr. Narong*	Rattana	Independent Director / Chairman of the NRC Committee	2 / 4
3.	Mr. Vichai	Watcharavattanakul	Independent Director / Member of the NRC Committee	4 / 4
4.	Mr. Chaya	Jivakate	Non-Executive Director / Member of the NRC Committee	3 / 4

**Mr. Narong Rattana, Independent Director / Chairman of NRC had resigned on 14th August, 2018. The Board of Directors had the resolution to appoint Dr. Wicha Jivalai to be an Independent Director / Chairman of NRC from 14th August, 2018 onwards. In this, Independent Directors were exceeding a half of the total number of the Committee Member.*

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 2018, the Committee has carefully considered the qualification of the three Directors 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 2018**", the topic of "Selection of Board Members and Top Executives" and "**the Annual Disclosure Information 2018**", 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 best interests 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. 12/2018.

In addition, as the Board of Directors' Meeting No. 5/2018, 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 in the Annual General Meeting of Shareholders for the year 2019, which was distributed to the shareholders through the Stock Exchange of Thailand and the Company Website (www.tndt.co.th) during January 3, 2019 to February 4, 2019.



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

2. Determine Guidelines and Policies of the Remuneration of the Company's Directors and the Top Executives.

2.1 Remuneration of the Directors

Determining appropriateness by comparing to other companies in the similar fields and in the same level, the survey data on the remuneration of the Stock Exchange of Thailand, the business expansion, the results of operations, the growth of the Company's profit, together with the duties and responsibilities in the past year both normal and assigned duties, as well as in compliance with the Company's strategies and long-term goals. 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 Top Executives

Determining by taking into the business expansion, results of operations and the growth of Company's profits, including the results of the performances and the duties and responsibilities according to strategic objectives in the past year, as well as in compliance with the Company's strategies and long-term goals, and presented to the Board of Directors for approval and managerial proceeding later.

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 were 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 the skill matrix were set up by the SEC, SET, the Capital Market Commission, Thai Institute of Directors and etc. For the New Directors, they 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 2018, the 2 Directors have attended the training to develop their knowledges for 4 courses and the orientation for 1 new Director, 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 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.



(Dr. Wicha Jiwalai)

Chairman of

the Nomination and Remuneration Committee

INTERNAL CONTROLS

In the Board of Director's Meeting No. 1/2019, held on 23rd February 2019, 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 related laws and standards.

The Board of Directors has determined 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. Moreover, the Board has emphasized greatly on the internal control system, both in the executives' level and the operational level in order to reflect the long lasting efficiency and the effectiveness in all areas, be in the internal atmosphere. The operational risk assessment and risk management policy would be covered the whole organization, in order to prevent corruption cases which might incur in operations or others. The Board has assigned 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 system in order for continually developing and improving the efficiency and effectiveness of operations. 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 8 key elements, which covered the guidelines for determining the policies of management, operations and risk management as follows:-

- (1) Internal Environment
- (2) Objective Setting
- (3) Event Identification
- (4) Risk Assessment
- (5) Risk Response
- (6) Control Activities
- (7) Information and Communication
- (8) Monitoring

In year 2018, The Audit Committee was of 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, to prevent any activities which might cause any corruption of the Company, together with to prevent the inappropriate transactions with persons related to the Company. In the past, the transaction was approved by taking into 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.



INTERNAL CONTROLS

Chief of Internal Audit Team

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 Chief of Internal Audit team has performed its duties independently for the development and reviewed the effectiveness of the risk management system, the internal control system, 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 Controllers, for example:- Miss Thasawan Srinarieng / Internal audit officer and Miss Vajana Sakulraemrung / Administration Manager / Coordinator between the Directors and the Internal audit team, 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 would review, suggest 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 Audit team or the assigned person should 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 Team" of **the Annual Disclosure Information 2018** and on **the Annual Report 2018** in the title of "The Management - Company Secretary and Chief of Internal Audit", Page 55.

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 realizes and emphasizes to operate the business with honesty, integrity and takes responsibility to the community and to all groups of stakeholders, and strictly complies on the good corporate governance policies, ethics, code of business conduct, and work regulations of the Company, including the rules and regulations of government and private sectors as related to the business operations. The Board also monitors the Company to set up the policy and guidelines of Anti-Corruption, including the procedure of training to promote and cultivate the employees' knowledge on this matter. In addition, the Company cultivates the bribery prohibition for the company's business interests and the awareness of performing duties with integrity, while the performances shall be monitored regularly.

Anti-Corruption Policy

"The Directors, Executives, the Company's employees are prohibited from employing their authorities, be it for the direct or indirect benefits to self, or any others. This includes prohibiting the offer of unlawful benefits to any other person in order to obtain the Company's business interests. The Company shall monitor the Anti-Corruption Policy, review and assess at least once a year, as well as revise the practical and requirements of the guideline in accordance with the changing of the business, standardized regulations and the legal related requirements".

In all, the Company has publicized the knowledge through the information technology, announcement letter, and training for the employees in the organization and the related persons for the 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 adhere as a guideline and performed the Anti-Corruption Policy along with each operations activity. The Company would assess the risk of corruption that might arise in each process regularly. In case of corruption or misconduct action was found, employees and all stakeholders could notify through the Company's channels as defined, to proceed the auditing, solving and preventing, including reporting to the Board of Directors later. Those whistle-blower / complainants could consider the channels of notifying as appropriate.

In addition, the Company's internal control team would be responsible for monitoring by the quarterly monitoring plan and reporting to the Audit Committee for consideration, as well as presenting to the Board of Directors for appropriate solution and determination.

The Whistle-blower / Complainants 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.

Whistleblowing / Complaints / 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 whistleblowing / complaints / 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 to the Independent Committee / the Audit Committee and the Board of Directors for consideration consequently.



CONNECTED TRANSACTIONS

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2017 and 2018 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. In 2018, Ms. Chomduen Satavuthi and Mr. Suwat Dangpibulskul / the authorized director had resigned from the position of directors. Allowing Mr. Thanun Satavuthi to be a replacement director, while Ms. Chomduen Satavuthi has held a 10% shares of paid-up capital. Mr. Suwat Dangpibulskul and Miss Vajana Sakulraemrung had sold all their shares.	No transaction in 2017. In 2018, the registered capital was increased to 30.00 million baht, divided into 300,000 shares, 100 baht per share value.	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. The Company paid Baht 0.24 million during each of 2017 and 2018.	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. The Company paid Baht 0.216 million during each of 2017 and 2018.	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.

CONNECTED TRANSACTIONS

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
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	<p>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.</p> <p>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.</p> <p>In 2018, No any transaction.</p>	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.
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 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>In 2018, there was an additional guarantee for credit limit from financial institutions in the amount of 20.00 m., 9.00 m. and 20.90 m.</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.

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.	<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 million 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, Bangkapi 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>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.</p> <p>(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.</p> <p>In 2016, the guarantee covered as on (1) - (5)</p> <p>In 2017, the guarantee covered as on (1) - (6)</p> <p>In 2018, there was an increase in guarantee on credit limits of Baht 29.0 million to the financial institution for the 4 lands of NorSor 3 Kor No. 610, 611, 1242, 1243, Sri MaHaPoo Sub-district, Sri MaHaPoo District, Prachinburi Province.</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.

CONNECTED TRANSACTIONS

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
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 2017 and 2018, 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 2017 and 2018, 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. In 2017 and 2018 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 2017 and 2018, 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 31 December 2017, the advances payment at the amount of Baht 58.83 million, included the total advances payment to prepare land in construction area of the power plant at the amount of Baht 29.09 million. In 2018, there were total advances payment at the amount of 59.90 million. These were the transaction of the subsidiaries, shown as advances payment in the financial statement of the Company.	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 31 December 2017, there were total advances payment at the amount of 11.52 million, concerning to the supply of energy business in Republic of the Union of Myanmar. In 2018, the advances payments at the amount of Baht 7.32 million were remaining. 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 31 December 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. In 2018, there were total advances payment at the amount of Baht 244.03 million. 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, 2018, 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 Record Date (RD) for the right of shareholders to attend the AGM 2019 (XM) should be on 12th March, 2019 comprised of:

Name	Number of Shares	%
1. The Ms. CHOMDUEN SATAVUTHI consist of¹		
1.1 Ms. Chomduen Satavuthi	43,833,940	43.83
1.2 Mr. Krirkkiat Satavuthi	4,270,000	4.27
1.3 Mr. Suwat Dangpibulskul	1,831,000	1.83
1.4 Mr. Anusorn Satavuthi	1,537,500	1.54
1.5 Mrs. Juraistri Satavuthi	1,351,400	1.35
1.6 Ms. Rassiya Satavuthi	474,900	0.47
Total	53,298,740	53.30
2. The PAN-NGUM consist of		
2.1 Mr. Ittiphol Pan-ngum	1,570,000	1.57
2.2 Mrs. Wattanee Pan-ngum	1,903,000	1.90
2.3 Mr. Settha Pan-ngum	650,000	0.65
2.4 Mrs. Thippawan Satphaibulkij	245,500	0.25
Total	4,368,500.00	4.37
3. Mr. Charoen Vattasingha	4,100,000	4.10
4. The WONGKUSONLERD consist of		
4.1 Mr. Sompong Wongkusonlerd	2,235,000	2.24
4.2 Ms. Patinya Wongkusonlerd	100	0.00
Total	2,235,100	2.24
5. 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
6. The SATHIENSAKPONG consist of		
6.1 Mr. Muangthong Sathiensakpong	1,524,300	1.52
6.2 Mrs. Thipaporn Sathiensakpong	20,000	0.02
6.3 Mrs. Pimpaka Sathiensakpong	7,000	0.01
6.4 Mr. Nutthun Sathiensakpong	3,900	0.00
6.5 Mr. Surin Sathiensakpong	2,000	0.00
6.6 Mr. Chaipreuk Sathiensakpong	1,500	0.00
Total	1,558,700	1.56

SHAREHOLDING STRUCTURE

Name	Number of Shares	%
7. Miss Janthawan Charoontham	1,330,000	1.33
8. Mr.Suchai Lertpichet	1,205,000	1.21
9. Mrs. Sarinya Wangwacharakul	898,800	0.90
10.Mrs.Thasanee Jeunarongrit	778,200	0.78
Total top 10 major shareholders	72,023,440	72.02
Others	27,976,560	27.98
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. Krirkkiat Satavuthi, Mrs. Juraisri Satavuthi, Mr. Anusorn Satavuthi, Ms. Rassiya Satavuthi, and Mr. Suwat Dangpibulskul (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 12, 2019.

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	1,314	99,998,989	100.00	2	603,900	0.60	1,312	99,395,089	99.40
Foreign Shareholders	3	1,011	0.00	0	0	0.00	3	1,011	0.00
Total	1,317	100,000,000	100.00	2	603,900	0.60	1,315	99,396,100	99.40

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

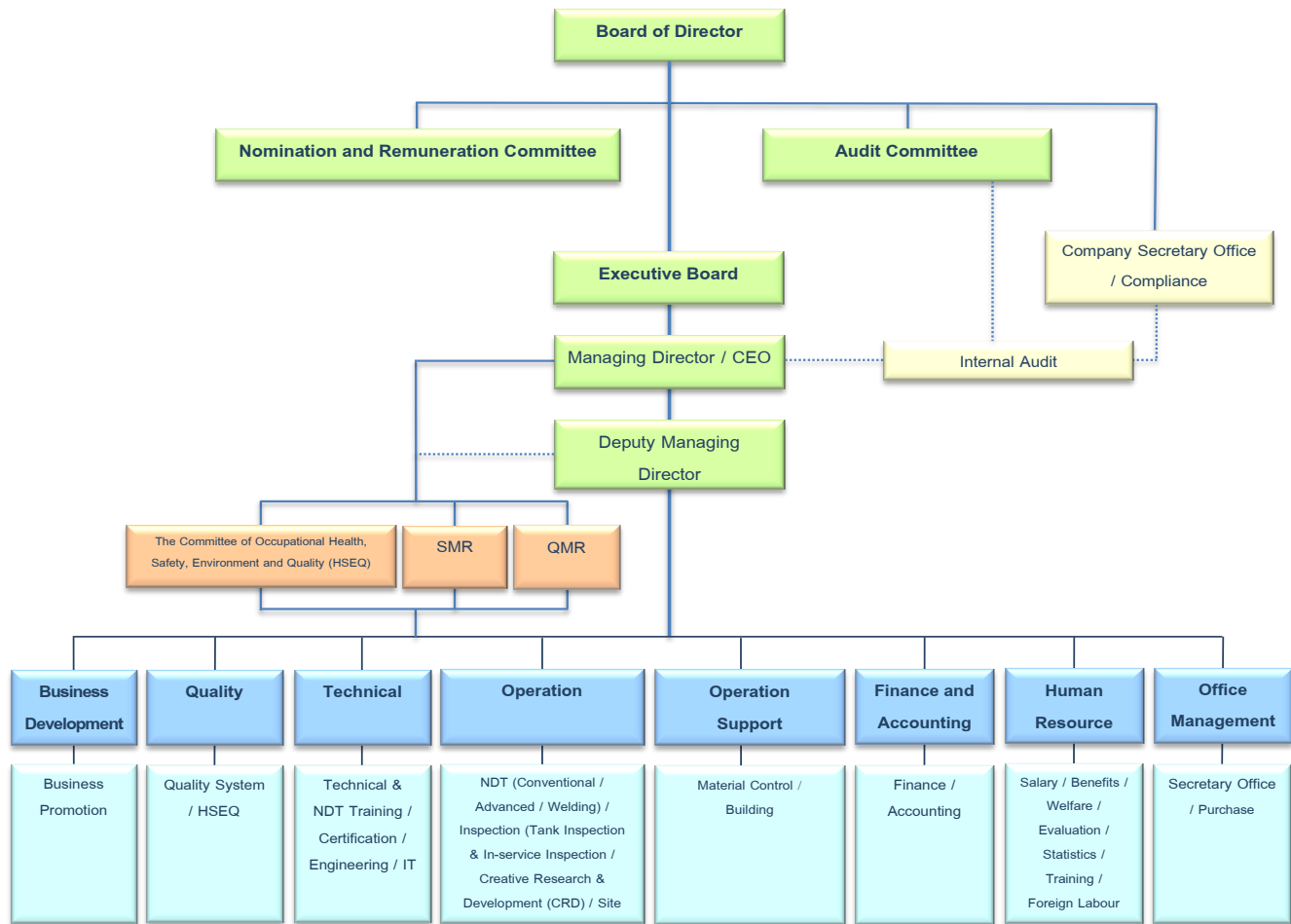
4. The information of securities holding of the Directors and the Executives in year 2018.

No.	The Directors and the Executives Name	Position	As December 31, 2018 (Ratio / No. of Shares)	As December 31, 2017 (Ratio / No. of Shares)	Increase/ (Decreases)	% Change
1.	Mr. Suwat Dangpibulsul	- Chairman of the Board - President of Executive Board	1.83% / 1,831,000	1.82% / 1,824,000	7,000	00.38
	Spouse / Immature Children		43.83% / 43,833,940	37.83% / 37,833,940	6,000,000	15.86
2.	Mr. Chaya Jivacate	- Vice Chairman of the Board - Director of Nomination and Remuneration Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
3.	Miss Chomduen Satavuthi	- Director / Executive Director / Managing Director	43.83% / 43,833,940	37.83% / 37,833,940	6,000,000	15.86
	Spouse / Immature Children		1.83% / 1,831,000	1.82% / 1,824,000	7,000	00.38
4.	Mr. Krirkiat 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 / Director of the Audit Committee / Chairman of the Nomination and Remuneration 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.	Dr. Jumpon Kluaymai-ngarm	- Independent Director / Director of the Audit Committee	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
10.	Mr. Thanun Satavuthi	- Deputy Managing Director	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00
11.	Mr. Sahawat Techachan	- Business Development Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
12.	Mr. Tin Maung Aye	- Technical Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
13.	Mr. Somouy Tangchithavornkul	- Operations Manager / HSEQ Manager Quality Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
14.	Mr. Thammarath Sroysomboon	- Operations Manager / Operation Support Manager	lower than 1 % / 10	lower than 1 % / 10	-	00.00
	Spouse / Immature Children		-	-	-	00.00
15.	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
16.	Mr. Niyom Minivathakorn	- Finance and Accounting Manager	-	-	-	00.00
	Spouse / Immature Children		-	-	-	00.00

Remark:

As of December 31, 2018 and 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.

MANAGEMENT STRUCTURE



The Company in year 2018 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	x	-
7. Mr. Narong**	Rattana	/	x	/	-
8. Mr. Vichai***	Watcharavatanakul	/	/	/	-
9. Dr.Jumpon****	Kluaymai-ngarm				

Remark :

x	=	Chairman
/	=	Director
*	=	Acting Chairman of the Nomination and Remuneration Committee instead **
**	=	Resigned on 14 th August, 2018.
***	=	A Director proficient and graduate in accounting.
****	=	Appointed on 22 nd December 2018.



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.

9) Oversee and monitor the disclosure of information, in compliance with relevant rules and regulations, on the annual information disclosure form (Form 56-1), annual report (Form 56-2) and the company website www.tndt.co.th

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) Oversee 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 / appoint / determine the scope of authority, responsibility, management structure in written for individuals who act as a director, executive or authorized person in a subsidiary, in order to perform the duties as assigned and in accordance with the subsidiary's policy. They are to protect the interests of subsidiaries and in compliance with the policy of the parent company, including to disclose important information, such as connected transactions or capital increase/reduction transactions, etc.

8) 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.

9) 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.

Overseeing and Monitoring Compliance

1) Oversee 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) Oversee the directors to take responsibilities and allocate sufficient time to enable performing their duties as assigned.

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



MANAGEMENT STRUCTURE

- 5) Consider and approve the Report of The Sub-Committees' responsibilities and the Accountability to Financial Report.
- 6) Have the policy to empower non-executive directors, independent directors/audit committee / non-executive directors mutualize the meeting as necessary, to discuss various matters regarding the management as their interesting without the management attending.

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.

Audit Committee

The Audit Committee consists of 3 Directors, all 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

Overseeing 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 overseeing 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 Audit Committee's meetings and meeting attendance by each audit director.
 - (7.7) Overall opinion or observation rendered by the Audit Committee 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.

MANAGEMENT STRUCTURE

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 related law 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.

(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 ethics and code of business conduct, 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.

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 Renumeration 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, set up and review the guidelines and policies in nominating the Board of Directors and other Committee Members, including the qualifications of Board Members and Top Executives or key positions in the management structure on the Company's Good Corporate Governance Manual and Succession Plan. The guideline and policies are also reviewed annually and 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) In case the Board of Directors has appointed any individuals to be a consultant, his/her information including independence or no conflict of interest shall be disclosed in the annual report.

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

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

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



MANAGEMENT STRUCTURE

Remuneration

1) Consider and review the guidelines and policy of remuneration for the Board and Committees, both monetary and non-monetary of which are the fixed rate of remuneration (such as Meeting Allowance and Remuneration Allowance), and remuneration depending on the company's operation results (such as bonus) with principles or guidelines and structure which are fair and reasonable. Moreover, the review of guidelines and policy shall be consistent with the strategies and long-term goals of the company, by comparing to other company in the related industry and at a similar level, as well as being accountability and responsibility both regular and assigned duties and considering the business expansion and the growth of the company's profits, then propose to the Shareholders' Meeting for approval.

2) Consider and review the 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. The review of guidelines and policy shall be consistent with the strategies and long-term goals of the company, by comparing to other company in the related industry and at a similar level, as well as being accountability and responsibility both regular and assigned duties and considering the business expansion and the growth of the company's profits

3) In case the Board of Directors has appointed any individuals to be a consultant, his/her information including independence, or no conflict of interest shall be disclosed in the annual report.

4) 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.

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.

MANAGEMENT STRUCTURE

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.

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 and support the Company business and the Board of Directors to adhere to related laws and regulations, and principles of Good Corporate Governance.

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	Tangchithavornkul	Operational Manager / HSEQ Manager / Quality Manager
6. Mr. Thammarath	Sroysomboon	Operational Manager and Operation Support Manager
7. Ms. Vajana	Sakulraemrungs	Office Management Manager (Secretary Office and Purchasing Division) and Human Resource Manager
8. Mr. Niyom	Minivathakorn	Finance and Accounting Manager

Authority and Responsibilities of the Managing Director

The Managing Director shall have authorities and responsibilities as assigned by the Board of Directors within the Company's regulations. 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, 3 years tenure/each, and 1/3 of Directors shall retire by rotation on the AGM of Shareholders.

The Board of Directors consists of 8 Directors, they are (1) 3 Executive Directors, 1/3 is a female director, having managerial skills, knowledgeable in the Company's business and discretionary in management, and (2) 5 Non-Executive Directors, 3 are Members of the Audit Committee / Independent Directors and Non-Executive Directors (more than 1/3 of the entire Board) and 2 are Non-Executive Directors, having various knowledge and expertise which is the best interests to the Company's operations. In these, 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 shareholder, 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.



SELECTION OF THE BOARD MEMBERS AND EXECUTIVES

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.

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, regarding 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 distributed 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 number 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.

SELECTION OF THE BOARD MEMBERS AND EXECUTIVES

2. 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. The term of tenure is 3 years, and not more than 9 years continued or 3 terms.

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

3. Nomination and Remuneration Committee Selection

Process and Relevant Issues

The Company's Nomination and Remuneration Committee shall consist of 3 members, they are 1 Non-Executive Director and 2 Independent Directors. The Resolutions of the Board of Directors has appointed the Nomination and Remuneration Committee by the Meeting No. 6/2014 held on November 10, 2014, while more than half of the entire members must be Independent Directors, and the Chairman of the Committee must be Independent Director. The 3 members must have qualifications as determined by the SEC Regulations and any relevant announcement, regulations, and/or order of the SET, together with having a 3 years term of tenure, and not more than 9 years continued or 3 terms from the date of appointment.

4. Executive Board Selection

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 Chairman of the Executive Board. The Executive Board will manage the business as assigned by the Board of Directors or the resolution of the shareholders' meeting.

5. Executives Selection

Process and Relevant Issues

Please see "Principle 4 : Ensure Effective CEO and People Management" the title of "2. Top-Executives and Executives Nomination", page 72

Orientation for the New Director

Taking a position as new director, he/she will take an orientation to acknowledge significant information about the nature, structure and guidelines of the Company's business, including the objectives, goals, vision, mission, corporate values as well as legal advice, rules and conditions of being a listed company director on the listed company in the SET, in which are the relevant notifications, regulations and the Public Company Act, the Company Board's regulations, adequately before performing his/her duty. They are in accordance with the Board Orientation Guideline of the SET.

The Board also promotes and encourages new director to attend training, seminars on the courses related to the duty, there are courses of the Thai Institute of Directors Association (IOD), especially the Director Certification Program (DCP), Director Accreditation Program (DAP), including the SEC, the SET and other related association. They are for developing knowledge, capabilities and increasing skills continuously, which are beneficial to the performance of duty of director and are in accordance with the director development plan. This is done to comply with relevant laws and regulations and report to the board of directors in the next board meeting as well.



DETAILS OF DIRECTORS

1. Mr. Suwat Dangpibulskul

Age 77 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:

- None-

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: 12 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 - 23 April 2018
23 April 2018 - Present

2. Mr. Chaya Jivacate

Age 81 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: 10 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 73 years

Appointed: 26 April 2007

Position:

- Director
- Executive Director
- Managing Director

Education:

Master Degree

Engineering - Nuclear Technology,
Chulalongkorn University

Bachelor Degree

Chemistry Science,
Chiang Mai University

Training organized by Thai Institute of Directors (IOD):

Director Accreditation Program No. 61/2007

Shareholding: 43.83

Board Member / Management in Other Listed Company:

- None -

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

1. Director of Enspect Group Company Limited
2. 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
- Elder Sister 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: 12 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 72 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: 12 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 84 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 the Center of |
| | | Research and Technological |
| | | Development in Aerospace |
| | | and Automotive. |
| | | TISTR |
| 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: 12 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 - 23 April 2018
 23 April 2018 - Present

DETAILS OF DIRECTORS

6. Dr. Wicha Jiwalai

Age 75 years

Appointed: 26 April 2007

Position:

- Independent Director
- Chairman of the Audit Committee
- Chairman of Nomination and Remuneration 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 Salitara 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 /
Chairman of Nomination and Remuneration
Committee
Thai NDT Public Company Limited
 - Chairman of the Audit Committee
STP&I Public Company Limited
 - Audit Committee
Thai Optical Group Public Company Limited
 - Chairman of Salitara Company Limited
 - Director of World Resort Company Limited

- Professional Association :**
- Chairman
Surveying and Mapping Society of Thailand
 - Honorary Director, Association of
Thai Condominium
 - Academic Director, Civil Engineering
The Engineering Institute of Thailand
 - Honorary 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: 12 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 77 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 4 months

27 April 2009 - 23 April 2012
23 April 2012 - 28 April 2015
27 April 2015 - 23 April 2018
23 April 2018 - 14 August 2018

8. Mr. Vichai Watcharavatanakul

Age 66 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: 1 Company

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

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

1. 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: 12 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 DIRECTORS

9. Dr.Jumpon Kluaymai-ngarm

Age 35 years

Appointed: 22 December 2018

Position:

- Independent Director
- Member of the Audit Committee

Education:

Ph.D. degree

Economics

Loughborough University, United Kingdom

Master degree

Economics

University of Antwerp, Belgium

Bachelor Degree

B.B.A. (First-class Honors), (Business Economics)

Asian University, Chonburi

Training organized by Thai Institute of Directors (IOD):

- Director Certification Program No. 271/2019

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):

December 2018 - Present	:	Independent Director / Member of the Audit Committee Thai NDT Public Company Limited
August 2017 - Present	:	Lecturer, Faculty of Business and Technology, Stamford International University
March 2017 - July 2017	:	Head of Industry Research (Real Estate and Services), Research Division, Bank of Ayudhya
May 2016 - June 2016	:	Guest Lecturer, Faculty of Economics, Rangsit University
October 2015 - February 2017	:	Industry Strategist, Research Division, Bank of Ayudhya
August 2014 - May 2015	:	Part-time Lecturer, Faculty of Business, Asian University
May 2010 - May 2014	:	Bought in Teacher, School of Business and Economics, Loughborough University

Tenure of Directors in TNDT: - years 4 months

22 December 2018 - 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	35	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	59	Certificates - Mechanical Engineering, Northeastern Technology College	lower than 1%	1989 - Present 2012 - 2016	Business Development Manager Vice President	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
3.	Mr. Tin Maung Aye Technical Manager	56	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 Tangchit- thavorngul Operations Manager HSEQ Manager Quality Manager	50	Master degree - Business Administration, Ramkamheang 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 Sroysom- boon Operations Manager Operation Support Manager	50	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	59	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	52	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	38	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	- Company Secretary - Secretary of Audit Committee / Nomination and Remuneration / Executive Board - Company Secretary - Secretary of Audit Committee / Executive Board - 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 Control - Freelance	45	Master degree - M.B.A. (Accounting for Planning and Control) Kasetsart University. Bachelor degree - BA. (Accounting) Rajamongkala Institute of Technology.	-	2018 - Present 2016 2011 - 2016 2007 and 2012 2008 - 2011 2014 - Present	- Head of Accounting Department - Assistant Dean - Planning and Development Committee - Risk Management Committee - Head of Department of Accounting Assistant in Student Affair - Curriculum Development Committee of Graduate Accounting - Head of Accounting Department - Chief of Internal Audit	Faculty of Business Administration, Kasembundit University Thai NDT Public Company Limited

REMUNERATION AND BENEFITS

1. Remuneration of Directors

A. Remuneration in Cash

During the Extraordinary Shareholders' Meeting No. 12/2018 on April 23, 2018, 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 2018. 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	90,000.-	275,000.00	365,000.-
2. Mr. Chaya Jivacate	- Vice Chairman of the Board - Director of the Nomination and Remuneration Committee	50,000.-	260,000.00	310,000.-
3. Miss Chomduen Satavuthi	- Director - Executive Director - Managing Director	60,000.-	254,000.00	314,000.-
4. Mr. Krirkkiat Satavuthi	- Director - Executive Director	60,000.-	254,000.00	314,000.-
5. Squadron Leader Anek Panturaks	- Director	60,000.-	254,000.00	314,000.-
6. Dr. Wicha Jivalia	- Independent Director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	165,000.-	279,000.00	444,000.-
7. Mr. Narong Rattana	- Independent Director - Director of the Audit Committee - Chairman of the Nomination and Remuneration Committee	35,000.-	0.00	35,000.-
8. Mr. Vichai Watcharavatanakul	- Independent Director - Director of the Audit Committee - Director of the Nomination and Remuneration Committee	150,000.-	254,000.00	404,000.-
Total of 8 Directors		670,000.-	1,830,000.- ^{2/}	2,500,000.-

Remark:

^{1/} Mr. Narong Rattana had resigned on August 2018 presented his intention not to receive the meeting allowance and the remuneration.

^{2/} All the 8 directors presented their intention not to receive the remuneration, total amount of 1,830,000.- (One million eight hundred thirty thousand Baht), so as to reserve for the Company's business expansion opportunity.

The meetings in year 2018, there were

- 6 meetings of the Board of Directors
- 5 meetings of the Audit Committee
- 4 meetings of the Nomination and Remuneration Committee
- 9 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 2018, 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)		
	2016	2017	2018
Salary + Other Income	9,377,852.00	9,803,468.00	9,822,852.00
Bonus	1,344,371.75	305,000.00	-
Providence Fund	888,796.00	897,546.00	809,420.00
Welfare	156,873.51	151,075.91	214,406.51
Total	11,767,893.26	11,157,089.91	10,846,678.51

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 2018, 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)		
	2016	2017	2018
Salary + Other Income	107,741,641.59	107,843,481.50	115,846,752.84
Bonus	8,119,484.25	3,353,998.50	1,907,940.70
Providence Fund	2,506,239.00	2,324,213.00	2,082,102.00
Professional Fees	3,116,184.00	3,454,098.00	3,480,166.00
Welfare	880,675.81	939,575.42	959,284.35
Total	122,364,224.65	117,915,366.42	124,276,245.89

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)		
	2016	2017	2018
Male	243	274	249
Female	69	65	60
Total	312	339	309



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 (6 hrs.)	-	-	2	- / 1	-	-	-	-	-
Health Safety and Environmental at Work (8 hrs.)	6	5	22	- / 1	6	-	-	-	-
RT Safety	1	1	27	- / 1	7	-	-	-	-
Behavior Based Safety	-	-	20	-	15	-	-	-	-
Defensive Driving Course (DDC)	3	2	13	-	3	-	-	-	-
Working at Height	-	1	13	- / 1	-	-	-	-	-
Reviewal of Safety Officer's Duties – Supervisor Level	-	-	4	-	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.	
ET I-Eddy Current Testing Level I	-	-	11	11	-	-	-	-	-
ET II-Eddy Current Testing Level II	-	-	2	-	-	-	-	-	-
MT II - Magnetic Particle Testing Level II	-	1	19	10	-	-	-	-	-
MT,PT I - Liquid Penetrant Testing and Magnetic Particle Testing Level I	-	4	17	11	-	-	-	-	-
PT II - Liquid Penetrant Testing Level II	-	1	23	12	-	-	-	-	-
RT I - Radiographic Testing Level I	-	-	8	-	-	-	-	-	-
Ultrasonic Testing Level II	-	-	1	4	-	-	-	-	-
Ultrasonic Thickness Measurement Testing Level II	-	-	14	5	-	-	-	-	-
VT II - Visual Inspection Level II	-	1	46	18	-	-	-	-	-

HUMAN RESOURCE DEVELOPMENT POLICY

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.

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.	
Orientation for New Employee	7	5	49	- / 10	10	-	1	-	-
Orientation; Company's Regulation, Quality, NDT Introduction	9	8	23	-	9	-	-	-	-
Coordination Skills	6	10	2	-	1	-	-	-	-
ISO 9001: 2015	10	7	3	1 / 5	2	1	-	-	-
Supervisory and leadership skill	-	-	1	- / 1	1	-	-	-	-
Company's regulations & welfare and personnel management for supervisors	-	-	1	- / 1	1	-	-	-	-
Personnel management for supervisors	-	-	1	- / 1	1	-	-	-	-
Effective Communication	-	-	12	-	3	-	-	-	-
Supervisory skill and leadership	-	-	1	- / 1	1	-	-	-	-

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.	
Work safety in Confined Spaces for licensee, supervisor, assistant and operator	-	-	21	- / 1	7	-	-	-	-
Safety Officer – Technical level	-	2	16	- / 1	6	-	-	-	-
Safety Officer – Supervisor level	-	2	18	5	5	-	-	-	-
Speaking English verbatim for level 1 work	1	6	28	- / 6	9	-	-	-	-
First Aid - Basic CPR and AED applying	10	3	6	- / 2	2	2	1	1	-
Fire Fighting and Fire Evacuation Drill	6	12	51	8 / 6	10	2	10	6	-

HUMAN RESOURCE DEVELOPMENT POLICY

In 2018, the Company held the in-house training courses for 30 programs or 60 times at the amount of 290,053.11 Baht or 12,561.00 Hrs./year. There were 834 employees attended (double counting) (or 309 people - individual counting), the average cost at 347.79 Baht/ person/year (or 938.68 Baht/person/year - individual counting) and the average 15.06 hours/person/year (or 40.65 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.

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 2018, the training courses and seminars were

(A) Miss Chomduen Satavuthi

Director / Executive Director / Managing Director

1 Courses, Total 2.5 Hrs.

- National Innovation Agency (Public Organization) (NIA) and Thailand Management Association (TMA) : REND TALK#6, "Disruptive Future: Driving Business towards Endless Opportunities"

(B) Mr. Vichai Watchravathanakul

Independent Director /

Director of the Nomination and Remuneration Committee /

Director of the Audit Committee

3 Courses, Total 46.0 Hrs.

- Thai Investors Association (TIA) and Federation of Accounting Professions : สัมมนา "กรรมการอิสระ : บทบาท หน้าที่ และความหวัง ของผู้ถือหุ้นรายบุคคล"

- SET : ผลกระทบของมาตรฐานรายงานทางการเงินใหม่เกี่ยวกับรายได้จากสัญญาที่ทำกับลูกค้า (TFRS 15) และสัญญาเช่า (TFRS 16) ที่มีต่อการจัดทำรายงานทางการเงินของบริษัทจดทะเบียน

- Federation of Accounting Professions : การปฏิบัติงานตรวจสอบภายในระบบสารสนเทศ รุ่นที่ 2/61

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.

HUMAN RESOURCE DEVELOPMENT POLICY

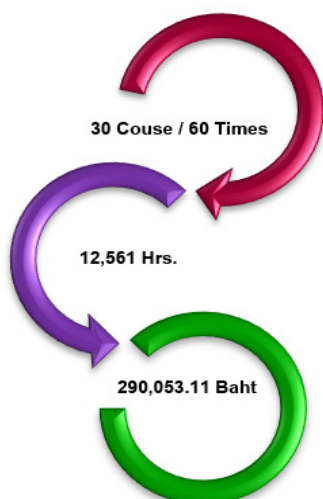
2.3 Employees

The Board of Directors encourage and support the Company to provide training regularly for employees in all levels in various methods as of their responsibilities, both on the core services providing to the customers in which compliance with the regulations of “the American Society for Nondestructive Testing (ASNT)” and other related global organization standards, as well as safety training in various types of work as related. In addition, the Company also provide the training courses by foreign and local experts for the employees' more knowledgeable and expertise.

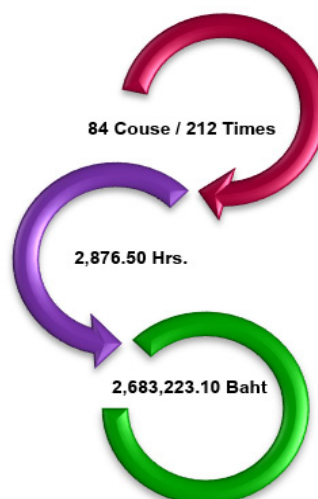
In 2018, the Company held the in-house training / testing / seminar / Exhibition courses for 84 programs or 212 times at the amount of 2,683,223.10 Baht or 2,876.50 Hrs./year. There were 212 employees attended (double counting) (or 129 people - individual counting), the average cost at 12,656.71 Baht / person / year (or 20,800.18 Baht / person / year - individual counting) and the average number of hours 13.57 hours/person/year (or 22.30 hours/person/ year - individual counting).

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	4	4	2	48.50	12.13
2.	Top Executive	4	5	2	22.00	4.4
3.	Executive - Department	11	9	7	79.00	8.78
4.	Executive - Division	4	4	2	21.00	5.25
5.	Company Secretary	16	28	2	201.00	7.18
6.	Engineer	14	26	17	452.00	17.38
7.	Technician	32	95	76	1,661.50	17.49
8.	Admin Supervisor	11	17	6	112.00	6.59
9.	Technical Supervisor	8	9	6	140.00	15.56
10.	Admin Officer	13	17	7	140.00	8.24
11.	Operation Officer	4	4	4	40.00	10.00

In-House Training



External Training



CORPORATE GOVERNANCE (CG)

In the year 2018, The Board of Directors has considered, reviewed and monitored the business operation together with applying and deploying the 8 good corporate governance principles (CG Code), in order for the good operation results, being reliable to all stakeholders, being beneficial to society, and being valuable for sustainable business.

The Company has been assessed on the Corporate Governance Report of Thai Listed Companies in 2018 by Thai Institute of Directors Association (IOD) in the “Excellent” level with the score of 93%, greater than the score received in year 2017 and 2016 at 90% in the level of “Excellent”. In all, the Company has complied with the principles of good governance for eight categories as follows:-

Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board

1. Performance of the Organization’s Goals

All of the Directors understood and recognized their roles and responsibilities in performing their duties of responsibility, the duties of care and duties of loyalty, in accordance with relevant laws and regulations, the Company regulations including the meeting resolutions. The Director has performed rationally for the best interests of the organization, as the leaders to oversee, monitor and assess the organization to operate business with morality and ethics, to be in accordance with the code of conduct, transparency, and to have a good management system. The Board should be a role model in corporate governance by encouraging the Top-Executive and executives to practice as well.

The Company disclosed 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 38 - 45 and “**Details of Directors**”, page 49 - 54. This was for the shareholders and the related parties could acknowledge the capabilities, experiences and vital information regarding the directors who would support the Company to be successful in business operation.

In addition, the Board of Directors has monitored the changes under various factors, which might affect the operating results of the Company, both in the short and long term, in order to be ready for the competition. The Board also encouraged and supported the organization to achieve sustainable value creation to the business without any impact to all groups of stakeholders.

2. 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 and the Company's budget, including overseeing, monitoring the operations of Executives to meet the designated goals and for the best interests of the Company and all groups of stakeholders. Moreover, the Board has supported the usability of innovation and technology to create value to the business as well as oversaw information technology. Besides, the Board has provided the internal control, assessed and reviewed the internal control system, the accounting system, the Company's internal operational system, as well as provided the risk management policies and monitored the results constantly including supported 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). Additionally, the Board of Directors has appointed the Audit Committee and other Sub Committees to assist overseeing the Company's operations.

CORPORATE GOVERNANCE (CG)

3. Value Creation to the Business

3.1 Good Corporate Governance Policy

The Board of Directors, as the leadership to achieve sustainable corporate value creation, realized the significance of efficient and transparent management by setting up the policies of ethics and code of business conduct and good corporate governance, in aspects of the organization's structure and the management strategies which would stipulate the roles and systematic operations that were transparent and accountability. 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 complied regularly with the good corporate governance, the rules and regulation concerning to the business operations. This would project the 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 should be done by the Board every year. In the Board's Meeting No. 1/2019 on February 23, 2019, the Board of Directors has considered, reviewed and approved the principles of corporate governance (revised edition).

3.2 Code of Business Conduct

The Board of Directors has set the guidelines of code of business conduct and ethical practices for Directors, Executives, and Employees, so they could operate business loyally, honestly, justly and responsibly for stakeholders, shareholders and the related parties. For the code of business conduct and ethics guidelines, the punishment policy was included as well.

In The Board of Directors Meeting No.1/2019, held on February 23, 2019, 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. These were to promote the guidelines for good practices which the Company aimed that the Directors and all employees would acknowledge and upheld as the core principle. The practices were regularly monitored as well. These were done so that it was the responsibility of all levels of Executives to oversee their subordinates to be aware, understand and encourage in compliance with the Company's Code of Business Conduct. The Company has also held training and educating the Code of Business Conduct to the new employees regularly. The details of the Company's Code of Business Conduct could be found at **the Company's website (www.tndt.co.th)**, on 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.



CORPORATE GOVERNANCE (CG)

Principle 2 : Define Objectives that Promote Sustainable Value Creation

1. Principle of Sustainability

The Board of Directors has set up the principle and direction of the Company's business through vision, mission, resolution, and policies which were considered along with the needs of all related stakeholders, the ecosystem and changes to the business opportunities, the expertise of the employees, the competitiveness of the Company, including the effective usability of innovation and technology, in order for value creation to the Company, the customers, all the stakeholders and the society. In these, the Board would review in accordance with the business environment on yearly basis.

Please see the details in the title of **"Organization Policies"**, on page 6

2. Goals and Strategies

2.1 The Board of Director has determined, reviewed, monitored, and approved the strategies, objectives, goals, plans, budgets and direction of business operation correlate and align with the Company's main objectives and goals, both the annual strategies and the medium-term of 3-5 years, financial or non-financial, without violating the laws and regulations or contrary to code of business conduct. In addition, the Board would analyze with external and internal factors that might affect the success. They were

(1) Environment

(2) Factors and risks influencing the Company, all stakeholders and value chain.

(3) Information obtained from the process / channel of the Company's communication in order to access information / key issues / expectations of all stakeholders directly, etc.

These were to ensure that operations were still as expectation and could be adjusted to suit the current situation, able to respond and create value for the best interests, in which would not affect all groups of stakeholders directly or indirectly, and would be reviewed annually. In addition, the Board has also encouraged and supported the Company to allocate important resources and adopt technology and innovation to suit the business nature, to be able to improve align with the changes in internal and external factors, by adhering to the principles of good corporate governance, code of conduct, morals, and ethics, as well as any beneficial actions to the society. The Board would assign and monitor the Executives to operate and report the results of the operation to the Board of Directors regularly in the quarterly meeting.

In all, the Board has assigned the Executives to communicate to all employees for acknowledgment the objectives and goals of the organization through the Company's communication channels in order to adhere and practice in the same direction.

Please see the Goals and Strategies in the title of **"Goals and Business Strategies"**, on page 12 - 13.

CORPORATE GOVERNANCE (CG)

Principle 3 : Strengthen Board Effectiveness

1. Board of Directors Structure

Balance of Power

The Members of Board of Directors were qualified in accordance with the regulations of SET and were appointed by the AGM of shareholders. For the balance of power of the 8 Directors of the Board, there were 3 Independent Directors / Non-Executives and 2 Directors who were neither Independent Directors nor Executives, which exceeded 1 of 2 of total number of the Board member. The 5 Non-Executive Directors could exercise their objective and independent judgement, together with independent audit execution. For the balance of power of the Board and the Executives, the position of Chairman and Managing Director were held by different person, and the Independent Directors should participate in setting the board meeting agendas with Managing Director, in which compliance with the Good Corporate Governance.

Aggregation or Segregation of Positions

The Chairman of the Board was not the same person as the Managing Director / CEO. For the structure of Company's Board of Directors, one-third were members of the Audit Committee, who were Independent Directors, creating balance of power to perform on management review and independent audit execution.

Moreover, the Company had clearly determined scope of responsibilities of the Board of Directors and Managing Director. Thus, the Chairman and Managing Director would not have 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.

Conflict of interest

In case of the director held the position of director or executive or having interests, be directly or indirectly, in other businesses that might have conflicts, or having the opportunity to use inside information of the Company for their own benefit, the Director should comply with the regulations, guidelines, and procedures as specified in the related transactions, and the acquisition or disposition of important assets of the listed company according to the notification of SEC, or CMSB and/or SET and/or other related.

Policy of Board Diversify

The Company and the Nomination and Remuneration Committee should 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, age and qualification, including the essential proficiency to achieve the objectives and goals of the organization and the Board Skill Matrix. The Board of Director should comprise of at least one female director due to the resolution and prudence in management, and at least one of the non-executive directors, who should be experienced or competent in the business or main industry in which the Company operates, in order for the achievement of the Company's objectives and stakeholders' interests efficiently. The Professional Search Firm or the Director Pool of Thai Institute of Director (IOD) would be the channels of nomination as well.

The Structure of the Company's Board of Directors should comprise of the Board of Directors and 3 Sub-Committees, namely the Nomination and Remuneration Committee, the Audit Committee and the Executive Board.

1.1 The Board of Directors

The Board of Directors should comprise of at least 5 or not more than 12 Directors, should be elected by the AGM of shareholders, and at least 3 Directors should be Independent Directors. In all, no fewer than half of the board members should reside in the Kingdom of Thailand. The Board would nominate and select candidates to serve as directors by considering the skills matrix, including the profession, specialized expertise, and gender to achieve a variety of board structure. In addition, the Board should comprise of at least one female director in order for more efficient performance of the Board of Directors.



CORPORATE GOVERNANCE (CG)

Besides, the Board of Directors should 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 would also exercise prudence and honesty for the best interests of the Company and all stakeholders. The Board of Directors' duties would be to define a policy, review and approve the vision, policy, mission, strategic objectives, business plans and budgets of the Company, including overseeing and monitoring performance regularly in order to ensure the operation of the Company policies and frameworks with efficiency and effectiveness.

Roles and Authority of the Chairman of the Board

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

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 39 - 41

1.1.2 Taking a Position in the Listed Company and in the Subsidiaries which was not a Listed Company

The Board of Directors has determined 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 would be when the Director was authorized to take up a certain position by the Company.

1.1.3 Board of Directors Meeting

1.1.3.1 Prior to the Meeting

(1) The Meeting should 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 so as the Directors to allocate sufficient time for attending the meeting and the Directors should be notified 2 weeks before the meeting. The procedures of the meeting would be in accordance with the regulations of the Company, the Public Law and the regulations of the SET and the minimum number of quorum while voting should be no less than two third (2/3) of the total Directors.

(2) The Chairman of the Board would encourage the Directors and the Executives to jointly present and consider the significant issues, which would be beneficial to the Company's operation, to be the meeting agendas. In addition, the Company Secretary would be appointed to circulate the meeting invitation together with the supporting documents according to the agendas at least 7 working days before the meeting so that all Directors might have adequate time in studying all the information before attending the meeting. In case of any necessary information for further decision-making, the Directors could inform the Company Secretary to coordinate with the Managing Director / CEO or the assigned the Executives.

1.1.3.2 The Board's Meeting Date

(1) The Chairman would allocate the time sufficiently for the Executives to present an issue and various performance reports and allow the Directors to discuss the problems and assess the cases carefully. The outcome of an evaluation would be decided by the majority votes. In the case that there were the same number of votes, the Chairman of the meeting would be the deciding voter.

(2) The Board of Directors would encourage the Managing Director to invite the Executives Officer or relating personnel to participate in the meeting in order to provide information in the case that the Board would require the related additional data.

(3) If there were agendas involving the Directors, the stakeholding Directors might neither vote nor attend the meeting.

(4) The Board of Directors would encourage the policy where the Non-Executive Directors, Independent Directors, Member of Audit Committee, or any concerned might hold meetings among themselves to discuss any management problems that might arise as they deem appropriate, without the attendance of the Executives, and the resolutions would be notified to the Managing Director.

(5) Each Company's Directors should attend the meeting no less than 75% of the total number of meetings held annually.

CORPORATE GOVERNANCE (CG)

In 2018, 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	6/6	-	-	9/9
2. Mr. Chaya* Jivacate	4/6	3/4	-	-
3. Miss Chomduen Satavuthi	6/6	-	-	9/9
4. Mr. Krirkkiat Satavuthi	6/6	-	-	9/9
5. Squadron Leader Anek * Panturaks	6/6	-	-	-
6. Dr. Wicha* Jiwalai	6/6	2/4	5/5	-
7. Mr. Narong* Rattana	2/3	2/2	2/3	-
8. Mr. Vichai* Watcharavatanakul	6/6	4/4	5/5	-
9. Dr.Jumpon ^{4/} Kluaymai-ngarm	1/1	-	-	-

^{1/}In 2018, there were 4 meetings held, among the Non-Executives and Independent Directors/Member of Audit Committee, without the attendance of the Executives.

^{2/}Mr. Narong Rattana, Independent Director / Member of Audit Committee / Chairman of the Nomination and Remuneration Committee resigned from being a member of the board and committee, effective from 14th August, 2018 onwards.

^{3/}The Board of Directors has appointed Dr. Wicha Jiwalai to act as the Chairman of the Nomination and Remuneration Committee, in place of Mr. Narong Rattana since the Nomination and Remuneration Committee's Meeting No. 3/2018. In year 2018, Dr. Wicha attended the meeting for 2 times.

^{4/}The Board of Directors has appointed Dr. Chumpol Kluaymai-ngam to act as an Independent Director/Member of the Audit Committee to replace Mr. Narong Rattana since the Board of Directors' Meeting No. 6/2018 on 22nd December, 2018 onwards, the term of tenure would be 2 years 4 months. In year 2018, Dr. Chumpol attended the meeting for 1 time.

1.1.4 Directors' Reports

The Board of Directors should be responsible to control, promote and monitor the disclosure of various significant information in business transactions, corporate governance, financial statements and financial information disclosure to the public, in the Annual Disclosure Information (56-1), Annual Report (56-2) and the Company website (www.tndt.co.th). The financial statements should be made in accordance with the generally accepted accounting principle of Thailand.

For this purpose, the Board of Directors should appoint 3 Sub-Committees, which would comprise of Independent Directors who were not Executives, to review and audit the quality of financial managements and internal control systems, including the Directors and Top Executives' nomination and remuneration system. In these, the Sub Committees should propose 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 Audit Committee

The Audit Committees should be independent Directors and the Company's Directors which have been appointed by the Board of Directors and should have the qualifications according to the Securities Regulations and the Stock Exchange, including notifications, rules and/or the regulations assigned by the SET and 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 should unanimously approve such Independent director, having done the best interest for the Company, and should ensure that the extra term would not affect the qualifications of independence. Moreover, such Independent Director should be approved by the Board of Directors and proposed to the Shareholders for approval on the AGM.



CORPORATE GOVERNANCE (CG)

1.2.2 Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee, half of members should be independent Directors and all the members should be appointed by the Board of Directors. They should 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.

1.2.3 Executive Board

The Board of Directors should appoint the Executive Board by selecting from the Directors and/or a group of Executives as appropriated. Then, the Board of Directors should appoint one of the Executive Directors as the President.

The roles and responsibilities of these sub committees could be viewed at the management structure under the title of “**Management Structure**”, page 41 - 44.

1.2.4 Good Governance Committee and Risk Management Committee

The Board of Directors has not yet formed these 2 sub committees. Therefore, the Board would assign the Audit Committee to review the operations complying with code of conducts and the corporate governance principles, including setting up the Risk Management Policy and the Internal Control System to review and assess 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 would be done by appointing the internal auditor to audit the work procedures in each department of the Company. The Audit Committee would 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 were at the acceptable level and prevent the corruption. In order for the internal audit to be independent and could operate at full power, the Board of Directors would specify that the internal audit would operate and report directly to the Audit Committee and that the Audit Committee would present the findings to the Board of Directors quarterly. This was prescribed in **the Annual Disclosure Information 2018** (56-1 : Part 1, Section 3 and Part 2, Section 11) and **the Annual Report 2018** (Form 56-2) under the topic “**Risks Management and Risk Factors**” page 16 – 20, and “**Internal Control System**” page 26 - 27.

1.3 Secretary

1.3.1 Company Secretary

Please see the title of “**Management Structure**” under the topic of “**Company Secretary**”, page 44 and the Company website (www.tndt.co.th) in the “**About TNDT**” section under the title of “**Directors & Executives**”, subtitle of “**Company Secretary**”.

1.3.2 Secretary of Nomination and Remuneration Committee

1.3.3 Secretary of Audit Committee

1.3.4 Secretary of Executive Board

1.3.2 - 1.3.4 Please see the Company website in the section of “**Sustainability**” under the title of “**Corporate Governance**”, subtitle of “**Good Corporate Governance Policy**”.

1.4 Chief of Internal Control

Please see the topic of “**Internal Control**” in the title of “**Chief of the Internal Control**” page 27 and the title of “**Details of Executives-Company Secretary-Chief of Internal Audit**” page 55 and the Company website (www.tndt.co.th) page “**Sustainability**”, title of “**Corporate Governance**” Sub-title “**Corporate Governance Policy**”

1.5 Compliance Unit

Please see “**Internal Controls**” title of “**Compliance Unit**” page 27 and the Company website (www.tndt.co.th) page “**Sustainability**”, title of “**Corporate Governance**” Sub-title “**Corporate Governance Policy**”

CORPORATE GOVERNANCE (CG)

1.6 Investor Relations Office

The Board of Directors would encourage the Company to establish the Investor Relations Office to be responsible for creating relationships with investors and communicating the Company's information to investors and outsiders equitably. In these, Investors could contact for more information as the details of “**Company Information and Communication**” page 5 and on the Company's website (www.tndt.co.th), on page “**Investor Relations**” in the title of “**Info Request**” subtitle of “**IR Contacts**”.

2. Investment and Overseeing the Subsidiaries or Associates

2.1 Investment Policy

The Company would consider significantly to the investing in businesses which support and benefit the Company's business or business in an industry with a tendency of growth and return on investment. The Board of Directors would jointly consider the Company's investment policy, by considering the necessity and appropriateness to support the business operations, as well as the Company's operating results and being beneficial and significant to the Company and shareholders. In these, the Board would strictly comply with the regulations of the Stock Exchange of Thailand, in regard to entering into connected transactions or acquisition or disposal of assets of the Company.

2.2 Governance Policy

Associates

The Company would oversee by sending the Company's representatives, who have the qualifications and experience suitable for the business of the investee company, as a director in such associated company. The Chairman, Top-Executives Officer, Top Management or any person of the Company might be the Representatives Directors in proportion to the shareholding and the number of director criteria of such company.

Subsidiaries

The Company would oversee by sending more than a half of the total number of directors. If the operation affected the Company significantly, the operation should be approved by the Company Board of Directors' meeting.

3. Capability Development

The Nomination and Remuneration Committee would be 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 2018, the training courses / seminars of the Directors / the Top-Executives / the Company's Secretary / the Executives in department and division, including the Employees in all levels were disclosed in **the Annual Report 2018**, under the title of “**Human Resource Development Policy**”, page 59 - 62, **the Annual Disclosure Information 2018**, 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**”.

4. Self-Assessment

The Nomination and Remuneration Committee would review the assessment form together and present them to the Board of the Directors. The Board of the Directors and the Members of Sub-Committees would assess their performance together and assess the sufficiency of the internal control system by using the Self-Assessment form of the Board of Directors, by applying the form of the SET to suit for the Company, and utilize the results to develop and improve the business operations, to achieve the assigned goals. The Company would provide the Self-Assessment of the Board of Directors annually by the 4th quarter, and would be done in 2 ways. These were 1) the Board of Directors' performance assessment as a whole, and 2) Director's assessment individually. This was done for the assessment of the effectiveness of the Board's performances on good corporate governance. The process would be as follows: -



CORPORATE GOVERNANCE (CG)

4.1 The Nomination and Remuneration Committee would review the assessment accuracy, completely and in accordance with the regulations by applying the Self-Assessment form on the basis of the form of the SET.

4.2 The Board of Directors and the Sub-Committees would assess self-performance together by the 4th quarter of every year.

4.3 The Company's Secretary would 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 would be displayed in the Annual Disclosure Information (56-1) and the Annual Report (56-2).

The Board of Directors would assess their performances as a whole which would cover 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 Executives.
6. Self-development of the Directors and the Executives

The Board would assess their performances as an individual which would cover 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 were divided into 5 levels, they were:- 4 = Excellent / 3 = Good / 2 = Average / 1 = Below Average / 0 = Must be improved. The 2018 Self-Assessment of the Board of Directors could be summarized as follows:-

Board of Directors / Committee	Assessment Score of year 2018 (AVG.)
1. Board of Director as a whole	3.98
2. Board of Director as an individual	3.92
3. Nomination and Remuneration Committee as a whole	3.98
4. Nomination and Remuneration Committee as an individual	3.87
5. Audit Committee as a whole	3.98
6. Audit Committee as an individual	3.92

5. Remuneration

The Board would assign the Nomination and Remuneration Committee to consider the remuneration of the Directors 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 would be allocated from the remaining balance after the meeting allowances have been deducted, and would be presented to the Board of Directors for approval and further propose to the Shareholders Meeting for approval. In this, the Directors who were given more duties and responsibilities would be rewarded more to compensate with the tasks given. (Please see the title of "Remuneration", page 56).

CORPORATE GOVERNANCE (CG)

Principle 4 : Ensure Effective CEO and People Management

1. Development and Succession Planning

The Company realized 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 would be continually managed and be capable to expand its operations and customers instantly. The Nomination and Remuneration Committee should be responsible for governing and enforcing the Company to issue and review the development and succession plan of the key positions which would be beneficial to the business operations, for instance the position of Managing Director, Chief Executive Officers and Key Positions which would be essential to the Managerial Structure, position of unique skills, depth expertise and hard to replace. The Committee would assess the situation in the business and the personnel efficiency along with the Company's strategy in short-term and long-term. These were done for planning the nomination 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 proposed 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**”

2. Top-Executives and Executives Nomination

2.1 Nomination

The Board of Directors would assign the Nomination and Remuneration Committee (NRC) to take responsibility for determining and reviewing the rules and regulations to meet the nomination processes of Human Resources in nominating and selecting a person to be appointed as Top-Executives and Executives, including the transfer and removal together with the Managing Director / CEO yearly in granting approval, the person to be considered as Deputy Managing Director and Assistant Managing Director or equivalent, and propose to the Board of Directors for consideration. The NRC would consider the knowledge, skills and experiences, including various expertise in the Company's business and related industries, in which would be the best interests of the Company's business. Moreover, such person should have leadership, vision and good attitude, good management skills, dare to think and make decisions, have creative ideas and modernize to create business opportunities and lead the organization success. Anyway, the qualifications of such person should be under the Public Limited Companies Act BE 2535, the Securities and Exchange Act., Good Corporate Governance and Succession Plan.

2.2 Taking a Position in the Listed Company and in the Subsidiaries which is not a Listed 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 oversee and manage in order to protect the best interests of the Company.

2.3 Authority and Responsibilities of the Managing Director

The Managing Director would act as the Chief Executive Officer (CEO) by managed and oversaw the normal practices in business operations with the authority to process and monitor all activities in accordance with the policies given by the Board of the Directors under the rules and regulations of the Company. The CEO would also have the authority to approve as mentioned on the authority plan, consider the business strategies and should report the operating results to the Board of Directors regularly.

However, the CEO should comply with the guidelines and various regulations determined by the Board of Directors and should not approve of any items that might arise a conflict of interests or those that might have conflict of interests with the Company or its subsidiaries. If there were such cases, the CEO should report to the Board of Directors for further considerations.

The Board of Directors determined the policies and the guidelines for the CEO or Executive Directors to take position as the Directors of another company, both type of position and number of companies they might take, these should be approved by the Board of Directors.

Please see the Authority and Responsibilities of the Managing Director under the topic “**Management Structure**”, title of “**Managing Director**” page 45



CORPORATE GOVERNANCE (CG)

3. Development of Top-Executives and Executives

Top-Executives and Executives Group

The Board of Directors encouraged the Company to support the Top-Executives and Executives Group to attend training / meetings/ seminars, related to the Company's business and useful for performing their duties which organized by the IOD, SEC, SET and Thaipat or any other related institution, annually as appropriate. The purposes were to develop skills, the potential for management in accordance with the rules, regulations or legal requirements, to improve knowledge and develop themselves and apply for the Company's operation, and to transfer such information to the Managing Director or related management. The Top-Executive and Executives Group were required to attend training / meetings / seminars at least 5 courses per year.

Employees

The Board encouraged and supported the Company to provide training in various fields for employees at all levels as of their responsibilities regularly, both the Company's main profession training for customer service requirement in accordance with standard of "The American Society for Nondestructive Testing (ASNT)" and other international organizations related, and training in various types of safety at work and other related. In addition, the Company also provided foreign and local experts to train for the Company's personnel to be more knowledgeable and expertise.

Please see the details in **the Annual Disclosure Information for the year 2018**, on part 1 section 3 and part 2 section 11, including **the Annual Report 2018** in the title of "**Human Resource Development Policy**" page 59-62

4. Assessment

4.1 Managing Director

The Nomination and Remuneration Committee would assess the performance of the Managing Director by applying the CEO assessment form, on the basis of the form of the Stock Exchange of Thailand, in the 4th quarter of the year. The assessment was divided into 3 categories which were;

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

Then, the result would be proposed to the Board of Directors for approval and would apply 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 2018, was in "very good" level. The details of assessment were personal confidential information and could not be disclosed.

4.2 Top-Executives

The Nomination and Remuneration Committee has considered and approved criteria and performance assessment factors, as well as approved the remuneration structure of Top-Executives and monitored Managing Director / CEO to assess the Top-Executives to be in accordance with the assessment criteria and in compliance with such factors completely and would report to the Board of Directors in the 4th quarter.

4.3 Executives Group / Employees

The Nomination and Remuneration Committee has determined policies, oversaw and monitored the determination of criteria and factors in assessing the performances of all employees in the organization by assigning the Managing Director / CEO together with those who were assigned or involved to proceed and communicate to the employees to acknowledge the criteria for assessment, in order to motivate themselves to receive appropriate and fair compensation for the employees who committed and intend to develop their potential to be better and valuable to the organization. In 2018, the overall assessment results of Executives and Employees were good.

CORPORATE GOVERNANCE (CG)

5. Remuneration

5.1 Remuneration of Managing Director (CEO)

The remuneration of the Managing Director (CEO) would be determined each year according to the principles and the policies that the Nomination and Remuneration Committee designated, and for the best interest of the Company. The level of short term remuneration would be in the forms of salary, bonuses and long term incentives should be conformed to the financial performance, the long term operational strategies, result of operation, Executives development, together with considering the business expansion and the growth profit of the Company (Please see the title of “**Remuneration**”, page 57).

5.2 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 designated. (Please see the title of “**Remuneration**”, page 57).

6. Shareholding Structures

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”, the total shares would be considered as 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’ ” and under Section 246 and 247 of the Securities and Exchange Act, 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.

For the disclosure of changes in securities holding of directors, Top-Executive and Executives of the year 2018, please see the details in the topic table “**Shareholding Structure**” on page 37. For employees in relevant departments, there was no transaction to buy, sell, transfer or accept the transfer of securities.

7. Personnel Management

In Engineering business, the qualified NDT personnel and experts would be in high demand in both the industrial sector and the inspection entrepreneurs. To qualify these personnel would have to waste time and capital for training, especially the timing. The amount of qualified personnel and the demands in the industry did not match, resulting in the shortage of qualified personnel and migration, which would increase in violation on the expansion of industry. Nevertheless, by the current shrinkage of the industrial sector, the shortage would 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.



CORPORATE GOVERNANCE (CG)

Principle 5 : Nurture Innovation and Responsible Business

1. Innovation Organization

The Board should prioritize, promote, support and monitor the Management to create an operational culture to be an innovation organization” which was considered a part of strategies and business plans to add value to the Company and benefited for all relevant stakeholders. The innovation should be modified to suit the changing of surrounding factors, which would cover the process of design, research and service development, improve the operational processes and develop the work processes with partners. The Executives should review, improve and monitor the innovation to achieve the set-up objectives.

In this regard, the Company has managed the policies assigned by the Board of Directors. The Board has also clearly defined goals and guidelines for innovation development to allow the management and executives to communicate to employees, and listen to comments and suggestions from all relevant stakeholders. These were to improve the goals and guidelines for continuous innovation development. The Board has been defining the vision of the organization as follows:-

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

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 would be according to international standards and practicable. These were capable to create values to the customers and the Company with more efficiency, more readiness on designated target time, as well as the qualified, accurate and reliable reporting.

In addition, the Company has been approved for the supporting fund from the 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 project's benefit was the usage of electromagnetic energy to replace in some part of the radiation, which would enhance the safety of radiation effects on the operators, the related persons, as well as the surrounding environment.

2. Business Operation with regard to Stakeholders

The Board of Directors should encourage and determine the guidelines for business operations and monitor the executives and employees in the organization to comply with ethics, code of business conduct and good corporate governance, by adhering to operating on the basis of responsibility to the community, society and environment, in accordance with the objectives, goals and strategies of the organization, and taking into account all groups of stakeholders by their rights, laws or agreements having with the organization. Anyway, the Company has also disclosed important information for stakeholders' acknowledgment sufficiently, no violation of their rights. There were channels for whistleblowing or complaints on any issues related to legal offenses, inaccuracy in financial reports, defective internal control system or unethical practices. There were measures to protect the rights of whistleblowers, for the directors, executives, employees, and all stakeholders to acknowledge and perform as well.

In these, the Board has set up the ethics, code of business conduct and the company's regulations manuals to be operational guidelines for the Directors, Top Executives, Executives and all Employees. In addition, there were monitoring to be consistent with the objectives, goals, and strategies of the organization 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 best interests 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.

CORPORATE GOVERNANCE (CG)

Customers

The Company commits to service customers with safety of life and property and the environment, with adherence to integrity, fairness, caring, responsibilities and provide quality of service on the basis of professional ethics, international standards and legal concerned. The Company has served the qualified testing and inspection in all processes with accurate and reliable inspection results to the customers in the industry, to affirm the quality and safety for the products, processes or workpieces of the project owners which have been inspected. Additionally, the Company recognizes the importance on the rights of customers and colleagues around the working place, there will be safety training course in the customers' workplace to create a mutual understanding of the operations and reliability in the service of the Company.

In 2018, the Company promoted and supported its customers by training and educating the customers in various job sites, there were 104 participants for the knowledges of radiation safety and safety in operations.

The Company has set up the target of Customer Satisfaction Survey of year 2018 at 87.69%. While the results of 277 Survey sheets of various customers were at 71.43%, in the "very good" level. The customers' satisfaction in highest scores were by the following five aspects:-

1. Priorities for the future	100.00%
2. Safety	93.82%
3. Quality Competence	91.48%
4. Employees' Attitude	90.28%
5. Project Quality	88.35%

Employees

The Company policies and procedures are on the fundamental right of employees, benefits corresponding to the performance of the Company both in short terms and long terms, base on their abilities with fairness and equality, for examples:- annual performance evaluations, Company business strategic evaluations in the period of 3/5 years, additional welfare over the law limit, such as provident fund, life and accident insurances, health care by providing annual health checks according to the nature of the work involved, and cooperation with the official banking institutes in providing various types of welfare loans in lower interest rate to create their extra careers, and to solve the employees' family personal debt both in long term and short term, etc. In addition, the Company also provide a good environment in the workplace, there are resting area, an activities area for employees, including the provision of safety equipment to prevent work hazards, etc..

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, creates the professional expertise regularly in order to maximize the potential and performance of the organization, as well as provides opportunities for the employees to develop in various work skills and to grow in line with their skills and experiences. The results of the annual training for the year 2018 has to be viewed on **the Annual Disclosure Information 2018** (56-1: Part 2, Section 8, Item 8.5.5) and **the Annual Report 2018** in the title of "**Human Resource Development Policy**", page 59 - 62.

The employee benefits policies have to be viewed on **the Annual Disclosure Information 2018** (56-1: Part 2, Section 8, Item 8.5) and **the Annual Report 2018**, in the title of "**Remuneration and Benefits**", page 57 - 58

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 2018** in the title of "**Anti-Corruption**", page 28.

In 2018, no any employees' clues, complaint or suggestion.



CORPORATE GOVERNANCE (CG)

Trading Partner

The Company's policies are to strictly select trading partners with ethics and integrity, operate the similar business or the related, good reputation and experiences with technical expertise, and strong financial status. The Company will treat the trading partners under the agreement with integrity and fairness, both the procurement processes and the terms of contract or mutual agreements, including not being exploited and not accepting gifts or rewards, not joining the parties or any activities with the aim to facilitate the operations and private benefits.

It also provides mutual assistance in exchange and joint development to enhance the competence of personnel and technology in service to meet relevant standards, workforce handle with fairness, including community, social and environment responsibility as prioritized.

In 2018, The Company had 3 collaboration projects with the partners from Indonesia, Malaysia and Singapore. The projects were successfully well.

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, while the product owners / suppliers / distributors shall supply products and services by the quality, standards and prices as agreed with the Company. The Company also prohibits Directors and Employees of the Company to receive any personal benefit from them.

In addition, the Company emphasizes to select the distributors whom the Company can return the existing waste disposal from the service to eliminate technically and legally.

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, and perform likewise the Company's employees.

In 2018, the Company supported its Contractors by training and educating the knowledge of safety in operations, there were 10 participants attending these courses.

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.

Government Offices

The Company will cooperate and comply with the rules and regulations of government offices and the related standards. The Company will also comply with the procedures with accuracy, honestly, ignoring the bribery, gift or any other which contribute to facilitate the business operations.

CORPORATE GOVERNANCE (CG)

Human Rights

The Company realizes the importance in respecting the human rights with impartiality and equality, by considering the human's dignity, freedom and not discriminate with regard to race, nationality, origin, skin color, sex, language, religion, culture, class, gender, age, disability, marital status, physical and health status, personal status, economic or social status social beliefs, education, training or political opinions and other means according to the principle of the international human rights law, in which the Directors, Executives and Employees including all employees in the subsidiaries must strictly follow the policy. The Company also provides equivalent opportunity to work under the lawful rules, regulations, announcements, practices and orders of the Company. In addition, the Directors, Executives and Employees will not, in any way, violate or harass, either verbally or physically to any individuals, no discrimination or exclusion of anyone, and encourage everyone to be aware of their rights, duties and responsibilities towards other individuals and society

The additional information of the human rights policy can be viewed in **the Annual Report 2018** under **“Corporate Social Responsibility (CSR)”**, page 94

Anti-Corruption and Assessment the Risk of Corruption

The Company has a policy to control and oversee the business operations in compliance with the rules and regulations, the related laws and standards, by training / disseminating knowledge and guidelines on anti-corruption to employees throughout the organization to prevent and monitor risks of corruption. In addition, the Directors, Executives, the Company's employees are prohibited from employing their authorities, be it for the direct or indirect benefits to self, or any others. This includes prohibiting the offer of unlawful benefits to any other person in order to obtain the Company's business interests. The Company shall monitor the Anti-Corruption Policy, review and assess at least once a year, as well as revise the practical and requirements of the guideline in accordance with the changing of the business, standardized regulations and the legal related requirements.

Anyway, the Company also 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 2018** under **“Anti-corruption”** on page 28 and **“Corporate Governance (CG)”**, Principle 6 Strengthen Effective Risk Management and Internal Control **“Internal Control and Risk Management”** on page 83.

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 2018, the safety training courses for the employees were the health, safety and environmental = 35 attendees (a.), radiation safety training = 39 a., emergency radiation drills = 26 a., safety driving training course = 21 a., fire-fighting and fire evacuation drill = 133 a., alcoholic and drugs random check = 172 a., first aid = 27 a., behavior based safety (BBS) = 35 a., illumination measurement = 212 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 issues, 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 safety 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 Health, Safety and Environmental Practices and Policies (HSE)

For the adherence of compliance to the HSE practices and policies in year 2018, the Company received the awards in Health, Safety and Environment as follows:-

1. The honourable award of “**The Companies with drug management systems in the workplace, on the White Factory Project Level 1**” by the Department of Labor Protection and Welfare, the Labour Ministry.
2. The honourable mention in “**Recognition and Appreciation of the SSHE Contribution of their employees working at PTTEP towards achievement of target Zero in 2018**” by PTTEP (Public) Co. Ltd.
3. The honourable award of “**The Company represented the excellent operational of safety, health and environmental without accident at work, from Goal Zero Step 1-3, total at 900 days (as of 18 November 2018)**” by IRPC (Public) Co., Ltd.
4. The honourable award of “**Excellent SSHE Performance and Dedicated Service to 2019 GBS Full Shutdown**” by PTTEP.
5. The “**CEO Contractor Award for SSHE Excellence 2018**” by PTTEP.



Statistics of Incidents at Work in 2018:

In 2018, the 15 incident occurrences were totally 15 cases (in 2017, there were 17 cases.), they were :-

- (1) 7 vehicle accidents.
- (2) 5 accidents in unsafe conditions.
- (3) 3 radiation exceedings incidents.

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

3. Resources allocation

The Board realized to oversee and monitor the executives to allocate and manage resources throughout the Value Chain appropriately to the business model. The resources have to be reviewed and developed effectively and efficiently, by recognizing the necessity and worthy of resources usage, the variation of internal and external factors, and how available resources correlate. The resources optimization would be on the basis of ethical, responsibility and value creation, to achieve the goal and sustainability of the Company. The resources to be considered were as follows:

3.1 Financial Capital

The Executives should adequately manage funds for business operations or could continuously manage in the long term, to be in accordance with the objectives, goals and investment plans including having to receive adequate compensation, worthwhile and in accordance with the agreement appropriately. The Executives should analyze and assess the results of operations whether the financial management still followed the investment plan or not, accuracy or error in any part, in order for the improvement later on. In addition, the policy of buying-selling with Thai baht, to reduce the foreign exchange risk, would prevent fluctuations in the cost of services from unstable prices.

CORPORATE GOVERNANCE (CG)

3.2 Service Capital

(1) Process and Method of Services

The Executives should always manage the process and method of services to meet the customers' requirements and relevant standards. The Company would emphasize the significant development of innovation in the organization, by focusing on speediness, accuracy, including mainly emphasizing in safety for lives, properties, and environment. These were done to increase customer service efficiency, to enhance the competitiveness and value added to the organization, including reducing the service costs from relying on foreign technology.

(2) Tools, Equipment and Accessories

The Executives should draw a carefully-planned for tools, equipment and accessories in accordance with the actual project workload, along with closely tracking the industrial situation. Some of the materials used were related to the stability of the country such as radioactive materials, remodeling in Government Policies in which might obstruct the performance of legal procedures. The Company should increase awareness and pursuance of the government's policies concerned, to prevent any disruption of the law and regulations

3.3 Human Capital

The qualified NDT personnel and experts were in high demand in both the Industrial sector and the inspection entrepreneurs. The creation of these personnel requires both time and capital for training to meet the requirements in the industry. In addition, the Company has planned to expand the inspection to other industrial groups with up-to-date techniques. Therefore, the Company has accelerated to promote and develop both technical and efficiency of existing personnel to be ready for further expansion plans. By the guidelines to create and develop potential personnel with enthusiasm, interest and ready to develop their potential to attend both internal and external training by the experts, etc., to be experienced and expertized in operations. There were opportunities to allow the employees to create, research and develop the modern innovation to enhance the service efficiency, including raising the employees' awareness to uphold the ethical and code of business conduct, morals and good virtue when servicing the customers.

Please see the additional results of training in 2018 on **the Annual Disclosure Information 2018**, part 2 section 8 item 8.5.5 and **the Annual Report 2018** in the title of **"Human Resource Development Policy"** page 59 - 62.

3.4 Intellectual Capital

The Company has supported and encouraged employees who had ability to research and development by forming 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 were according to international standards and practicable. These would be 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. It has also reduced the costs of importing, created customer value as well as business value to the organization. The research and development have been progressing well, could be used in operations and reduce the operating time, as well as more convenient and safety for health and environment. Moreover, the Company has focused on its customers relationships building, including those relevant. Due to the Company trusted that having a good relationship between each other will create understanding, certainty, and confidence in the operations, it would contribute to the development of workflow efficiency and having a great achievement together.

In addition, the Company has set 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 2018, there has been no case of employees utilizing illegal software or violation of intellectual properties in the Company.



CORPORATE GOVERNANCE (CG)

3.5 Social and Relationship Capital

The Company has aimed to understand all of the cultures and traditions in every operating area in order to coexist peacefully, co-creating, co-developing and supporting activities in the community, including resource conservation and environmental of communities nearby, by applying the knowledges and business experiences to develop and enhance benefits for the Community both in the short and long term as appropriate, and in accordance with the activities of the community, such as the students from various institutions to visit and study the Company's operational, as well as educate students as trainees to study the duties performing along with the basic knowledge as learned in the education institutes, etc., or cooperation activities in the local area of operations, and would not cause a negative impact to the communities near the operating areas and will conserve the environment and the resources in the vicinity.

In 2018, there were trainings and field trips in NDT work for 80 students of various institutions, including 8 students as trainees to learn the actual work life in line with their knowledge in education institutes. In addition, the Company has provided activities related to the nearby community and environment's developing, and has been reported on **the Annual Report 2018** under "**Corporate Social Responsibility (CSR)**", on page 95 - 97 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**"

3.6 Natural Resources Capital

(1) Environment within the Organization and Nearby

The Company has provided knowledge and disseminated 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 had joint-campaign and encourage employees to use resources wisely by recycling and reused the materials by modifying the disposal of scrap materials to be ready to use which was efficiently contribute to reducing the costs of operation, as well as the campaign of waste separation were to reduce the pollution caused by social and environmental impact of solid waste to be utilized as much as possible, which would reduce risks from hazardous waste. The Company has also organized energy conservation activities as appropriate, for subconscious and values creation in energy saving and worthy, as well as usually practiced in all related activities.

In addition, the Board of Directors has determined policies, visions and missions to create credibility in management, including promoting, supporting and monitoring the Company to operate and organize activities, which would be participated in supporting activities related to community development and on the basis of the responsibility to the community, society, and the environment.

In 2018, the Company's activities, related to the development of the community and environment nearby, were reported in **the Annual Report 2018** in the title of "**Corporate Social Responsibility (CSR)**" on page 91 - 104 and in SD Report, on the Company's website (www.tndt.co.th) on page "**Sustainability**" in the title of "**CSR**" subtitle of "**SD Report**"

(2) Society and external environment

The Company has emphasized on the rules and regulations which would be beneficial 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 Atomic for Peace, Ministry of Science and technology, the regulations by the Department of Energy Business, Ministry of Energy, etc., including all practices of International standards. It has also included the disposal of waste from the remaining material from the service, not to be burden and danger to society and the environment, such as radioactive waste, toxic waste, magnetic powder, etc. The Company's operation was according to international standards, including all related regulation in disposing of leftover waste by returning to the manufacturer or the dealer, or returning to the registered company which have been licensed by the Department of Industrial Works for proceeding the removal in the correct way. This was done for the sustainable development of society and environment furthermore.

In addition, the Company has also promoted projects or activities for society and external environment, with cooperation from executives and employees from all departments. The Company has also provided opportunities for stakeholders to participate in projects or activities of the Company by the occasion or appropriateness, including the campaign to use the Company's resources effectively and efficiently.

CORPORATE GOVERNANCE (CG)

In 2018, the Company has returned the 51 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 was licensed by the Department of industrial work, in the volume of 2.07 tons. These were for proceeding to eliminate them technically and legally, not to be burden and danger to society and the environment. The disposal waste were reported on **the Annual Report 2018** under “**Corporate Social Responsibility (CSR)**”, on page 95 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**”



Eliminate waste or unused materials



4. Information Technology Management

The Board of Directors had the duties in supporting, overseeing the innovation and technology applying in the organization, in order for value-added and opportunity to develop operations for the business, including risk management as appropriate for the nature of the organization. The Internal Control system of the internal auditor, which was an independent unit, would monitor and assess the performance of the executives whether the technology could be used for the best interests and to achieve the organization's goal.

The Company had a policy and measures to oversee/control the usage of information technology and internal information in the availability of information regularly, provided the access to information in the order of employees' duty and position. In addition, there was a system to prevent damage of information technology which might be utilized dishonestly, or changing information without permission, or taking advantage of confidential information that might affect the price of securities, or to prevent personal exploitation and those involved. In 2018, there was no usability of information technology in the wrong way.

CORPORATE GOVERNANCE (CG)

Principle 6 : Strengthen Effective Risk Management and Internal Control

1. Internal Control and Risk Management

The Board of Directors and the Company has emphasized greatly on the internal control system, both in the executives 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 might 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 has to be done continuously, as well as clearly distributing responsibilities. There was also the good corporate governance system to achieve a good counterbalance and the connected transactions have to be monitored appropriately.

In addition, for the internal control of the financial system, financial liquidity and repayment condition, the Company has prepared a financial report by appointing the executive in charge with the Audit Committee to review and assess the adequacy of the reports by utilizing the Internal Control Integrated Framework of the Committee of Sponsoring Organization (COSO), which consisted of 8 elements covering the guidelines for determining the policies of management, operations and risk management as follows:-

Part 1 Internal Environment

Part 2 Objective Setting

Part 3 Event Identification

Part 4 Risk Assessment

Part 5 Risk Response

Part 6 Control Activities

Part 7 Information and Communication

Part 8 Monitoring

Independent internal auditors, assigned by the Audit Committee, would take responsible for auditing the accuracy and transparency of information as of the annual operational plan which has already been approved, and reporting the review results to the Audit Committee for acknowledgment. The audited result would be presented to the Board of Directors for acknowledgment every quarter. In case of any suggestions or significant defects, the internal auditor would report to the Audit Committee, and present to the Board of Directors for consultation and further improvement..

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

In year 2018, the Audit Committee has reviewed the various operating systems, and has prepared the report of the Audit Committee which appeared in the Annual Report, page 21 - 23.

2. Guidelines and duties of the Audit Committee

2.1 Duties of the Audit Committee

Please see the “**Management Structure**” in the title of “**Audit Committee**” page 41 - 42 and the Company's website (www.tndt.co.th) page “**About TNDT**”, in the title of “**Executives**”, subtitle of “**Audit Committee**”.

2.2 Remuneration of Auditors

The Remuneration of Auditors for the Company and its subsidiaries

1. Remuneration of auditors

For the year 2018, 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 1,680,000 baht, they were quarterly monitoring at 210,000 baht, the year ended audit fee at 980,000 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 or 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.

CORPORATE GOVERNANCE (CG)

2. Other Fee

In 2018, No any other expense charged.

Details	Amount (Baht)	
	TNDT	Subsidiaries
The annual audit fee for the year ended December 31, 2018.	880,000.00	100,000.00
The quarterly review fee for the period ended March 31, 2018.	160,000.00	50,000.00
The quarterly review fee for the period ended June 30, 2018.	160,000.00	50,000.00
The quarterly review fee for the period ended September 30, 2018.	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	1,430,000.00	250,000.00
Overall	1,680,000.00	

3. Conflict of Interest / Connected Transaction

Conflict of Interest / Trading of Company Securities / Insider's Information and Information Technology System

To prevent conflict of interest issue, the Board of Directors has overseen the Company by the policies of information disclosure, management of confidential information to prevent data leakage, protection of confidential information and market sensitive information. There were the policies and procedures to prevent the Directors, the Executives or the connected person from using insider's information for personal benefits as follows:-

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

(2) Overseeing 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.

(3) The Directors, Executives and connected person should disclose the stakeholding information and their trading or holding of Company's securities and the connected persons as well.

The Company has disseminated knowledge, communicated and reviewed policies to prevent directors and executives, including employees who have been working in related departments, to use internal information for the benefit of themselves or others which were considered to exploit other shareholders. Therefore, all directors and executives should disclose interest information or the company's securities holding or changes during the first month before Financial statements disclosure to the public, both their own and those connected to the board (Should not buy-sell one month in advance before public disclosure of financial statements)

In addition, the Company's new directors or executives including those involved should report their holdings of the Company's securities within 30 working days after being appointed, as well as report the trading of securities at least 1 day in advance or report changes in securities holdings within 3 working days after buying, selling, transferring or receiving transfers. Such information should be submitted to the Board regularly or notified to the Company Secretary for reporting to the SEC, in accordance with Section 59 of the SEC Act of 2535, and disclosed in the Annual Disclosure Information (Form 56-1) and Annual Report (Form 56-2)

In 2018, No any employees in related departments buy, sell, transfer or receive transfers and no any Directors, Top Executives, Executives including the related employees use internal information for their benefits or others in any unlawful way.



CORPORATE GOVERNANCE (CG)

The Company has also required Directors and Executives to be aware of the operations with characteristics of connected transactions and conflicts of interest which the Company might have, should be operated with transparency, accountability, reasonable pricing, and fair and at arms' length. In addition, there were measures for the Company to allow the Audit Committee to comment on the necessity of entering such connected transaction or conflict of interest, whether the prices were reasonable and appropriate by considering various conditions which shall be normal trading operations at the market price. In the case of the Audit Committee did not have expertise in considering any connected transactions, the Company would provide knowledgeable and special expertise persons, such as auditors, property appraisers, law firms being a third party and independent to comment on such connected transactions. The comments would be for the decision making of the Audit Committee and present to the Board of Directors or shareholders, a case by case. In case of transactions that were required to disclose the information, or requesting approval from shareholders, in accordance with the regulations of the SET, the Company would disclose details and reasons of such transaction to shareholders in advance, before entering the transaction.

In 2018, the Company did not enter into any connected transactions that violated or not complying with the rules of the SET and the SEC. In addition, the Company would disclose internal information that might affect the investment and the personal benefits of the directors, executives or those involved on that date immediately or before 09.00 a.m. on the next day (if any).

4. Anti-Corruption

Please see the details on **"Anti-Corruption"** on page 28, **"Corporate Governance"** item 3 page 93, and on the Company's website (www.tndt.co.th) page **"About TNDT"** in the title of **"Guidelines on Duty"** subtitle of **"2. Policy for Anti-Corruption"** and page **"Sustainability"** in the title of **"Anti-Corruption"**

5. Whistle-blowings / Complaints / Comments or Suggestions

The Company has disclosed the information on **the Annual Report 2018** under **"Anti-corruption"** on page 28. During 2018, no any whistle-blowings, complaints or etc. were submitted to the Company.

CORPORATE GOVERNANCE (CG)

Principle 7 : Ensure Disclosure and Financial Integrity

The Company has recognized the importance of information disclosure with correctness, completeness, transparency on schedule according to the regulations of SEC and SET. The information has included financial and non-financial information as well as other important information which might affect the Company's securities prices and investment decisions of investors and stakeholders, both in Thai and English language. In addition, the Company has disclosed 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 61 - 62). 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 on the Board's meeting. the details of disclosure of changes in securities holdings of Directors, Top Executives, and the Executives of the year 2018 can be viewed on the table topic **"Shareholding Structure"** on page 37.

1. The Board of Directors' Accountability to the Financial Report

The Board of Directors was 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 the appropriate accounting standard. This was done consistently by having an auditing from the authorized, independent and trustworthy auditor which was 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 2018**, the title of **"Report of the Board of Directors' Accountability to Financial Report"**, page 105.

Besides, the Company has recognized the importance of strengthening relations with the shareholders, analysts, investors in the Annual General Meeting of Shareholders, as well as answering the enquiries on various topics to the shareholders via Investor Relation and other communication channels of the Company.

2. Financial liquidity and debt repayment capability

The Board of Directors has monitored and oversaw the financial liquidity and debt repayment capability by the meeting with the executives, including reviewing the internal auditing of internal audit team passing through the Audit Committee, to monitor and assess the financial status and the Company's operating results on every quarter.

The management has set up guidelines of monitoring repayment as follows:-

- (1) Try to follow up, claim, and accelerate the payment of debt more closely.
- (2) Use the relief policy in time conditions
- (3) Have a strict policy to select customers with stable financial status and collateral
- (4) Legal prosecution (the last chance to select), in order to maintain the customer base waiting for the economics recovery.

In case of any transaction or investment for business expansion both locally and internationally, the Audit Committee would consider whether such transaction was a reasonable transaction and being a beneficial investment to the Company by now and in the future or not, as well as propose to the Board of Directors. The Board would consider the details thoroughly in order not to affect the overall liquidity of the Company, as well as managing the risk of loan and interest burden by paying on the specified period, including adjusting the investment plan to be in line with the liquidity and complete repayment as soon as possible.



CORPORATE GOVERNANCE (CG)

3. Guidelines of operations

The Board of Directors shall strictly comply with the contracts, agreements, obligations and liabilities that may arise, as well as the conditions as agreed, transparency and no secrecy. In case of the Company cannot comply with the contracts, conditions agreed upon or any change in conditions, the Company will notify the creditors in order to jointly find possible solutions immediately. Moreover, the Company will report the debt obligations to creditors as requested accurately, completely and timely.

4. Sustainability Report

The Board of Directors has encouraged, supported and monitored the Company to set up guidelines for business operations and comply with ethics and code of business conduct, good corporate governance, together with responsibility to the community, society, environment and consideration of all stakeholders according to the rights, laws or agreements that should be with the Company. The Company has also disclosed important information to stakeholders to acknowledge adequately, no any violation of stakeholders' rights. Moreover, the Company has channels to report clues, complaints on issues related to legal offenses, inaccuracy of financial reports, defective internal control system or unethical practices, and also has measures to protect the rights of whistleblowers for the Board of directors, executives, employees and all stakeholders to acknowledge and adhere together. Therefore, the guidelines should be practiced for sustainability and efficiency of the organization, by creating a Sustainability Development Report (SD Report), as a part of the Annual Disclosure Information (Form 56-1) and the Annual Report (Form 56-2), in a separate book and disclose to the public via the website www.tndt.co.th of the company. Such documents could be downloaded from the Company website as well.

The policy and details can be viewed in the title of “**Corporate Social Responsibility**” page 91 - 104, and on the Company website (www.tndt.co.th) page “**Sustainability**” in the title of “**CSR Policy**”

5. Communication and Investor Relations Channels

5.1 Company's Data Access

- (1) Online system of the SET
- (2) Quarterly performance report
- (3) Opportunity Day / AGM / EGM / mai Forum etc. for the Top-Executive of the Company to meet, discuss, report and answer questions on various issues in order to strengthen relationships with investors, analysts and shareholders from time to time as appropriate.
- (4) Press Release
- (5) Annual Disclosure Information (Form 56-1)
- (6) Annual Report (Form 56-2)
- (7) Sustainability Development Report (SD Report)
- (8) Company's website : www.tndt.co.th
- (9) E-mail : secretary@tndt.co.th
- (10) Company's Facebook : <https://www.facebook.com/TNDT.Thailand>

5.2 Investor Relations : Mr. Som_ouy Tangchithavorngul

Besides communicating information through various channels, as described in item 5.1, the Company has established the Investor Relations Unit to be responsible for communicating the Company's information to investors and third parties with equitable and fairness. Investors can contact for more information by the followings:-

- (1) Letter : Thai Nondestructive Testing (Public) Co., Ltd.
19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240
- (2) E-mail : som_ouy@tndt.co.th / headoffice@tndt.co.th / info@tndt.co.th
- (3) TEL : +66(0)2-735-0801 (Auto.10 lines)
- (4) FAX : +66(0)2-735-1941

The Company has opened communication channels on the Company's website www.tndt.co.th and the Annual Report 2018 titled “**Company Information and Communication**” on page 5

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Principle 8 : Ensure Engagement and Communication with Shareholders

The Company emphasized and recognized 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 encouraged 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 would 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 would try its best efforts to look into the agreement, not to be affected significantly to the company or other shareholders. They were as follows:-

Prior to the Meeting

1. The Company conducted the Annual General Meeting (AGM) of Shareholder 2018 on Monday 23 April 2018, 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, 17 days prior to the meeting date to be in line with law and regulations.

2. For the equality and fairness to all of shareholders, the Company invited the shareholders to propose the agendas and the nominees to serve as directors to exercise the right to appoint directors individually, and to propose the questions prior to the 2018 Annual General Meeting date (during 4 January to 3 February 2018). 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 2018 the Company's proportion of free float shares were at 48.09 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 A or B as attached on the letter of invitation (only one type) and evidence in accordance with the regulations as mentioned in the invitation letter, the rights to vote would be correspond to the number of shares held, ie 1 share per 1 vote of the same category of shares and having equality voting rights.



CORPORATE GOVERNANCE (CG)

3. The Chairman of the Board and all Committees, Executives and Auditors valued the importance of the AGM. Therefore, they attended and participated 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, in which any additional or change on the agenda was prohibited so as not to infringe the rights of shareholders who could not attend the meeting themselves.

6. In the meeting, the shareholders had the rights to inquire about the Company's operations. The Chairman and Board of Directors fully provided an opportunity for shareholders to make inquiries, comments and suggestions in all agendas appropriately.

7. The Directors, having conflict of interest in any agenda, should not participate in the agenda.

8. 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, abstains or voided ballot for each agenda were transparently presented to the meeting.

9. 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. 12/2018, the Company had submitted the minutes on May 07, 2018

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 2018 with a score of 97.0 (for the year 2017 with a score of 100).



The AGM of Shareholders for the year 2018



CORPORATE GOVERNANCE (CG)

Exemption from compliance with good corporate governance principles

The Company recognized the importance of applying CG Codes for listed companies in the SET and practiced in all activities of the organization. However, the Company has not practiced in the followings:-

1. Chairman of the Board of Director should be Independent Director.

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 was the specific business, required 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 should also follow 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 resulted 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 issues in which he or any individuals might have conflicts of interests or connected transaction 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 as to be in accordance with the guidelines for good corporate governance.

2. Determine the term on duty of the Independent Directors should not exceed 9 consecutives years from the first date of appointment without any exeption.

The Board of Directors consists of 3 independent directors, of which 2 independent directors are exceeding for more than 9 consecutives years. In these, the Board has considered that even the term on duty of the 2 Independent Directors are more than 9 years, their independent opinions and duties performances with knowlegeable and expertise have done the best interests for the Company and in compliance with the Company's rules and regulations, and the Capital Market Committee. For another term on their duties, The Board of Directors should consider and approve and present to the AGM meeting for approval.

3. Good Governance Committee and Risk Management Committee

The Board of Directors has not yet formed these 2 sub committees. Therefore, the Board has assigned 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 assess 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 were done by appointing the internal auditor to audit the work procedures in each department of the Company. .

4. The Board should consist of more than 50% of independent directors.

The Board of Directors consists of 8 directors, the 3 directors are members of audit committee / independent directors / Non Executive Director of which more than 1/3 of entire Board, and the other 2 Directors are not Independent Directors / Non Executive Director. There were counterbalance of 5 Non Executive Directors, more than a half of the entire board, to review the management and have the freedom to manage the audit work.

5. The Board should consider to hold more than 6 meeting of the Board per year.

The Board of Directors regularly holds at least 1 meeting per quarter and expects more than 6 meetings per year. In the past year, the Company held 5 meetings of the Board of Directors. The meeting was scheduled in advance throughout the year, so that the directors could allocate time to attend the meeting by informing each director at least 2 weeks in advance before the actual meeting date. The meetings were conducted in accordance with the regulations of the Public Company Law and the regulations of the Stock Exchange of Thailand, and should have a minimum number of quorum at the voting time at least 2 in 3 of the total number of entire directors.



CORPORATE SOCIAL RESPONSIBILITY (CSR)



The Company's main 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 (CSR). The Company has grasped the necessity of operating its business with the utmost responsibility. In addition, the Company has diversified the business line by focusing on clean energy groups such as solar and biomass, to reduce the impact on the environment and mitigate climate change, along with the development of personnel to support the change according to the era and the rapid diversification of technology. These factors would determine the growth of the organization. Meanwhile, the Company has practiced along with the CSR policy throughout the 36 years of operating the business.

Overview Policies

Since the main business involves Health, Safety, Security and Environment (HSSE), the Company must perform with the highest responsibility, and being in line with 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., in order to create credibility in the industrial sector, together with supporting the expansion plan according to the Company's strategies in the future.

Visions

The Company strives to manage the business by adhering code of business conduct, ethics, morals and good virtue and fairly operate in compliance with the laws and regulations, all groups of stakeholders are confident in the Management of the Company. The Company also diversify to other business lines as opportunities, along with developing personnel for more quality and efficiency in order to propel the organization to develop in accordance with the changes of the era, and creates equality value for all stakeholders, under the concept of **"Change for Better Together"**, leading the Organization to the success and sustainable growth in operating the business.

Missions

Propel the organization by accelerating the development of all factors which promote sustainable business growth, there are personnel, processes and business partners in the AEC countries, by adhering to operate the business with ethics, code of business conduct and morals along with responsibility to the community, society and the environment, as always practices as follows:-

CORPORATE SOCIAL RESPONSIBILITY (CSR)

For the Personnel

1. Raise the employees' awareness to uphold the responsibility in public health, safety, securities and environment and adhere to ethics and code of business conduct 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.
2. Improve personnel qualities and efficiency in the modern era, by hosting both internal and external training in order to develop skills and proficiency for the operations, in the main business, energy business and others related as opportunities.
3. 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.
4. 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. In addition, the Company would choose the proper testing and inspection methods and equipment with safety to the society and environment.
5. Motivate and cultivate consciousness in the organization in order to reduce the shortage of qualified personnel from migration and the overflow of unqualified personnel.

For the Process

1. Transform the business management policy to suit the situation by expanding the main business services to new customers, and various industry groups, focusing on inspection services and providing integrated services.
2. Expand the main business base by using Advanced Technology and new innovations created by the Company's personnel to AEC countries.
3. Testing and inspection process including delivery and storage must not affect the lives, properties, communities, societies and the environment, prior, during or after the inspection.
4. Select the quality and standards of tools and equipment for the inspection and testing, and they must be verified and calibrated appropriately and timely.
5. Diversify the business to the energy groups and others as appropriate. Such businesses shall also contribute to the environment.

For the Partners

1. Maintain a good relationship with the former partners by mutual confidence in the business operation, including adhering to integrity, honesty, transparency, and anti-corruption in all forms.
2. Seek for more business partners both domestic and overseas, in the groups of main business and the expanded businesses according to the Company's strategies. The business operations must be based on professional ethics and code of business conduct, fairness, and transparency. These are for creating new business opportunities and increasing capacity and competitiveness of the organization, both in the short and long term.
3. Select business partners regarding the availabilities of skills, experience, knowledge, expertise on those works, to exchange, transfer knowledge and expertise by focusing on sustainable business expansion together.

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. As a result, all stakeholders are confidence in the management, leading to success in sustainable business operation.

In year 2018, the Company was aware of the rights and roles of all groups of stakeholders equally and fairly as follows;



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 systematic 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, strengthen the image of the Company and lead to the development of sustainable business.

In 2018, the Company has been assessed for Corporate Governance Responsibility (CGR) on “Excellent Level” by the score of 93%, equal to the year 2017, while being more than the average score of the overall listed company at 81%. The Company will maintain the quality of management and monitoring, including further development.

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, fairness, 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 of the testing results to the industrial sectors or to the customers with precision and accuracy, guaranteeing the quality and 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, the service instruction are 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 2018, the Company received the score of the satisfaction surveys at 100% from customers, in the title of “**Priorities for the future**”. (Please see the title of “**Corporate Governance, Principle 5 : Nurture Innovation and Responsible Business**”, page 76)

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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, the knowledge center both the online through the Company's website (www.tndt.co.th) and the library in the office. 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 according to the era and improve professional proficiency which will increase the quality, efficiency and adequacy of customer services in all process, as well as supporting new business lines of the Company.

4.5 Provide safety equipment and systems 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 2018, the Company has been in the process of obtaining Thai Labor Standards Certification TLS 8001-2003 in "Fundamental Level" with the Bureau of Labour Standards Development, Department of Labour Protection, which has raised the level of labor standards., after the Company has declared itself according to Thai labor standards and passed the initial consideration in 2017.

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. .



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 the more efficient services, resulting in the highest level of customers' satisfaction.

In year 2018, the results of customers' satisfaction surveillances, please see the title of **"Corporate Governance under the topic of Principle 5 : Nurture Innovation and Responsible Business"**, page 76 and the topic of **"Corporate Social Responsibility (CSR)"** on the title of **"Customer Satisfaction"**, , page 96.

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 have been licensed by the Department of Industrial Works, so that they can correctly dispose of the leftovers. These companies can correctly dispose of the leftover wastes, which shall not affect or be harmful to the society and environment.

In the year 2018, the Company has disposed of the toxic wastes and unused of materials correctly and properly. The details were as follows :-

1. The Professional Waste Technology (1999) Public Company Limited : the company which proceeded the disposal waste technically and legally, and was licensed with the Department of industrial work. There were :

- 1.1 270 Kilograms of Chemical contaminated cloths.
- 1.2 760 Kilograms of Radiographic processing chemicals.
- 1.3 1,040 Kilograms of Waste residual spray cans.

2. The Bangkapi District Office

- 2.1 73 Kilograms of Batteries and vehicle batteries.
- 2.2 1 Kilogram of Light bulbs wastes.

3. The Manufacturer

- 3.1 51 Units of Radioactive wastes.

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 and societies in appropriate occasion, such as donating old calendars to create Braille letter cards as teaching materials for the visually impaired, donation of max-aluminium ball for the physically disabled, as well as donation of second-hand dolls and toys to underprivileged children on the mountain. The Company also promoted the careers for people with disabilities, by raising pigs, straw mushroom cultivation, and subcontracting work for the disabled, etc.

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

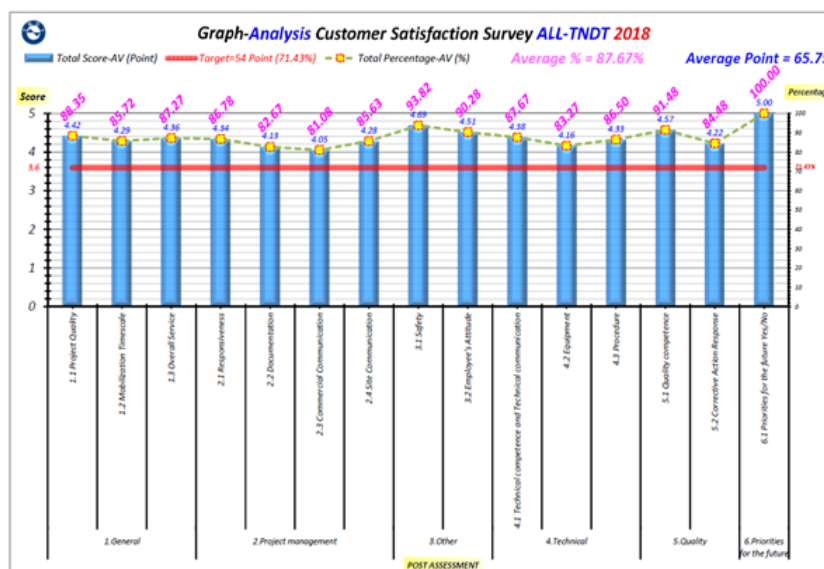
The Company has formed the Creative Research and Development Division (CRD) with the knowledge, expertise, and creativity personnel to research, develop and invent tools, equipment to be modernized innovations which are according to international standards and practicable. These are capable to create 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. Since 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”** in the year 2017. The fund was used to invent the innovation until the completion in November 2018 and such innovation would be actually operated in **“Natural Gas Transmission Line Project No. 5, Part 2”**, with the project value of approximately 52 million baht.

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 topic of **“Principle 5 Nature Innovation and Responsible Business”** on the title of **“Customer Satisfaction”**, page 76)



CORPORATE SOCIAL RESPONSIBILITY (CSR)

➤ Activities to Conserve the Cultural Traditions.

❖ The New Year Blessing by M.D.



❖ Songkran Festival at Headoffice.



❖ Chinese New Year Festival.



❖ Make Merit for His Majesty the Late King.



➤ Communities and Environment Activities.

❖ Children's Day.

■ Headoffice @ Bangkapi Youth Center.



■ Rayong Branch @ Rayong Youth Center.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

➤ Social Activities.

❖ Blood Donation @ The Red Cross.

No. 6



❖ Donation the old Calendar for the visually impaired.



No. 7



❖ Rajamangala University / Srivijaya had a field visit @Songkla Site Office.



No. 8



❖ White Factory Project.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

➤ Employee Relationships Activities.

❖ HR. Site Visit in Up-country.

■ Kampaengphet Site.



■ Songkla Site.



❖ PT. Thai NDT Indonesia visited Rayong Branch.



❖ TNDT Employees' descendants contest for year 2018.



❖ TNDT Employees' family on Loy Kratong Festival.



❖ TNDT Family's Days and Songkran Festival Contest.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

➤ Social Responsibilities – Employees.

❖ Annual Health Check.

■ Headoffice



❖ Visit In-patients at the hospitals.



■ Rayong Branch.



➤ Knowledges Center.



➤ Potential Development.

❖ Visual Testing Course (VT).



❖ Visual Course - Exam (MT).



CORPORATE SOCIAL RESPONSIBILITY (CSR)

❖ Orientation for New Employees.



❖ Safety Office Supervisor Level.



❖ Defensive Driving Course.



❖ Safety Officer – Technician Level.



❖ Work at Height @ Headoffice.



❖ English for Work (30 Hrs.) @ Rayong Branch.



❖ Work at Height @ Rayong Branch.



❖ English for Work (30 Hrs.) @ Kampaengphet Site.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

❖ ISO 9001 : 2015 .



❖ Collaboration between site – coordinators and admin office.



❖ Confined Space.



❖ Fire Evacuation Drills @ Headoffice.



❖ UTM. Training



❖ Evacuation Drills @ Rayong Branch.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

❖ Fundamental English Course.



❖ First Aid Course.



➤ Other Activities.

❖ PTT Maintenance and Engineering Co.,Ltd. (PTT ME)

Auditing @ Rayong Branch.



❖ Meet the Electric Minister @ Naypyidaw, Myanmar.



❖ AGM of Shareholders for 2018.



❖ Energy Conservation Project in the organization.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

❖ Kick-off Meeting with TPC (Public) prior to Turnaround Project.



❖ My Home Library and Borrow me home Project.



❖ National Safety Week @ Bitec, Bangna.



❖ MOU signing for Technology Development and create Innovation from Electron Beam.



❖ Setting up the Spirit House at the Power Plant in Myanmar.



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 2018 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 2018.

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 2018.

The Board of Directors was of the opinion for the financial statements of the Company and subsidiaries for the year ended 31 December 2018 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 2018 [The Company Only]

Total Assets

As of 31 December 2018, the total assets of the Company registered at 916.89 million baht, decreased of 75.13 million baht or decreased 7.57% where compared with year end of 2017. Such total assets consist of current assets of 435.31 million baht (47.48% of the total assets) and non-current assets of 481.58 million baht (52.52% of the total assets). The current assets have decreased from the year 2017 for 41.61 million baht or decreased 8.42% due to an decreased significantly in account receivable (decreased 46.19 million baht or decreased 31.73%). For the asset have increased such as advances to subsidiary (increased 13.38 million baht or increased 4.49%). For the non-current assets in 2018 are decreased from year end 2017 equal 33.53 million baht or decreased 6.51% For the non-current assets that are decreased significantly are the loan to other company such decreased 61.59 million baht or decreased 48.73 where compared with year end 2017. In other, in 2017 the company have purchase or sale more equipments, therefore resulting the properties, building, and equipment are not so much change. The properties, building, and equipment in year end 2017 are increased 2.70 million baht or increased 1.02%. For other non-current assets and advance have slightly decreased.

Total Liabilities

As of 31 December 2018, the total liabilities of the Company registered at 447.77 million baht, an increased from year end 2017 are equal 6.36 million baht or increased 1.44%. Such total liabilities consist of current liabilities of 394.57 million baht (88.12% of the total liabilities) and non-current liabilities of 53.21 million baht (11.88% of the total liabilities). For current liabilities that are significantly for the Company were overdraft and short-term loans from financial institutes were 175.21 million baht or 39.13% of the total liabilities and decreased from year end 2017 equal 63.33 million baht or decreased 26.55%. In addition, in year end 2018 the Company have the short-term loan from related parties are decrease. For the short-term land from related party at year end 2018 are 71.50 million (15.97% of the total liabilities) with decreased 25.50 million baht or decreased 26.29% from year end 2017. For the current liabilities are significantly increased such a long-term loan that due for settlement within 1 year are increase 34.80 million baht, accrued expend are increased 21.89 million baht and short-term loan and accrued interest expend are increased 10.94 million bath.

Shareholders' Equity

As of the ending date of 2018, the shareholders' equity of the Company registered at 469.11 million baht, a decrease from year end 2017 of 81.49 million baht or decreased 14.80% The loss for the year in 2018 was 81.25 million baht so that the unappropriated retained earnings were 307.94 million baht.

The operation results for the fiscal year ended December 31, 2018

Total Revenue

The total income for the year 2018 registered at 316.25 million baht. Decreased from year end 2017 equal 4.80 million baht or decreased 1.54%. The main income of the Company was the service income of 309.27 million baht or 97.79% of the total revenue.

Total Expenses

The total expenses for the year 2018 were 392.23 million baht with are consisting of the cost of service are 237.78 million baht (75.19% of total Income), and administrative and general expenses of 132.31 million baht (41.84% of total income). Besides, the financial cost of the Company were 22.15 million baht. For the cost of service in 2018 has increased 7.74 million baht or 3.36%, compared with that of 2017. The administrative expenses have increased 87.35 million baht or increased 194.29% compared with that of 2017.

Earnings before financial cost and tax (EBIT)

In 2018, the loss before financial cost and tax of the Company were 53.84 million baht which in 2017 have profit before financial cost and tax were 46.05 million baht. The loss are cause of allowance for doubtful account in 2018 which are gather in administrative and general expenses.

Net Profits

In 2018, the loss for the year of the Company was 81.25 million baht while in 2017 have profit 26.86 million baht. This loss are cause of allowance for doubtful account in 2018 which are gather in administrative and general expenses. However, the Company have the cash flow from operation activity for the year 2018 increased 13.72 million baht or increased 31.05% where compared with the year 2017.

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, 2018, 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, 2018, 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, 2018, 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, 2018, 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 2018 quarterly reviews, 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 at each quarter-end significantly affected the completeness and accuracy of trade receivables and trade payables in the Company's statement of financial position as well as service income and cost of services in the statement of comprehensive income. 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 Group's consolidated financial statements and the Company's financial statements to be free from material error or misstatement:

- Considered and obtained understanding in the Company's working procedures and related internal controls in connection with the service systems and related costing which also included reading and obtaining the understanding in documentation and reporting attributable to the Company's handover of works and acceptance of works by the Company's customers.
- Considered the detail of works being done and still outstanding as at the end of year and brought in the gathered information to perform analytical review with documents and reports of works done and related handover as well as the analysis of gross profit of each job.
- Performed cut-off test on service income together with consideration of related costs both before and after the date of statement of financial position, in the extent that I considered appropriate, by comparison of the accounting period that service income was recognized with the information gathered from the Company's job-closed and handover documents and acceptance of works by the customers.
- Performed circularization of balance at year-end of (1) trade receivables and amount of service income incurred during the year to the Company's customers and (2) trade payables and amount of purchases as well as other costs incurred during the year to the subcontractors or suppliers, 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

Recoverability of Receivables and Loans - Certain Non-related Companies

Risk Description

As at December 31, 2018, the Company had significant partial balances of trade receivables, other receivables, and loan receivables with non-related companies as follows:

Description of Receivables	Consolidated and Separate Financial Statements (In Million Baht)			
	Trade Receivables	Other Receivable	Loan Receivables	Total
(1) Local customer company	1.4	19.1	53.4	73.9
(2) Foreign customer and alliance company	41.1	-	64.8	105.9
Total	42.5	19.1	118.2	179.8
Less Allowance for doubtful	(16.9)	(19.1)	(53.4)	(89.4)
Net	25.6	-	64.8	90.4

The aforesaid balances represented proportion that is material to the consolidated and separate statements of financial position as at December 31, 2018. Receivable in (1) engages in engineering services rendered to its customers, who are in oil and natural gas industry, which has been in recession without substantial sign of resurrection whereby volumes of cash collection from receivable during 2018 were few as compared to additions during the year and balance as at the end of 2018. In addition, the Central Court of Bankruptcy sentenced the order near the end of 2018 that the receivable in (1) is under the absolute receivership in the bankruptcy case that was filed against receivable by its other creditor. Receivable in (2) is during the start-up years of business relating to nondestructive engineering testing services rendered in Indonesia whereby volumes of cash collection from receivable during 2018 were not much as compared to additions during the year and balance as at the end of 2018. In addition, the balance has been also overdue exceeding one year in 2018. Such factors gave rise to the indicator of significant uncertainty and significant risk relating to recoverability of the aforesaid assets. After consideration and assessment relating to such matters, the Company's management provided allowance for doubtful accounts to the balances of receivables in (1) and (2) as shown above.

Significant accounting policies and other information relating to the aforesaid trade receivables, other receivable and loan receivables were disclosed in Notes 3, 5, and 8 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 Group's consolidated financial statements and the Company's financial statements to be free from material error or misstatement:

- Enquired and followed up for the updated information with the management, together with external sources of information, in relation to the current operational and financial status of receivables including analysis of information relating to the latest available financial position and performance of receivables in order to consider and assess whether they have the payment ability for the outstanding balances and how much or less.

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

- Performed subsequent cash collections from receivables after the reporting period whether there are any cash collections and how much or less.
- Performed circularization of balances at year-end to receivables and followed up the responses on circularization in order to use as supplemental information for the consideration on existence and recoverability of the receivable values.
- Enquired the management, considered and assessed about the judgement, analysis, information and assumptions used by the management in consideration and assessment of the payment ability for the outstanding balances of receivables as well as the estimated figures used by the management in calculating and determining allowance for doubtful accounts to the receivable balances outstanding at the end of 2018.

Other Information

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

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

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

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

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

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

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

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



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

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

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 23, 2019

STATEMENTS OF FINANCIAL POSITION

ASSETS

		In Baht			
		Consolidated		The Company Only	
	Note	2018	2017	2018	2017
CURRENT ASSETS					
Cash and cash equivalents		2,859,997	3,143,724	825,994	1,023,939
Current investment in fixed deposit		9,598	9,517	9,598	9,517
Trade receivables					
- Billed - net	5	58,467,234	102,786,841	58,467,234	102,786,841
- Unbilled		40,916,183	42,790,241	40,916,183	42,790,241
Short-term loans to and interest receivable from related person	4	5,951,084	5,899,475	-	-
Advances to subsidiaries	4	-	-	311,619,720	298,237,519
Supplies	6	5,590,288	4,697,421	5,590,288	4,697,421
Other current assets					
- Advances	4	66,648,260	69,174,551	5,842,477	5,730,358
- Others - net of allowance for doubtful account of Baht 19,094,209 in 2018	4, 5	14,294,701	23,536,570	12,041,263	21,634,772
Total Current Assets		194,737,345	252,038,340	435,312,757	476,910,608
NON-CURRENT ASSETS					
Restricted deposits at banks	27	101,137	7,100,000	-	7,000,000
Investment in available-for-sale securities	7	36,808	36,504	36,808	36,504
Non-current portion of billed trade receivable	5	20,641,843	-	20,641,843	-
Loans to other companies - net	5, 8	64,792,698	126,380,494	64,792,698	126,380,494
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	612,987,008	593,030,247	266,551,036	263,851,991
Intangible assets - net	12	660,968	866,530	660,968	866,530
Advances for equipment and intangible assets - net of allowance for doubtful account of Baht 2,232,000		290,870	290,870	290,870	290,870
Other advances	4	125,828,547	110,832,799	94,501,078	88,726,632
Deferred tax assets	21	-	2,684,000	-	2,684,000
Other non-current assets	27	12,171,926	3,362,472	10,905,385	2,071,937
Total Non-Current Assets		837,511,805	844,583,916	481,576,027	515,104,299
TOTAL ASSETS		1,032,249,150	1,096,622,256	916,888,784	992,014,907

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, 2018 AND 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Consolidated		The Company Only	
	Note	2018	2017	2018	2017
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	13	175,207,088	238,539,711	175,207,088	238,539,711
Trade payables		7,576,669	5,630,940	7,576,669	5,630,940
Current portion of liabilities under hire purchase					
and finances lease contracts	14	7,337,724	1,890,438	6,066,512	1,578,732
Current portion of long-term borrowings	13	42,741,089	7,944,225	42,741,089	7,944,225
Short-term loans from and interest payable to related persons	4	61,026,615	47,063,325	42,911,958	31,975,585
Short-term loans from other parties	15	71,500,000	97,000,000	71,500,000	97,000,000
Income tax payable		997,619	2,703,235	997,619	2,703,235
Accrued expenses and other current liabilities	4, 16	184,456,886	142,866,904	47,565,486	25,674,057
Total Current Liabilities		550,843,690	543,638,778	394,566,421	411,046,485
NON-CURRENT LIABILITIES					
Liabilities under hire purchase and finances lease contracts - net	14	14,954,142	3,854,768	14,954,142	2,610,551
Long-term borrowings - net	13	27,939,213	18,066,497	27,939,213	18,066,497
Liability for post-employment benefits	17	10,314,988	9,689,754	10,314,988	9,689,754
Total Non-Current Liabilities		53,208,343	31,611,019	53,208,343	30,366,802
Total Liabilities		604,052,033	575,249,797	447,774,764	441,413,287
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		282,516,356	370,427,260	307,940,641	389,428,545
Other components of equity					
- Change in fair value of investment in available-for-sale securi	8	2,307	2,003	2,307	2,003
- Difference on financial statement conversion of subsidiaries		(7,314,362)	(4,363,559)	-	-
Equity attributable to Owners of the Parent		436,375,373	527,236,776	469,114,020	550,601,620
Non-controlling interests	1, 9	(8,178,256)	(5,864,317)	-	-
Total Shareholders' Equity		428,197,117	521,372,459	469,114,020	550,601,620
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,032,249,150	1,096,622,256	916,888,784	992,014,907

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



STATEMENTS OF FINANCIAL POSITION

	Note	In Baht			
		Consolidated		The Company Only	
		2018	2017	2018	2017
REVENUES					
Service income - net		309,266,721	314,094,090	309,266,721	314,094,090
Other income	4	6,476,589	6,702,995	6,978,598	6,955,485
Total Revenues		<u>315,743,310</u>	<u>320,797,085</u>	<u>316,245,319</u>	<u>321,049,575</u>
EXPENSES	19				
Cost of services	4, 20	237,775,621	230,038,422	237,775,621	230,038,422
Administrative expenses	4, 5, 12, 20	139,500,182	51,689,244	132,306,842	44,957,712
Finance costs	4, 14	23,187,070	15,858,621	22,145,480	15,032,353
Total Expenses		<u>400,462,873</u>	<u>297,586,287</u>	<u>392,227,943</u>	<u>290,028,487</u>
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE	24	(84,719,563)	23,210,798	(75,982,624)	31,021,088
Income Tax Expense	21, 24	5,267,631	4,156,127	5,267,631	4,156,127
PROFIT (LOSS) FOR THE YEAR		<u>(89,987,194)</u>	<u>19,054,671</u>	<u>(81,250,255)</u>	<u>26,864,961</u>
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Change in fair value of investment in available-for-sale securities	7	304	327	304	327
- Difference on financial statement conversion of subsidiaries		(2,950,803)	(2,445,463)	-	-
<i>Item that will not be subsequently reclassified to profit or loss</i>					
- Actuarial loss on measurement of liability for post-employment benefits (net of income tax effect of Baht 59,412) in 2018	17, 21	(237,649)	-	(237,649)	-
Other Comprehensive Income (Loss) for the Year		<u>(3,188,148)</u>	<u>(2,445,136)</u>	<u>(237,345)</u>	<u>327</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u>(93,175,342)</u>	<u>16,609,535</u>	<u>(81,487,600)</u>	<u>26,865,288</u>
Profit (Loss) Attributable to:					
Owners of the parent		(87,673,255)	21,312,946	(81,250,255)	26,864,961
Non-controlling interests		(2,313,939)	(2,258,275)	-	-
Profit (Loss) for the Year		<u>(89,987,194)</u>	<u>19,054,671</u>	<u>(81,250,255)</u>	<u>26,864,961</u>
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		(90,861,403)	18,867,810	(81,487,600)	26,865,288
Non-controlling interests		(2,313,939)	(2,258,275)	-	-
Total Comprehensive Income (Loss) for the Year		<u>(93,175,342)</u>	<u>16,609,535</u>	<u>(81,487,600)</u>	<u>26,865,288</u>
Basic Earnings (Loss) per Share		<u>(0.88)</u>	<u>0.21</u>	<u>(0.81)</u>	<u>0.27</u>
Weighted Average Number of Common Shares		<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

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, 2018 AND 2017

Consolidated (In Baht)										
Equity attributable to Owners of the Parent										
	Note	Other Components of Equity					Equity attributable to Owners of the Parent			Total Shareholders' Equity
		Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Change in Fair Value of Investment in Available-for-Sale Securities				
				Appropriated for Legal Reserve	Unappropriated					
		Beginning Balance as at January 1, 2017		100,000,000	51,171,072	10,000,000	361,114,314	1,676	(1,918,096)	
Dividends paid	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
Total comprehensive loss for the year		-	-	-	(87,910,904)	304	(2,950,803)	(90,861,403)	(2,313,939)	(93,175,342)
Ending Balance as at December 31, 2018		100,000,000	51,171,072	10,000,000	282,516,356	2,307	(7,314,362)	436,375,373	(8,178,256)	428,197,117

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, 2018 AND 2017

The Company Only (In Baht)						
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	
Beginning Balance as at January 1, 2017		100,000,000	51,171,072	10,000,000	374,563,584	535,736,332
Dividends paid	22	-	-	-	(12,000,000)	(12,000,000)
Total comprehensive income for the year		-	-	-	26,864,961	26,865,288
Ending Balance as at December 31, 2017		100,000,000	51,171,072	10,000,000	389,428,545	550,601,620
Total comprehensive loss for the year		-	-	-	(81,487,904)	(81,487,600)
Ending Balance as at December 31, 2018		100,000,000	51,171,072	10,000,000	307,940,641	469,114,020

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, 2018 AND 2017

	In Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax expense	(84,719,563)	23,210,798	(75,982,624)	31,021,088
Adjustments				
Depreciation and amortization	34,088,237	32,401,825	30,637,718	29,002,503
Expenses on post-employment benefits	637,163	700,719	637,163	700,719
Increase in allowance for doubtful accounts	89,674,961	1,619,677	89,674,961	1,619,677
Gain on sales of equipment	(471,963)	(354,896)	(467,412)	(354,896)
Unrealized loss on exchange rate	2,609,408	1,241,471	5,560,211	3,686,934
Interest income	(4,028,082)	(3,259,414)	(3,974,616)	(3,206,844)
Interest expense	21,967,868	15,407,220	20,926,278	14,580,952
Decrease (increase) in operating assets				
Trade receivables	1,803,999	(25,804,072)	1,803,999	(25,804,072)
Supplies	(892,867)	3,803,885	(892,867)	3,803,885
Other current assets	(4,268,637)	(2,357,072)	(6,555,407)	(3,515,808)
Other non-current assets	(3,437,910)	(1,425,312)	(3,461,911)	(283,100)
Increase (decrease) in operating liabilities				
Trade payables	1,937,448	(111,393)	1,937,448	(111,393)
Accrued expenses and other current liabilities	15,743,702	281,300	7,988,100	(4,575,671)
Liability for post-employment benefits	(308,990)	-	(308,990)	-
	70,334,774	45,354,736	67,522,051	46,563,974
Income tax paid	(9,601,379)	(2,369,545)	(9,601,372)	(2,366,158)
Net Cash Provided by Operating Activities	60,733,395	42,985,191	57,920,679	44,197,816
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in restricted deposits at banks	6,998,863	5,915,595	7,000,000	5,915,595
Increase in current investment	(81)	(81)	(81)	(81)
Increase in advances to subsidiaries	-	-	(13,382,201)	(66,861,569)
Decrease (increase) in loans to other companies	8,189,403	(26,383,825)	8,189,403	(26,383,825)
Additions to property, plant and equipment	(8,836,550)	(91,170,862)	(39,598)	(39,938,888)
Additions to intangible assets	(113,630)	-	(113,630)	-
Increase in other advances	(9,424,187)	(17,713,519)	(202,885)	(3,378,516)
Proceeds from sales of equipment	501,259	2,111,287	490,259	2,111,287
Interest received	72,515	73,945	70,658	72,983
Net Cash Provided by (Used in) Investing Activities	(2,612,408)	(127,167,460)	2,011,925	(128,463,014)



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	In Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(20,832,623)	22,703,086	(20,832,623)	22,703,086
Increase in short-term loans from related persons	12,565,999	12,119,850	9,716,000	12,119,850
Increase (decrease) in short-term loans from other parties	(25,500,000)	97,000,000	(25,500,000)	97,000,000
Payments of liabilities under hire purchase and finances lease contracts	(2,779,125)	(4,511,019)	(2,494,414)	(4,224,626)
Increase in long-term borrowings	20,000,000	-	20,000,000	-
Repayment of long-term borrowings	(17,830,420)	(9,602,795)	(17,830,420)	(9,602,795)
Dividends paid	(500)	(11,861,885)	(500)	(11,861,885)
Interest paid	(24,028,045)	(22,355,491)	(23,188,592)	(21,585,525)
Net Cash Provided by (Used in) Financing Activities	(58,404,714)	83,491,746	(60,130,549)	84,548,105
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(283,727)	(690,523)	(197,945)	282,907
Cash and Cash Equivalents at Beginning of Year	3,143,724	3,834,247	1,023,939	741,032
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,859,997	3,143,724	825,994	1,023,939
Supplementary disclosures of cash flow information:				
A. Cash and cash equivalents at end of year:				
Cash in hand	362,162	337,004	284,680	242,930
Current accounts and savings deposits at banks	2,491,239	2,584,091	534,718	558,380
Fixed deposits at banks	6,596	222,629	6,596	222,629
Total	2,859,997	3,143,724	825,994	1,023,939
B. Non-cash transactions:				
Purchases of assets by means of hire purchase and finances lease contracts	19,325,785	3,611,892	19,325,785	3,611,892
Increase (decrease) in payables on purchase of assets	25,592,767	61,370,756	13,675,035	(4,588,329)
Interest on loans which was capitalized as part of other advances	5,571,561	6,132,030	5,571,561	6,132,030
Transfer of short-term borrowing from financial institution to long-term borrowing	42,500,000	-	42,500,000	-
Equipment transferred from advances for equipment	16,707,109	-	16,707,109	-
Dividends payable at end of year	137,615	138,115	137,615	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, 2018 and 2017

1. GENERAL

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

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

2. BASIS FOR THE FINANCIAL STATEMENT PREPARATION

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

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

The consolidated financial statements for the years ended December 31, 2018 and 2017 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	
		2018	2017	2018	2017
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 (“TNDTPW”)	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.



NOTES TO FINANCIAL STATEMENTS

Starting from January 1, 2018, 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, 2018. 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.

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette during 2018 regarding the revision and issuance of new TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period beginning on or after January 1, 2019 and January 1, 2020 (*) 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 aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events after the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 32*	Financial Instruments: Presentation
TAS 33 (revised 2018)	Earnings per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible Assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time adoption of Thai Financial Reporting Standards
TFRS 2 (revised 2018)	Share-based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resources
TFRS 7*	Financial Instruments: Disclosures
TFRS 8 (revised 2018)	Operating Segments
TFRS 9*	Financial Instruments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosures
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 17 (revised 2018)	Distributions of Non-cash Assets to Owners
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	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 new and revised TAS and TFRS as well as TSIC and TFRIC with effective in 2019 whereas the new TFRS (Financial Instruments), with effective in 2020, management of the Company and its subsidiaries is during the assessment and consideration of the impacts from adoption of the aforesaid new TAS, TFRS and TFRIC.

The Company and its subsidiaries disclosed information for the year ended December 31, 2017 for being the comparative information in the financial statements for the year ended December 31, 2018 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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **Notes to Financial Statements (Continued)** **December 31, 2018 and 2017**

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.

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

Trade / Other Receivables and Allowance for Doubtful Accounts

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 as well as the estimated and evaluating various situations in the future.

Supplies Valuation

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

Investments

Current investment

Current investment represents investment in fixed deposit with bank. 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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

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:

	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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

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.

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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

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.

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

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.

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, other receivables, loan 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 and estimate of liability for post-employment benefits
- Expected periods and the amount that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

Basic Earnings (Loss) per Share

Basic earnings (loss) per share is determined by dividing profit (loss) 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	
			2018	2017
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
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	-	-
Puttaraksa Power 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 Sakulraemrung	-	Relative of shareholder and director	-	-
Ms. Kanchana Sakulraemrung	-	Relative of shareholder and director	-	-
Mr. Thavij Sakulraemrung	-	Relative of shareholder and director	-	-

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

Company / Person Name	Type of Business	Relationship	Percentage of Holding	
			2018	2017
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)	-	-
Key management	-	Key management are persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether as executive or otherwise)	-	-

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%, 7.5%, 7.76% and 15% per annum)
Purchases of assets	Mutually agreed price
Key management's remunerations	Mutually agreed amount
Corporate guarantee on credit facilities and liabilities by directors	Free of charge

Transactions with related parties for the years ended December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
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	1,896	1,050	1,495	894
Ms. Vajana Sakulraemrung				
Interest expense	317	478	317	478



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Mr. Krirkkiat Satavuthi				
Interest expense	525	525	-	-
Ms. Kanchana Sakulraemrung				
Interest expense	464	16	464	16
Mr. Songyot Chomsri				
Interest income	52	52	-	-
Mr. Thavij Sakulraemrung				
Interest expense	65	-	65	-
TNDT CM Co., Ltd.				
Purchases of assets	-	-	2	-
TNDT Power Co., Ltd.				
Management fee income	-	-	561	421
Purchases of assets	-	-	9	-
Key management's remunerations				
Short-term benefits	12,443	12,997	12,443	12,997
Post-employment benefits	172	204	172	204

Outstanding balances with related parties as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Laos Thai Nondestructive Testing Co., Ltd.				
Advances	-	-	375	375
TNDT CM Co., Ltd.				
Advances	-	-	59,900	58,829
Other advances	-	-	29,094	29,094
TNDT Power Co., Ltd.				
Advances	-	-	244,029	227,514
Management fee income (other current assets)	-	-	700	100
MKTNDT Co., Ltd.				
Advances	-	-	7,316	11,520
Other payable (accrued expenses and other current liabilities)	-	-	2,349	-
Ms. Chomduen Satavuthi				
Advances (accrued expenses and other current liabilities)	16,323	16,340	-	-
Short-term loans and accrued interest	27,150	15,928	24,299	15,928
Mr. Krirkkiat Satavuthi				
Short-term loans and accrued interest	15,264	15,087	-	-
Mr. Thanan Satavuthi				
Prepaid rental charges (other current assets)	1,602	1,818	1,602	1,818
Short-term loans	1,400	1,400	1,400	1,400
Mr. Suwat Daengpiboonsakul				
Short-term loans	4,400	3,600	4,400	3,600
Ms. Vajana Sakulraemrung				
Short-term loans and accrued interest	6,190	6,532	6,190	6,532
Ms. Kanchana Sakulraemrung				
Short-term loans and accrued interest	6,623	4,516	6,623	4,516

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Mr. Songyot Chomsri				
Short-term loans and interest receivable	5,951	5,899	-	-
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)	25	26	-	-
Mr. Sai Won Pan				
Advances (other current assets)	18,800	26,280	-	-
Other advances	15,320	15,320	15,320	15,320
Advances (accrued expenses and other current liabilities)	5,206	3,105	-	-

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, 2017	Movement		Balance as at December 31, 2018
		Increase	Decrease	
Mr. Songyot Chomsri				
Short-term loans	5,750	-	-	5,750
Interest receivable	149	52	-	201
Total	5,899	52	-	5,951

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, 2017	Movement		Balance as at December 31, 2018
		Increase	Decrease	
Short-term loans				
Ms. Chomduen Satavuthi	15,700	19,433	9,347	25,786
Mr. Krirkkiat Satavuthi	15,000	-	-	15,000
Mr. Suwat Daengpiboonsakul	3,600	1,300	500	4,400
Ms. Vajana Sakulraemrung	6,420	2,480	2,800	6,100
Ms. Kanchana Sakulraemrung	4,500	2,000	-	6,500
Mr. Thanan Satavuthi	1,400	-	-	1,400
Mr. Thavij Sakulraemrung	-	2,000	2,000	-
Total short-term loans	46,620	27,213	14,647	59,186
Interest payable				
Ms. Chomduen Satavuthi	228	1,896	760	1,364
Mr. Krirkkiat Satavuthi	87	525	348	264
Ms. Vajana Sakulraemrung	112	317	339	90
Ms. Kanchana Sakulraemrung	16	464	357	123
Mr. Thavij Sakulraemrung	-	65	65	-
Total interest payable	443	3,267	1,869	1,841
Total	47,063	30,480	16,516	61,027



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

	The Company Only (In Thousand Baht)			
	Balance as at December 31, 2017	Movement		Balance as at December 31, 2018
		Increase	Decrease	
Short-term loans				
Ms. Chomduen Satavuthi	15,700	16,233	8,997	22,936
Mr. Suwat Daengpiboonsakul	3,600	1,300	500	4,400
Ms. Vajana Sakulraemrung	6,420	2,480	2,800	6,100
Ms. Kanchana Sakulraemrung	4,500	2,000	-	6,500
Mr. Thanan Satavuthi	1,400	-	-	1,400
Mr. Thavij Sakulraemrung	-	2,000	2,000	-
Total short-term loans	31,620	24,013	14,297	41,336
Interest payable				
Ms. Chomduen Satavuthi	228	1,495	360	1,363
Ms. Vajana Sakulraemrung	112	317	339	90
Ms. Kanchana Sakulraemrung	16	464	357	123
Mr. Thavij Sakulraemrung	-	65	65	-
Total interest payable	356	2,341	1,121	1,576
Total	31,976	26,354	15,418	42,912

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, 2018 and 2017, the balances of other advances in the statements of financial position consisted of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
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	30,985	29,665	19,045	19,045
Costs of interest and financial charges	21,210	15,639	19,220	13,649
Other costs	35,670	27,565	18,186	17,983
Total	125,829	110,833	94,501	88,727

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

5. BILLED TRADE RECEIVABLES

As at December 31, 2018 and 2017, billed trade receivables (including non-current portion) classified by outstanding period are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
Current	24,965	37,782
Overdue:		
Not exceeding 3 months	21,865	33,543
Between 3 months and 6 months	10,473	1,056
Between 6 months and 12 months	9,305	28,917
Exceeding 12 months	50,224	22,029
Total	116,832	123,327
Less allowance for doubtful accounts	(37,723)	(20,540)
Net	79,109	102,787

As at December 31, 2018 and 2017, the Company transferred the right on cash collection from certain trade receivables totalling approximately Baht 9.7 million and Baht 4.9 million, respectively, for being guarantee of short-term borrowings under factoring from bank as described in Note 13.

As at December 31, 2018 and 2017, the Company had partial balances of trade receivables, other receivables (other current assets), and loan receivables which are due at call (see more information in Note 8) with non-related companies whereby the amounts are significant and long-outstanding as follows:

	2018 - Consolidated and the Company Only (In Thousand Baht)			
Description of Receivables	Trade Receivables	Other Receivable	Loan Receivables	Total
(1) Local customer company	1,357	19,094	53,398	73,849
(2) Foreign customer and alliance company	41,142	-	64,793	105,935
Total	42,499	19,094	118,191	179,784
Less Allowance for doubtful	(16,857)	(19,094)	(53,398)	(89,349)
Net	25,642	-	64,793	90,435
Less Current portion	(5,000)	-	-	(5,000)
Non-current portion	20,642	-	64,793	85,435

	2017 - Consolidated and the Company Only (In Thousand Baht)			
Description of Receivables	Trade Receivables	Other Receivable	Loan Receivables	Total
(1) Local customer company	1,357	15,426	49,063	65,846
(2) Foreign customer and alliance company	42,930	-	77,317	120,247
Total	44,287	15,426	126,380	186,093



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

Receivable in (1) engages in the business relating to engineering services rendered to its customers, who are in oil and natural gas industry, which has been in the recession without substantial sign of resurrection whereby volumes of cash collection from this receivable during 2018 and 2017 were few as compared to additions during the years and the ending balance for each of the years. In addition, the Company's management was known that the Central Court of Bankruptcy sentenced the order near the end of 2018 that this receivable is under the absolute receivership in the bankruptcy case that was filed against receivable by its other creditor. The Company has filed the petition for being distributed the cash collection from this receivable with the receivership officer and this receivable has not yet filed the petition to compound the debt with any creditors. In addition, the management was additionally known that this receivable has no key properties that are able to be sold for settlements to any creditors. Accordingly, the management considered, under the principle of conservatism, and provided the allowance for doubtful account in full amount of outstanding balances as at December 31, 2018 that the Company had with the receivable in (1).

Receivable in (2) is during the start-up years of business relating to nondestructive engineering testing services rendered in Indonesia whereby volumes of cash collection from this receivable during 2018 and 2017 were not much as compared to additions during the years and the ending balance for each of the years. In addition, the balance of trade receivable with this receivable has been also overdue exceeding one year in 2018. Accordingly, the management considered, under the principle of conservatism, and provided the allowance for doubtful accounts for the outstanding balances as at December 31, 2018 that the Company had with this receivable by considering the projected cash flows as cash collections from receivables that was assessed and estimated to receive by the Company. Such cash collections are projected for a period of approximately 8 years and are discounted by the discount rate of 7.5% p.a. which represented the average interest rate attributable to the short-term loans from related persons.

Provision for doubtful accounts that was additionally recognized and presented as part of administrative expenses in the statements of comprehensive income for the years 2018 and 2017 are summarized below:

Additional Provision for	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
Trade receivables with receivables in (1) and (2)	16,857	-
Other general trade receivables	326	1,620
Other receivable with receivable in (1)	19,094	-
Loan receivables with receivables in (1) and (2)	53,398	-
Total	89,675	1,620

6. SUPPLIES

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
General supplies	4,305	3,099
Industrial radiation ores	1,285	1,598
Total	5,590	4,697

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

7. INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

This account is investment in unit trusts of mutual funds which are marketable securities. As at December 31, 2018 and 2017, cost of this investment amounted to Baht 35 thousand and Baht 36 thousand, respectively, while fair value (evaluated from Level 1 inputs of fair value hierarchy) amounted to Baht 37 thousand. These mutual funds mainly invest in debt securities of the government agencies.

8. LOANS TO OTHER COMPANIES - NET

	Consolidated and the Company Only (In Thousand Baht)			
	Balance as at December 31, 2017	Movement		Balance as at December 31, 2018
		Increase	Decrease	
Loans to local customer	49,063	4,335	-	53,398
Loans to foreign customer and business alliance	77,317	637	13,161	64,793
Total	126,380	4,972	13,161	118,191
Less Allowance for doubtful	-	(53,398)	-	(53,398)
Net	126,380	(48,426)	13,161	64,793

Loans to customer are the unsecured loans to a local company is engaged in rendering the construction and installation services of steel structures which necessarily requires of the Company's services relating to nondestructive testing. 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.

Loans to customer and business alliance are the unsecured loans to a company 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.

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)	
	2018	2017	2018	2017	2018	2017
	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



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

During 2018 and 2017, 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.

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. In substance and practical, 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 sole subsidizing the financial assistance and support to TNDT CM.

Significant financial information in the financial statements for the years 2018 and 2017 of TNDT CM which included the non-controlling interest at the proportion of 54% is as follows:

	In Million Baht	
	2018	2017
Current assets	46.0	45.9
Non-current assets	4.8	7.9
Current liabilities	67.7	65.6
Non-current liabilities	-	1.2
Capital deficiency	(17.0)	(13.0)
Revenues	-	-
Loss for the year	(4.0)	(4.0)
Total comprehensive loss for the year	(4.0)	(4.0)

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

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.

At the Board of Directors' meeting on August 11, 2018, the Board of Directors passed the resolution to approve in principle with respect to the feasibility study and direction on establishment and incorporation of the new subsidiary in Indonesia whereby the Company is during the process for such feasibility study and direction as at December 31, 2018.

10. INVESTMENT IN SHARES OF RELATED COMPANY - NET

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

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
	December 31, 2017	Addition	Deduction	Transfer	December 31, 2018
Cost					
Land	21,842	-	-	-	21,842
Building and improvements	82,888	435	-	1,604	84,927
Operating tools and equipment	255,617	9,100	68	19,560	284,209
Furniture, fixtures, and office equipment	28,198	1,160	255	-	29,103
Vehicles	48,459	2,810	1,120	-	50,149
Construction in progress and equipment under installation	333,345	23,543	-	(4,456)	352,432
Total Cost	770,349	37,048	1,443	16,708	822,662
Accumulated Depreciation					
Building and improvements	30,892	3,959	-	-	34,851
Operating tools and equipment	154,628	18,761	52	-	173,337
Furniture, fixtures, and office equipment	23,795	1,980	243	-	25,532
Vehicles	36,498	6,886	1,118	-	42,266
Total Accumulated Depreciation	245,813	31,586	1,413	-	275,986
Net	524,536				546,676

	Consolidated (In Thousand Baht)				
<u>Assets held for lease</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 2017</u>	<u>Addition</u>	<u>Deduction</u>	<u>Transfer</u>	<u>December 31, 2018</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	2,506	1,640	-	-	4,146
Operating tools and equipment	422	327	-	-	749
Furniture, fixtures, and office equipment	325	216	-	-	541
Total Accumulated Depreciation	<u>3,253</u>	<u>2,183</u>	<u>-</u>	<u>-</u>	<u>5,436</u>
Net	<u>68,494</u>				<u>66,311</u>
	593,030				612,987

	Consolidated (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	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	622,300	156,024	7,975	-	770,349
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	222,100	29,931	6,218	-	245,813
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, 2018 and 2017

Assets held for lease	Consolidated (In Thousand Baht)			
	Balance as at December 31, 2016	Movements during the Year		
		Addition	Deduction	Transfer
Cost				
Land	36,000	-	-	-
Building and improvements	32,801	-	-	-
Operating tools and equipment	1,902	-	-	-
Furniture, fixtures, and office equipment	1,044	-	-	-
Total Cost	71,747	-	-	-
Accumulated Depreciation				
Building and improvements	867	1,639	-	-
Operating tools and equipment	165	257	-	-
Furniture, fixtures, and office equipment	111	214	-	-
Total Accumulated Depreciation	1,143	2,110	-	-
Net	70,604			
	470,804			593,030

Assets held for use	The Company Only (In Thousand Baht)			
	Balance as at December 31, 2017	Movements during the Year		
		Addition	Deduction	Transfer
Cost				
Land	21,842	-	-	-
Building and improvements	81,179	435	-	1,129
Operating tools and equipment	244,897	9,100	68	19,560
Furniture, fixtures, and office equipment	27,714	1,157	231	-
Vehicles	43,206	2,810	1,120	-
Construction in progress	12,920	2,831	-	(3,981)
Total Cost	431,758	16,333	1,419	16,708
Accumulated Depreciation				
Building and improvements	30,528	3,798	-	-
Operating tools and equipment	148,625	16,619	52	-
Furniture, fixtures, and office equipment	23,567	1,883	226	-
Vehicles	33,680	5,836	1,118	-
Total Accumulated Depreciation	236,400	28,136	1,396	-
Net	195,358			200,240

Assets held for lease	The Company Only (In Thousand Baht)			
	Balance as at December 31, 2017	Movements during the Year		
		Addition	Deduction	Transfer
Cost				
Land	36,000	-	-	-
Building and improvements	32,801	-	-	-
Operating tools and equipment	1,902	-	-	-
Furniture, fixtures, and office equipment	1,044	-	-	-
Total Cost	71,747	-	-	-
Accumulated Depreciation				
Building and improvements	2,506	1,640	-	-
Operating tools and equipment	422	327	-	-
Furniture, fixtures, and office equipment	325	216	-	-
Total Accumulated Depreciation	3,253	2,183	-	-
Net	68,494			66,311
	263,852			266,551



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

	The Company Only (In Thousand Baht)				
<u>Assets held for use</u>	Balance as at	Movements during the Year			Balance as at
	<u>December 31, 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	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	<u>400,901</u>	<u>38,832</u>	<u>7,975</u>	<u>-</u>	<u>431,758</u>
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	<u>216,087</u>	<u>26,531</u>	<u>6,218</u>	<u>-</u>	<u>236,400</u>
Net	<u>184,814</u>				<u>195,358</u>

	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, 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>
	255,418				263,852

As at December 31, 2018 and 2017, the Company's certain vehicles and operating tools and equipment in the separate financial statements, of which carrying amounts totalling approximately Baht 26.9 million and Baht 6.5 million, respectively, and in the consolidated financial statements amounted to approximately Baht 27.7 million and Baht 8.0 million, respectively, were under commitments in relation to the obligations under conditions of hire purchase contracts as described in Note 14.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

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 129.6 million and Baht 489.7 million, respectively, in 2018 and Baht 133.9 million and Baht 446.3 million, respectively, in 2017 as collateral for credit facilities as described in Note 13 and collateral for letters of guarantee as described in Note 27.

As at December 31, 2018 and 2017, cost of a portion of the Company's plant and equipment which has been fully depreciated but still in use amounting to approximately Baht 141.8 million and Baht 131.1 million, respectively.

Depreciation of plant and equipment in the separate financial statements for the years ended December 31, 2018 and 2017 amounted to approximately Baht 30.3 million and Baht 28.6 million, respectively, and in the consolidated financial statements amounted to approximately Baht 33.8 million and Baht 32.0 million, respectively.

12. INTANGIBLE ASSETS - NET

Consolidated and The Company Only (In Thousand Baht)				
	Balance as at December 31, 2017	Movements during the Year		Balance as at December 31, 2018
		Addition	Deduction	
Cost	5,057	113	-	5,170
Accumulated amortization	(4,190)	(319)	-	(4,509)
Net	867	(206)	-	661

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

As at December 31, 2018 and 2017, cost of a portion of the Company's intangible assets which has been fully amortized but still in use amounting to approximately Baht 3.6 million and Baht 3.4 million, respectively.

Amortization of intangible assets for the years ended December 31, 2018 and 2017, which was presented as part of "Administrative expenses" in the statements of comprehensive income, amounted to approximately Baht 0.3 million and Baht 0.4 million, respectively.

13. CREDIT FACILITIES FROM BANKS

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
<u>Bank overdrafts and short-term borrowings from financial institutions</u>		
Bank overdrafts	93,876	83,811
Loans under promissory notes	42,000	117,062
Loans under trust receipt agreements	31,554	33,743
Loans under factoring	7,777	3,924
Total	175,207	238,540



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
<u>Long-term borrowings</u>		
Long-term borrowings	70,680	26,011
Current portion	(42,741)	(7,944)
Net	<u>27,939</u>	<u>18,067</u>

As at December 31 2018, and 2017, the Company has overdraft line and other credit facilities from five local banks.
As at December 31, 2018, 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	94.0	MOR - 1%, MOR - 0.5%, MOR, MOR + 0.5% and MRR - 1%
Promissory note	50.0	4.50%
Trust receipt / letter of credit	70.9	MLR and MLR - 1%
Factoring	20.0	MOR - 0.5%
Letter of guarantee	67.0	-
Forward exchange contract (buy / sell)	0.6	-
Total short-term credit facilities	<u>302.5</u>	
<i>Long-term loan credit facilities</i>	<u>88.5</u>	MLR - 0.5% and MLR - 1%
Total	<u>391.0</u>	(2017 of approximately Baht 421.6 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 94.0 million as well as guarantee by certain directors of the Company.

The abovementioned long-term loans are loans from two local banks in 2018 and 2017. In 2018, loans from the first bank comprised two amounts of loans, i.e. Baht 26 millions and Baht 20 millions (increased in 2018), which 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 20.0 million as well as guarantee by certain directors of the Company. The loans are repayable, including interest, on monthly basis, totalling 84 months and 36 months, starting from June 2016 and June 2018, respectively. Loan from the second bank occurred from the matter that the Company negotiated for the transfer of short-term credit facilities on promissory note and related balance amounting to Baht 42.5 million to long-term credit facilities. The loan is 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 10.0 million as well as guarantee by certain directors of the Company. The loan is repayable, including interest, on monthly basis, totalling 43 months, starting from April 2018. In 2017, loans from the first bank were the unsecured loans which are repayable, including interest, on monthly basis, totalling 36 months, starting from September 2015, whereby loan from the second bank is the loan in amount of Baht 26 million discussed above.

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. However, in 2018 the Company could not comply with certain covenants and undertakings relating to maintaining the financial ratios of the loans with a local bank whereby the Company informed such matter to the lending bank and was granted the waiver for such covenants and undertakings in the early 2019. The Company presented loans relating to such matter amounting to approximately Baht 24.0 million as part of current portion of long-term borrowings.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

14. LIABILITIES UNDER HIRE PURCHASE AND FINANCES LEASE CONTRACTS

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Liabilities under hire purchase and finances lease contracts				
- Due for payments within 1 year	8,175	2,209	6,877	1,777
- Due for payments within 2 - 5 years	16,985	4,295	16,985	3,033
Total	25,160	6,504	23,862	4,810
Less deferred interest	(2,868)	(759)	(2,841)	(621)
Liabilities under hire purchase and finances lease contracts - net of deferred interest	22,292	5,745	21,021	4,189
Less current portion	(7,338)	(1,890)	(6,067)	(1,579)
Net	14,954	3,855	14,954	2,610

Amortized interest in the separate financial statements for each of the years ended December 31, 2018 and 2017 amounted to approximately Baht 0.3 million and in the consolidated financial statements amounted to approximately Baht 0.5 million. The Company presented such amortized interest as part of "Finance costs" in the statements of comprehensive income for each the years.

During 2016 - 2018, the Company and its subsidiaries entered into hire purchase and finance lease contracts with three local banks and a private company for the periods of 36 - 48 months whereby such hire purchase and finance lease contracts will end during 2019 - 2022.

In December 2018, the Company entered into sale and finance leaseback contract for an item of operating tools and equipment which the Company sold to a local leasing company at the price of approximately Baht 15.2 million. The carrying amount of such operating tools and equipment amounted to approximately Baht 14.4 million and, therefore, incurred gain on sales of approximately Baht 0.8 million. Then the Company leased such operating tools and equipment back (finance lease) on the same day at price of approximately Baht 15.2 million. However, for accounting practice, the Company's management considered overall substance of such entry and indicated as borrowing from the leasing company whereby the finance leased asset has been used as guarantee. The Company, therefore, did not eliminate records of the sold asset from its accounts as well as did not recognize the aforesaid gain on sales but recorded proceeds from sales, together with interest under (48) installment payments of the finances lease contracts with such leasing company, as part of liabilities under hire purchase and finance lease contracts in the statements of financial position as at December 31, 2018 whereby the operating tools and equipment, which was sold and under finance leaseback, has been guarantee in respect of the finances lease contract.

15. SHORT-TERM LOANS FROM OTHER PARTIES

As at December 31, 2018, the Company had short-term loans and bills of exchange with terms of 3 - 8 months with a non-related company and eight non-related persons, totalling Baht 72 million, for being the working capital in operations, which bear interest at 6.5%, 7%, 12%, and 15% per annum. These loans are guaranteed by pledge of the Company's 16,000,000 common shares, which are owned by certain director of the Company.

As at December 31, 2017, the Company had short-term loans and bills of exchange with terms of 4 months 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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Payables on purchase of assets	113,329	86,738	14,695	59
Advances from related person	21,938	19,854	-	-
Other payables	9,723	3,519	4,761	1,483
Accrued employee bonus	8,124	8,277	8,124	8,277
Retention payables	6,219	5,491	694	966
Pending output tax	5,111	5,817	5,111	5,817
Accrued directors' remunerations	3,795	1,865	3,795	1,865
Advances from customers	2,934	2,934	-	-
Value-added tax	2,760	1,585	2,760	1,583
Payables to contractors	1,597	2,511	1,597	2,511
Others	8,927	4,276	6,028	3,113
Total	184,457	142,867	47,565	25,674

17. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Company has obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2018. Movements of liability for post-employment benefits for the years 2018 and 2017 are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
Liability for post-employment benefits as at January 1	9,690	8,989
Current service cost	475	414
Gain on settlement	(20)	-
Interest cost	182	287
Expense recognized as profit or loss item	637	701
Actuarial loss on measurement	297	-
Expense recognized in statement of comprehensive income	934	701
Employee benefits paid during the year	(309)	-
Liability for post-employment benefits as at December 31	10,315	9,690

Significant assumptions used in calculation of liability for post-employment benefits as at December 31, 2018 and 2017 are as follows:

- Discount rate 2.65% p.a. (4.53% p.a. as at December 31, 2017)
- Salary escalation rate 5.00% p.a. (12.07% p.a. as at December 31, 2017)
- Employee turnover rate 7.64% - 34.38% p.a. (0% - 44% p.a. as at December 31, 2017)

The abovementioned actuarial loss on measurement in the accompanying financial statements comprised of (1) loss from experience adjustment amounting to approximately Baht 340 thousand and (2) loss from changes in demographic assumptions amounting to approximately Baht 158 thousand net of (3) gain from changes in financial assumptions amounting to approximately Baht 201 thousand.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of provision or liability for post-employment benefits in respect of the information as per the calculation report of the qualified actuary as follows:

Significant Assumptions	Liability may increase (decrease) from changes in significant assumptions (In Thousand Baht)	
	Consolidated and The Company Only	
	If Increased by 0.5%	If Decreased by 0.5%
Discount rate	(282)	303
Salary escalation rate	294	(260)
Employee turnover rate	(24)	32

As at December 31, 2018 and 2017, 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.

During 2018, the National Legislative Assembly agreed and approved to edit some provisions of the Labour Protection Act 1998 (B.E. 2541) which include the increase in compensations to be paid to the employees whose working period have reached 20 years or above from previously equivalent to basic wage rate of 300 days to the new rate of 400 days. Such matter may trigger the increase in balance of the estimated liability for post-employment benefits as at the end of 2018 of approximately Baht 2.5 million in the consolidated and separate financial statements.

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	
	2018	2017	2018	2017
Employee expenses	137,988	131,355	137,165	130,196
Provision for doubtful accounts (see Note 5)	89,675	1,620	89,675	1,620
Subcontract costs	35,562	32,895	35,562	32,895
Depreciation and amortization	34,088	32,402	30,638	29,003
Supplies and equipment consumed in services	26,741	32,230	26,740	32,230
Finance costs	23,187	15,859	22,145	15,032
Travelling and accommodation expenses	11,295	9,477	10,827	9,363
Repair and maintenance expenses	4,939	4,384	4,886	4,030
Consultancy and professional fees	3,755	4,082	3,022	3,581
Loss on exchange rate	3,103	3,832	3,100	3,832



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

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 2.1 million and Baht 0.8 million in 2018 and Baht 2.4 million and Baht 0.8 million in 2017, respectively.

21. INCOME TAX

Corporate income tax recorded as expense (income) for the years ended December 31, 2018 and 2017 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Income tax computed from accounting profit (loss)	(16,944)	4,642	(15,197)	6,204
Effects from non-deductible expenses	20,414	2,345	18,667	775
Effects from additional deductible expenses	(642)	(236)	(642)	(228)
Effects from reduction in income tax rate under investment promotion	(304)	(2,316)	(304)	(2,316)
Current tax computed from taxable profit	2,524	4,435	2,524	4,435
Tax expense from write-down of deferred tax assets	2,744	-	2,744	-
Increase in deferred tax assets	-	(279)	-	(279)
Income tax presented as profit or loss item	5,268	4,156	5,268	4,156
Income tax for other comprehensive loss item	(60)	-	(60)	-

Deferred tax assets presented in statements of financial position as at December 31, 2018 and 2017 consist of:

	Consolidated and the Company Only (In Thousand Baht)	
	2018	2017
Effects from temporary non-deductible items:		
- Allowance for doubtful accounts of trade receivables	-	746
- Liability for post-employment benefits	-	1,938
Total deferred tax assets	-	2,684

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.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

23. SEGMENT REPORTING ON FINANCIAL INFORMATION

Statement of income is significant financial and core information of the Company and its subsidiaries that is 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 undue costs.

Information on Products or Services

	Consolidated (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2018	2017	2018	2017	2018	2017
Service income	247,395	250,883	61,872	63,211	309,267	314,094
<u>Less</u> Segment expenses	<u>(135,360)</u>	<u>(132,171)</u>	<u>(20,591)</u>	<u>(14,157)</u>	<u>(155,951)</u>	<u>(146,328)</u>
Segment result	<u>112,035</u>	<u>118,712</u>	<u>41,281</u>	<u>49,054</u>	<u>153,316</u>	<u>167,766</u>
<u>Add</u> non-allocated revenues						
- Other income					6,477	6,703
<u>Less</u> non-allocated expenses						
- Cost of services					(81,825)	(83,710)
- Administrative expenses					(139,500)	(51,689)
- Finance costs					(23,187)	(15,859)
- Income tax expense					(5,268)	(4,156)
Profit (loss) for the year					<u>(89,987)</u>	<u>19,055</u>

	The Company Only (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel and Others		Total	
	2018	2017	2018	2017	2018	2017
Service income	247,395	250,883	61,872	63,211	309,267	314,094
<u>Less</u> Segment expenses	<u>(135,360)</u>	<u>(132,171)</u>	<u>(20,591)</u>	<u>(14,157)</u>	<u>(155,951)</u>	<u>(146,328)</u>
Segment result	<u>112,035</u>	<u>118,712</u>	<u>41,281</u>	<u>49,054</u>	<u>153,316</u>	<u>167,766</u>
<u>Add</u> non-allocated revenues						
- Other income					6,979	6,955
<u>Less</u> non-allocated expenses						
- Cost of services					(81,825)	(83,710)
- Administrative expenses					(132,307)	(44,958)
- Finance costs					(22,145)	(15,032)
- Income tax expense					(5,268)	(4,156)
Profit (loss) for the year					<u>(81,250)</u>	<u>26,865</u>



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

Information on Geographic Areas

As at December 31, 2018 and 2017, 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 345.1 million and Baht 326.8 million were shown in the consolidated statements of financial position as at December 31, 2018 and 2017, respectively. The Company had fixed assets used in Indonesia, i.e. operating tools and equipment, of which the carrying amounts totalling approximately Baht 13.2 million and Baht 13.1 million were shown in the consolidated and separate statements of financial position as at December 31, 2018 and 2017, respectively.

Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

	Percentage of Balance Attributable to Key Customers to Total Balance			
	Consolidated		The Company Only	
	2018	2017	2018	2017
Service income				
- Nondestructive testing services	47.57	38.89	47.57	38.89
- Inspection services for pressure vessel and others	-	-	-	-
Total service income	38.06	31.06	38.06	31.06

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). Subsequently, the Company was granted the tax privileges pertaining to the promoted business in respect of the new promotional certificate granted in September 2017 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 starting from the date income was first derived from the promoted business (June 30, 2018).

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

Operating results classified by the promoted and non-promoted businesses for the years ended December 31, 2018 and 2017 are as follows:

	Consolidated (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2018	2017	2018	2017	2018	2017
Service income - net	17,458	110,140	291,809	203,954	309,267	314,094
Other income	-	-	6,477	6,703	6,477	6,703
Cost of services	(13,125)	(78,903)	(224,651)	(151,135)	(237,776)	(230,038)
Administrative expenses	(7,303)	(15,439)	(132,197)	(36,250)	(139,500)	(51,689)
Finance costs	(1,222)	(5,156)	(21,965)	(10,703)	(23,187)	(15,859)
Income tax expense	-	-	(5,268)	(4,156)	(5,268)	(4,156)
Profit (loss) for the year	(4,192)	10,642	(85,795)	8,413	(89,987)	19,055

	The Company Only (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2018	2017	2018	2017	2018	2017
Service income - net	17,458	110,140	291,809	203,954	309,267	314,094
Other income	-	-	6,979	6,955	6,979	6,955
Cost of services	(13,125)	(78,903)	(224,651)	(151,135)	(237,776)	(230,038)
Administrative expenses	(7,303)	(15,439)	(125,004)	(29,519)	(132,307)	(44,958)
Finance costs	(1,222)	(5,156)	(20,923)	(9,876)	(22,145)	(15,032)
Income tax expense	-	-	(5,268)	(4,156)	(5,268)	(4,156)
Profit (loss) for the year	(4,192)	10,642	(77,058)	16,223	(81,250)	26,865

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 2018 and 2017.

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 other than the amounts recognized in the financial statements because the Company and subsidiaries constantly evaluates and tracking the debtor's status and information. The maximum credit risk exposure in the event that 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 coupled with the necessary use of sources of fund and debt formation to finance the operations of the Company and its subsidiaries and to mitigate the effects of fluctuations in cash flows as well as maintain the business continuation.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

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 and still in the acceptable level. 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, 2018 and 2017, 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 (%)	
	2018	2017	2018	2017	2018	2017
Deposits at banks	-	-	2,497	2,807	0.375 - 1.25	0.375 - 1.25
Current investment in fixed deposit	10	10	-	-	0.25 - 2.0	0.25 - 2.0
Short-term loans to related person	-	-	5,951	5,899	0.9	0.9
Loans to other companies - net	64,793	126,380	-	-	7.5	7.5
Restricted deposits at banks	-	-	101	7,100	1.15	0.8 - 1.15
Bank overdrafts and short-term borrowings from financial institutions	42,000	48,000	133,207	190,540	(see Note 13)	(see Note 13)
Long-term borrowings	-	-	70,680	26,011	(see Note 13)	(see Note 13)
Liabilities under hire purchase and finances lease contracts	25,160	6,504	-	-	1.99 - 8.52	2.35 - 8.52

	The Company Only (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2018	2017	2018	2017	2018	2017
Deposits at banks	-	-	541	781	0.375 - 1.25	0.375 - 1.25
Current investment in fixed deposit	10	10	-	-	0.25 - 2.0	0.25 - 2.0
Loans to other companies - net	64,793	126,380	-	-	7.5	7.5
Restricted deposits at banks	-	-	-	7,000	-	0.8 - 1.15
Bank overdrafts and short-term borrowings from financial institutions	42,000	48,000	133,207	190,540	(see Note 13)	(see Note 13)
Long-term borrowings	-	-	70,680	26,011	(see Note 13)	(see Note 13)
Liabilities under hire purchase and finances lease contracts	23,862	4,810	-	-	1.99 - 3.58	2.35 - 3.5

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

As at December 31, 2018, the above financial assets and liabilities, classified by periods of maturities, are as follows:

	Consolidated (In Thousand Baht)			
	On Demand	Not Exceeding 1 Year	1 - 5 Years	Over 5 Years
Deposits at banks	2,491	6	-	-
Current investment in fixed deposit	-	10	-	-
Short-term loans to related person	5,951	-	-	-
Loans to other companies - net	-	-	50,000	14,793
Restricted deposits at banks	-	101	-	-
Bank overdrafts and short-term borrowings from financial institutions	-	175,207	-	-
Long-term borrowings	-	18,741	51,939	-
Liabilities under hire purchase and finances lease contracts	-	8,175	16,985	-

	The Company Only (In Thousand Baht)			
	On Demand	Not Exceeding 1 Year	1 - 5 Years	Over 5 Years
Deposits at banks	535	6	-	-
Current investment in fixed deposit	-	10	-	-
Loans to other companies - net	-	-	50,000	14,793
Bank overdrafts and short-term borrowings from financial institutions	-	175,207	-	-
Long-term borrowings	-	18,741	51,939	-
Liabilities under hire purchase and finances lease contracts	-	6,877	16,985	-

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 (Level 2 inputs).

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 undue 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.



NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES Notes to Financial Statements (Continued) December 31, 2018 and 2017

Loans to other companies and liabilities under hire purchase and finances lease contracts

It is not practicable to estimate the proper fair value of loans to other companies and liabilities under hire purchase and finances lease contracts, with fixed interest rates, without incurring undue costs. However, the Company has considered and recognized the provision for doubtful on the entire amount of loans to local customer as shown in the statements of financial position and as described in Notes 5 and 8.

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 2018 and 2017.

Debt-to-Equity ratio for the consolidated financial statements as at December 31, 2018 and 2017 was 1.41 : 1.00 and 1.10 : 1.00, respectively, whereas the separate financial statements as at December 31, 2018 and 2017 was 0.95 : 1.00 and 0.80 : 1.00, respectively.

27. OTHERS

As at December 31, 2018:

- a. The Company had letters of guarantee issued by a local bank as performance bonds for engineering services rendered to five private sector customers and a government agency totalling approximately Baht 14.9 million which are guaranteed by the mortgage of the Company's land and structures thereon as described in Note 11.
- b. The Company has two agreements relating to solar PV rooftop system whereby the first agreement was made with a local non-related company who is contractor on the installation of system and equipment of such project with total service charge of approximately Baht 17.9 million (excluding value-added tax). The Company paid a portion of service charge amounting to approximately Baht 3.9 million in 2018 which was recorded as part of "Other non-current assets" in the consolidated and separate statements of financial position as at December 31, 2018 and is committed to pay the rest of service charge to the contractor amounting to approximately Baht 14.0 million. The system installation of such project is planned to complete within February 2019. The second agreement was made for rendering the solar-power electricity generating service to a local non-related company who holds ownership right in the premises on which such system of the Company is installed. Term of the service is for a period of 20 years starting from the date on which the electricity is started generating to the counterpart company which is expected by the Company's management to be in the second quarter of 2019. The counterpart company is agreed to pay electricity generating service charge to the Company at the mutually-agreed rates specified in the agreement. At the end of the aforesaid 20th year, the Company is committed to transfer the ownership right in all related system and equipment to the counterpart company. The Company, the contractor, and the counterpart company must comply with commitments and requirements specified in each of the relevant agreements.
- c. 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 approximately Baht 0.1 million.

NOTES TO FINANCIAL STATEMENTS

THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to Financial Statements (Continued)

December 31, 2018 and 2017

- d. 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 826.5 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 4.0 million whereby the sources of fund to settle such commitments shall be borrowings of the Company (as being the parent) from financial institutions and other necessary sources of fund.

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 23, 2019.





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

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