



Dimet

Dimet (Siam) Public Company Limited.

บริษัท ไดเมท (สยาม) จำกัด (มหาชน)

ANNUAL REPORT

รายงานประจำปี 2562

2019

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MESSAGE FROM CHAIRMAN

In the past year, company have a better performance by adjusting organization structure, accelerating sales and decreasing unnecessary cost together with maintenance period for customer groups enable increases of sales accordingly.

Among vigorously global market and economy changes, company keeps on adjusting business directions including structure adjusts and investment in other businesses in order to be ready for future changes which will occur in present and future.

In the year 2019, the company invested and purchased 409,998 ordinary shares of IGEN-ENERGY, or 99.99% of its registered capital, par value of 100 Baht, with total amount 40 Million Baht and expected transaction within December 2019, and the company invested in McTRIC Public Company Limited. ("McTRIC") by purchased 12,244,800 ordinary shares of McTRIC, or 4.082% of its registered capital, par value of 1.63 Baht, with total amount 20 Million Baht. Besides the Board of Directors has a resolution to present to the shareholders' meeting for consideration and approve with special resolution for the Company's partial business transfer transaction to Asian Corrosion Control Technology Limited ("Subsidiary") whereas the Company has holding 99.88% of paid-up capital. The objectives of partial business transfer would be to improve the management efficiency of The company 's business units. After Partial Business Transfer, the Company will be Trading Company and will be a distributor of engineering and construction products.

In the name of board of directors, management and all employees, I would like to thank all shareholders including business alliances, all relates and should be believed in board of directors, management and all employees, to dedicate their duties with full capacity for company and shareholders best benefits, employees and all relates firmly and sustainability forever.

Your Respectively,



(Dr. Panya Boonyapiwat)
Chairman

REPORT OF AUDIT COMMITTEE

Dear Shareholders of Dimet (Siam) Public Company Limited

The Audit Committee of Dimet (Siam) Public Company Limited comprises 3 independent directors as follows;

- | | | |
|----|-----------------------------------|---------------------------------|
| 1. | Ms. Wanna Maluengnon | Chairman of the Audit Committee |
| 2. | Mr. Manit Koothanapat | Audit Committee |
| 3. | Pol. Maj.Gen. Prapass Piyamongkol | Audit Committee |

In the financial year 2019 (1 July 2018 to 30 June 2019), the Audit Committee convened 4 meetings in which all committee members attended. The committee also invited the Company's top management and the accounting auditor to participate in the meeting on relevant agenda. The Audit committee invited public accountant without management team once. The committee reported the findings to the Board every time. Major undertakings can be summarized as follows;

1. Review annual and quarterly financial statements to ensure that the Company's financial statements provide accurate information, adequate disclosure and are prepared according to the GAAP, prior to the presentation to the Board.
2. Review the connected transactions between the Company and subsidiaries, related companies and connected persons to ensure that the transactions conform to normal business practice and the information disclosure is accurate and complete in accordance with SET's regulations, before forwarding the transactions for the Board's approval.
3. Review the adequacy and appropriateness of the internal control system through the review of reports from the internal audit office and discussion with the accounting auditor. Comments and recommendations are given to improve of the internal control system.
4. Review to ensure that the Company complies with the good corporate governance practices for the listed Company according to the Securities and Securities Exchange Law, the SET regulations, and other relevant laws or regulations.
5. Review risk management system, plan and determine the scope of internal audit to ensure greatest efficiency. The committee reports the audit results and suggestions to the Board and follows-up the progress of corrective actions to ensure effectiveness.
6. Appraise independency of the auditor, consider and propose the nomination of the auditor and his remuneration.
7. Review to ensure that the Company's operations conform to good corporate governance to gain confidence from all stakeholders.

For the fiscal year 2020, for the certified accountant selection and its subsidiaries (from July 1, 2019 to June 30, 2020), the committee satisfies with the independency of the current auditor, and proposes to the Board of Directors to obtain approval from the Shareholders' meeting to appoint Mr Somkid Tiatragoon, certified public accountant no. 2785 or Ms.Kanyarat Sriratchatchaval, certified public accountant no.6549 or Mr. Theerasak Chuasrisakul, certified public accountant no. 6624 of Grant Thornton Co., Ltd. ,either one of the two, as the Company accounting auditor for the accounting year 2020 (1 July 2019 to 30 June 2020).



(Ms. Wanna Maluengnon)
Chairman of the Audit Committee

IMPORTANT INFORMATION OF FINANCIAL PERFORMANCE SUMMARY.

❖ Financial Status and Overall Performance

	Financial Y. 2017 (ended 30 Jun 2017)		Financial Y. 2018 (ended 30 Jun 2018)		Financial Y.2019 (ended 30 Jun 2019)	
	MB	%	MB	%	MB	%
Total assets	190.90	100%	162.25	100%	333.82	100%
Total liabilities	78.56	41.15%	80.19	49.42%	95.44	28.59%
Registered capital	135.00	70.72%	135.00	83.21%	403.43	120.85%
Issued and paid up capital	128.73	67.43%	134.48	82.89%	268.95	80.57%
Shareholders' equity	112.34	58.85%	82.06	50.58%	238.38	71.41%
Book value per share	0.4356		0.3051		0.4356	

	Financial Y. 2017 (ended 30 Jun 2017)		Financial Y. 2018 (ended 30 Jun 2018)		Financial Y.2019 (ended 30 Jun 2019)	
	MB	%	MB	%	MB	%
Revenues from sales and services	301.92	100%	276.93	100%	333.25 ¹	100%
Costs of sales and services	232.29	76.94%	226.68	81.85%	259.93	78.00%
Profits (losses) margins	69.63	23.06%	50.25	18.15%	73.32	22.00%
Other incomes	1.93	0.64%	1.96	0.71%	1.32	0.40%
Profits (losses) before interest and tax	(23.97)	(7.94%)	(36.15)	(13.05%)	(103.23)	(30.98%)
Net profits (losses)	(23.18)	(7.68%)	(36.03)	(13.01%)	(112.61)	33.79%
Allocation of comprehensive Profits (losses) for the year.						
▪ Portion of the main shareholders	(23.33)	(7.73%)	(35.74)	(12.91%)	(112.56)	33.78%
▪ Portion of non-controlling interest	0.15	0.05%	(0.29)	(0.10%)	(0.05)	(0.02)
Profits (losses) equity per shares *(Baht/share)	(0.089)		(0.144)		(0.224)	

Remarks : - * Calculated using weighted average common shares, 1 means the total revenue from construction is 35.07 million baht

❖ Financial Ratio;

		Financial Y. 2017 (ended 30 Jun 2017)	Financial Y. 2018 (ended 30 Jun 2018)	Financial Y.2019 (ended 30 Jun 2019)
Gross profit margin	(%)	23.06	18.15	22.00
Net profit margin	(%)	(7.78)	(12.96)	(30.93)
Return on equity	(%)	(18.85)	(36.77)	(70.25)
Return on assets	(%)	(11.20)	(20.24)	(45.38)
Debt to equity ratio	(Times)	0.70	0.98	0.40

Board of Directors

(at 30 June 2019)



Mr. Theerachai Leenabunchong
Board of Directors,
Executive Committee,
Nomination and
Remuneration Committee



Dr. Panya Boonyapiwat
Chairman,
Chief Executive Officer,
Chief of Risk Management
Committee and Managing Director



**Police Lieutenant General
Somkid Bunthanom**
Independent Director



Ms. Wanna Maluengnon
Independent Director,
Chief of Audit Committee,
Chief of Nomination
and Remuneration Committee
and Risk Management Committee



Mr. Chokchai Niamrat
Board of Directors and
Executive Committee



Mr. Manit Koothanapat
Independent Director,
Audit Committee and
Nomination and
Remuneration Committee



**Police Major General
Prapass Piyamongkol**
Independent Director
and Audit Committee



Mr. Narongsak Tangtong
Independent Director

1. POLICY AND OVERVIEW OF BUSINESS

Dimet Siam Public Company Limited established since February 9, 1982 to produced and sold high quality paint products for industry and steel structure in the construction business such as Petrochemical industry, Oil refinery, Electricity Power Plant and Oil and Gas platform in Gulf of Thailand to protect against rust including paint for building, woods Enamel, furniture and industrial paints such as colour for gas tank.

COMPANY POLICY

Company intent to be a sustainable electric power and high quality coatings services provider from various countries into Thailand market. Company will treat customer with equity, fair and responsible for satisfactory for all customers.

QUALITY POLICY

Company committed to response to customer requirements in order to obtain high satisfaction with quality products and services by improving high efficiency in every process continuously. When the customers have satisfaction in product and services then customer will trust to considering to reorder in the future.

Company will review quality policy and target regularly by management to enable employees to be aware of quality policy thoroughly.

VISION

Company would be business leader in constructions, assets and energy sustainably.

BUSINESS TARGETS

Company defined targets to a sustainable electric power and high quality coatings services provider that earned the standard requirements under the strict control as per policy to least impacts to environment. Company has actions plan underway for the following

1. Develop and expand base for targeting increase and large building paints distribution domestically.
2. Consider to appoint distribution as an Asean Level
3. Operate the improved system and process including warehouse and facility to conform to environmental standard requirements of ISO14001 and quality management system ISO9001:2015.
4. Improved and consider system and process including purchase for raw materials and material employed in production.
5. Develop market and expand sell opportunity including warehouse to cover more customer targets base.
6. Develop and expand distribute channels as well as storage to cover more specific customer groups.
7. Improve and develop manufacture of alternative electric power technology to work at full capacity.

CHANGES AND SIGNIFICANT DEVELOPMENTS

Dimet (Siam) Public Company Limited was founded on 9 February 1982 to produce and sell high performance protective coating for industrial and steel structure for various construction projects, such as petrochemical plant, refinery, power plant, oil and gas platform in the Gulf of Thailand, as well as timber finishes, industrial coating and architectural coating.

The Company's Chronicles are as follows;

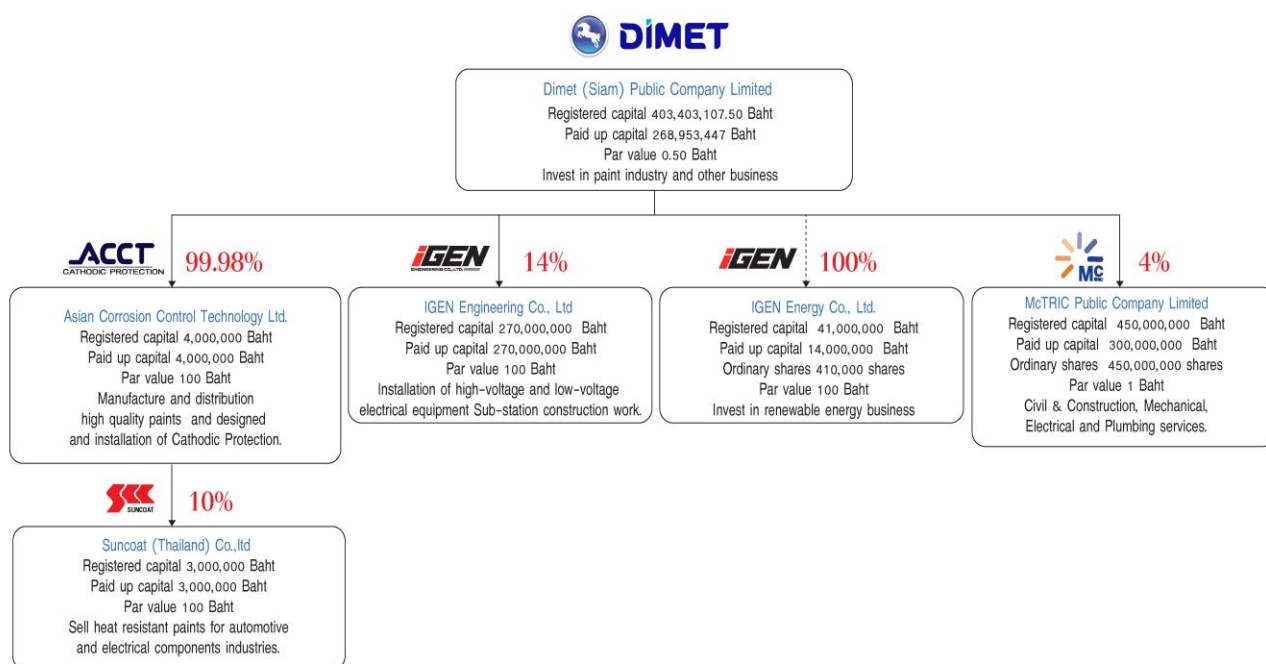
- 1982 • DIMET was founded in 1982 by Australian ACMIL Group, which was the sole shareholder. Initially, DIMET produced and sold high performance protective coating for industrial and steel structure for various construction projects, such as petrochemical plant, refinery, power plant, oil and gas. DIMET has 3 affiliate companies in South East Asia, Singapore, Malaysia and Indonesia.
- 1985 • ACI - Australian Consolidated Industries one of the biggest construction material and glass manufacturer in Australia bought all Dimet business in Asia, therefore, Dimet (Siam) Co.,Ltd became one of the Thai Glass Industry Co., Ltd affiliates
- 1988 • Wattyl Australia Pty.,Ltd, an Australian stock exchange registered Company, bought Dimet group in South East Asia from ACI and expanded its market and new products to strengthen the Company such as timber coatings, and architectural coatings.
- 1990 • Dimet (Siam) Co., Ltd changed Company name to Wattyl Dimet (Siam) Co., Ltd and succeeded in expand its market to furniture industry.
- 1993 • Wattyl Dimet moved its office and factory to Bangpoo industrial estate in Samutprakarn Province for its production expansion and continuous sell improvement
- 2002 • Wattyl Australia Pty., Ltd.decided to sell all its South East Asia affiliates. The existing Thai Management group decided to buy the business and achieved to obtain technical supports from both Ameron and Wattyl.
- 2005 • DIMET increased its capital from Baht 6,500,000 to Baht 20,000,000 by issuing common shares for existing shareholders in the board meeting of 2/2005 on 17 June 2005
 - DIMET invested 10% in Suncoat (Thailand) Company limited with registered capital of 3,000,000 Baht . The Company is in the business of trading heat resistance paints for automobile and parts for electrical appliance industry, with support manufacturing by Dimet.
- 2006 • DIMET invested in Asian Corrosion Control Trading Limited (ACCT), by buying 99.96% of registered capital
 - PPG Inc, USA the second largest paint manufacturer in the world , acquired Ameron High Performance Coatings.
 - DIMET increased full paid registered capital from Baht 20,000,000 to Baht 60,000,000 by issuing common share and selling to existing shareholders.
 - DIMET increased full paid registered capital from Baht 60,000,000 to Baht 70,000,000 by issuing common share and selling to “ONE FUND” to improve financial facilities.

- 2007
 - DIMET transformed from private Company limited to public Company limited.
 - DIMET increased registered capital from 70 Million Baht to 90 Million Baht and changed par value from 100 Baht per share to 0.5 Baht per share. Hence, DIMET has total of 180 Million shares with 90 Million Baht registered capital. Dimet offered 40 Million shares to public at 1 Baht per share.
 - DIMET signed “Special Manufacturing Agreement” and “Distribution Agreement” with PPG (Thailand) Co., Ltd., a subsidiary of PPG Industries, Inc USA to manufacture and distribute Protective Coatings in Thailand for 3 years (24 Nov. 2007 to 23 Nov. 2010).
- 2008
 - DIMET’s shares were registered in Market of Alternative Investment (MAI) stock market and began trading officially.
 - Signed an addendum to Special Manufacturing Agreement with PPG (Thailand) Co., Ltd to provide better service to local customers.
 - Signed “Distribution Agreement for BILUX Auto Refinishes” with PPG (Thailand) Co., Ltd, for 3 years, effective from 1 APR 2008 to 31 MAR 2011.
- 2009
 - Expanded laboratory on the third floor of existing main building and built raw material warehouse to improve safety and efficiency.
 - Built 4 Solvent storage tanks of 15,000 L. each to improve safety and efficiency.
- 2010
 - Developed and modified production area and warehouse to serve increment of production capacity for Architectural Coatings and Industrial Coatings in the near future.
 - Increased registered capital in ACCT from 2 Million Baht to 4 Million Baht, which DIMET has 99.98% in ACCT.
 - DIMET and ACCT were appointed to be an exclusive agent from Wilson Taylor Asia Pacific Pte Ltd of Singapore to expand Cathodic Protection business in Oil and Gas Industries in Thailand.
- 2011
 - Dimet appointed more dealers in provinces such as Chiangmai, Chiangrai, Samui - Suratthani, Phuket, Hua Hin – Prachubkirikhan, Khonkaeng, Chumporn, etc.
 - Expanded Cathodic Protection business in ACCT.
 - Developed and modified production area.
 - Opened Paint Showroom in Dimet factory for serving factories in Bangpoo Industrial Estates.
- 2012
 - Expanded warehouse area to support increased sell.
 - Increased distribution in Modern Trade such as HomePro
 - Increased private dealers to distribute Dimet paint.
 - The 2012/2013 Annual General Meeting of Shareholders held on October 22, 2012 resolved to increase the registered capital of 90.00 million to 135.00 million, issuing Dimet W-1 warrant to support expansion in future.
 - Wattyl Australia Pty Ltd was acquired by Valspar Inc., USA. Valspar is the fifth largest paint manufacturer in the World.

- 2013
- February 2013 Dimet sold 23.75% of total shares in ACCT to Hong Kong based Company, MUI International Ltd., to obtain Cathodic Protection technology.
 - Dimet expanded Modern Trade Outlets and dealers nationwide in Architectural Paints market.
 - Expansion the production area and increase warehouse space.
- 2014
- DIMET signed “Special Manufacturing Agreement” and “Distribution Agreement” with PPG (Thailand) Co., Ltd., a subsidiary of PPG Industries, Inc USA to manufacture and distribute Protective Coatings in Thailand for 3 years (1 Jan. 2014 to 31 Dec. 2016).
 - Dimet expanded more Modern Trade Outlets such as Mega Home Center , Sima Global PCL.
- 2015
- Increased sale agent in general shop and reduce points of sale in Modern Trade
 - Increased efficiency of work in organization by joining 2 projects from Industrial promotion department.
 - CF Industrial Supply Chain Efficiency Improvement) to Increase supply chain efficiency of work in organization
 - CF Marketing to provide the leading strategic in sales and marketing into effective operation and positive sale to increase sales.
- 2016
- At Extraordinary General Meeting 1/2015 Dated 28 August 2015 approved partial tender offer from Uawithya Public Company Limited and Mr. Nithit Silmut.
 - On 8 January 2016 Company obtained of Notification of Receipt of the copy of the report on the result of the tender offer by Uawithya Public Company Limited had number of securities held of 24.50 % and Mr. Nithit Silmut 12.94 % when compare to number of share sold of the total businesses respectively
 - Increased distribution in up-country
 - Expand design and installation of rust protection system “Cathodic Protect” type and corrosive protection system “Wax Tape” type markets in subsidiary Company called Asian Corrosion Control Technology Ltd. (“ACCT”)
- 2017
- Company has cancelled paints manufacturer, distributor and after sale service contract with PPG COATINGS (Thailand) CO., Ltd
 - Company has signed agreement as manufacturer, distributor with CARBOLINE INTERNATIONAL CORPORATION, U.S.A
- 2018
- Company held the Extraordinary General Shareholder Meeting No. 1/2561 On June 15th, 2018 resolved in the significant matters as follows;
 - (1) Approved purchasing of ordinary shares of Igen Engineering Co., Ltd. (“IGE”) from Electric Solution Pte.,Ltd. (“ES”) 378,000 shares equal to 14%, shares is calculated as 14% of total shared paid of ES in a price of not exceeding of 480 Baht, total values shall be paid not exceeding 181,440,000 Baht
 - (2) Approved of registered capital to reduce from 135,000,000 Baht to 134,476,723.50 Baht and approved to correct memorandum of associate clause 4 to correspond to such reduction of registered capital of Company.
 - (3) Approved of registered capital to increase from 134,476,723.50 Baht to 403,430,170.50 Baht and approved to correct memorandum of associate clause 4 to correspond to such increment of registered capital of Company.

- (4) Approved the entitlement to subscribe for new ordinary shares of 537,906,894 shares to offer to existing shareholders 268,953,447 shares and to offer warrant rights Dimet-W2 268,953,447 shares
 - (5) Approved issuance and right offering 2nd warrants of Dimet (Siam) Public Co., Ltd. (DIMET-W2) for existing shareholders of Company by a stake of purchase ratio and paid for the subscription of newly issued shares of the Company not exceed 268,953,447 units to existing shareholders of Company.
- 2019
 - Approved to purchase the existing ordinary shares of ACCT to be 99.98% of the registered capital Increased by 23.75% from the original holding 76.23 % increased by 23.75 %.
 - The Board of Director's Meeting of Dimet (Siam) public Company Limited ("Company") No. 6/2019 held on May 27, 2019 had approved the significant resolutions which can be summarized as follows: -
 - (1) Investment in IGEN Energy Co., Ltd. ("IGEN-ENERGY") by purchasing 409,998 ordinary shares of IGEN-ENERGY, or 99.99% of its registered capital, par value of 100 Baht, with total amount 40 Million Baht, expected transaction within December 2019.
 - (2) Invested and purchased 12,244,800 ordinary shares McTRIC Public Company Limited ("McTRIC"), or 4.082% of its registered capital, par value of 1.63 Baht, with total amount 20 Million Baht.
 - (3) Besides the Board of Directors has a resolution to present to the shareholders' meeting for consideration and approve with special resolution for the Company's partial business transfer transaction to Asian Corrosion Control Technology Limited ("Subsidiary") whereas the Company has holding 99.88% of paid-up capital.

COMPANY SHAREHOLDING STRUCTURE



Subsidiary Companies

Asian Corrosion Control Technology Ltd. (ACCT)

Registered on March 28, 1988, located at 602 Moo 2 Sukhumvit Road, Bangpoomai, Muang Samutprakarn, Samutprakarn, as a trading arm for DIMET, to subcontract painting work, projects, design, installation, Cathodic Protection business for underground, immersed and submerged steel structure and corrosion protection with Wax Tape. Dimet held 29,982 common shares and 510 preference shares or equal to 99.98% of registered capital of 4 Million Baht at 100 Baht per share.

Relates Company

1) Suncoat (Thailand) Co., Ltd. (Suncoat)

Registered on October 10, 2005, located at 888/18 moo 19 Thanon Bangpli-Tumru, Tumbol Bangpli, Amper Bangpli, Samutprakarn as a trading firm to expand business of heat resistance paint for automotive, motorcycle, parts, electrical appliances. Company holds 10% of SUNCOAT's registered capital of 0.3 Million Baht by issuing ordinary share of 3,000 common shares at 100 Baht per share.

2) IGEN Engineering Co., Ltd. ("IGE")

Registered on March 11, 2008, located at 52 Thaniya Plaza Building, 27th Floor, Suriyawong, Bangrak, Bangkok, main business in installation of high-voltage and low-voltage electrical equipment Sub-station construction work. Company holds 14% of IGEN's registered capital of 37,800,000 Baht by issuing ordinary share of 378,000 common shares at 100 Baht per share.

3) IGEN Energy Co., Ltd. (IGEN-ENERGY)

Registered on April 25, 2013, locates at 52 Thaniya Plaza Building, 20th Floor, Suriyawong, Bangrak, Bangkok 10500, main business in alternative energy supply Investment. Company will purchase and acquire 100% of IGEN-ENERGY's registered capital of 41,000,000 Baht or 410,000 common shares at 100 Baht per share. The expected transaction within December 2019.

4) McTRIC Public Company Limited ("McTRIC")

Registered on March 30, 2015, locates at 121/105 RS Tower 39 Fl., Ratchapisek Road Dindaeng, Bangkok 10400, main business in Civil & Construction, Mechanical, Electrical and Plumbing services. Company hold 4% of McTRIC's registered capital of 450,000,000 Baht by issuing ordinary share of 450,000,000 common shares at 1 Baht per share.

5) Uawithya Public Company Limited ("UWC")

Registered on July 12, 1967 located at 247 Romklao Road, Khwaeng Sansaep, Khet Minburi, Bangkok operated as Galvanized steel frame for Pole high voltage transmission lines, telecommunication towers and Skeletal Substation including Galvanizing services for general customers and transmission products sales

Uawithya Public Company Limited had number of securities held of 24.50 % when compare to number of share sold of the total businesses is a major share holder and shared committees.

2. BUSINESS CHARACTERISTICS

The Company products are divided into 3 main groups, Industrial Coatings, Architectural Coatings and Contractor service groups as follows.

(1) Industrial Coatings Group

1.1. Protective Coating

This Protective coating is special in engineering as used for steel structure to prevent corrosion from internal and external environments such as sun (UV), sea atmosphere, industrial environment, and chemical environment. Moreover, the coating could maintain its beauty appearance in industrial usage for long-lasting usage life. If categorized as in engineering usage, protective coatings are comprised of primer, intermediate coat and topcoat . Each layer has owned duties and different property as follows:

Primer : Prevent rust and increase adhesion to steel surface such as Inorganic Zinc Primer

Intermediate : Enhance strength of coating, such as Epoxy Coating

Top coat : Prevent steel surface exposure from external environments (such as UV, sea environment, or chemical environment, such as Polyurethane Coating

1.2. Timber Coating

This Coating used to coat timber to enhance appearance and make it more durable in actual usage. The coating is usually applied multiple layers to obtain desired characteristics, such as smoothness, glossy, resistance to washing detergent, catering foods, sauce, etc.

1.3. Industrial Coating

This Coating is a part in manufacture industrial in various factory. Each type of industrial coating shall have different characteristics due to specific needs for each industry.



2. Decorative Paints

These paints used for building, home, hotel, or office building to offer beauty and durability from various environment factors. Decorative paints usually consist of primer and top coat. Some coatings are flexible, cover hairline cracks, anti-fungus both indoor and outdoor and easily cleaned. Moreover, some building coating can reflect heat to conserve energy, and others are odorless for interior painting to prevent irritation to the residents.

Due to strong competition, Dimet have registered some own trade names for future marketing expansion.



3. Contractor service groups (Implement)

To serve both construction contractor and systems installation both interior and exterior.





Revenue breakdown structure of the Company and subsidiaries

Revenue Types	2017 (ended 30 Jun16)		2018 (ended 30 Jun 17)		2019 (ended 30 Jun 19)	
	MB	%	MB	%	MB	%
1. Domestic sales						
1.1. Industrial Coatings Group ^{/1}	194.43	63.98	139.70	63.98	159.30	47.61
1.2. Architectural Coatings Group	25.42	8.37	20.39	8.37	10.94	3.27
1.3. Contractor service groups (Implement)	0.00	0.00	0.00	0.00	35.06	10.48
1.4. Others (other paints, OEM products, and service revenue)	82.00	26.99	115.74	26.99	124.87	37.32
Total domestic sales	301.85	99.34	275.83	99.34	330.17	98.68
2.Export sales	0.07	0.02	1.10	0.02	0.23	0.07
Total export sales	0.07	0.02	1.10	0.02	0.23	0.07
Total sales revenue	301.92	99.36	276.93	99.36	330.40	98.75
Other incomes ^{/2}	1.93	0.64	1.96	0.64	4.17	1.25
Total revenue	303.85	100	278.89	100	334.57	100

Remark: ^{/1} = Industrial Coatings Group – Protective Coatings, Industrial Coatings and Timber Coatings.

^{/2} = Other revenues include sales commission, rental incomes and interest received

3. RISK FACTORS

RISK MANAGEMENT

Risk management is a necessary and important management process to enable organization to meet set targets especially present business conditions which constantly changes, fast and highly competitive. Company aware of importance of risk management for company performance, therefore, company appointed risk management committees under good governance to manage and control risk management. Risk management committees would consider and define risk management policies then assign to risk working parties to manage risks systematically and in the same directions. Together with defining rules including procedures and work instructions to manage risk managements covered all organizations. Defining inspections, performance measurement and evaluation, by risk working parties would conduct and report to risk management committees in company and organizational risk issues to risk management committees to consider and propose to board of directors to approve.

Company defines to manage its performance by setting management systems which is efficient, improved risk management constantly and continuously in order to conduct more efficient with taking constant change risk factors in organization both inside and outside company into consideration.

RISK MANAGEMENT FRAMEWORK

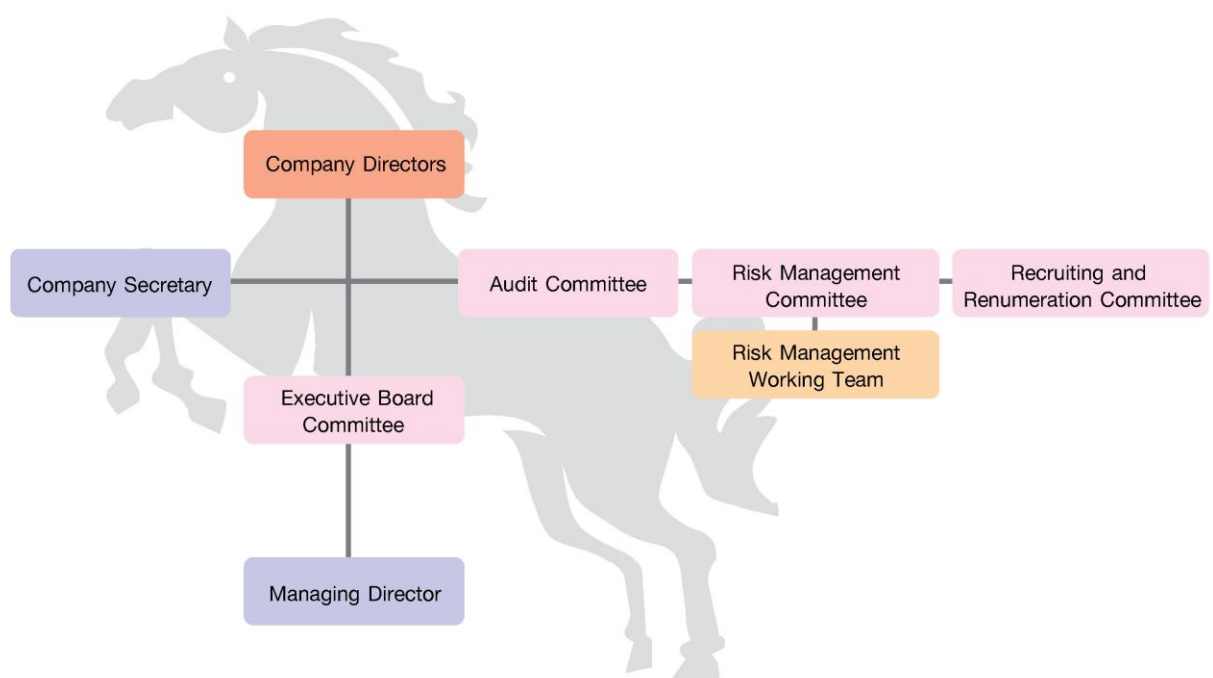
Company manages risks for the whole organization, complies to international standard as Board of directors, managers and all personnel in the organization by process of risk management was designed to defining events may occur and affect organization and enable risk to become acceptable risk level for organization in order to rationally convince to achieve defined organizational targets.

1. Strategy Formulation

Company defines objectives and acceptable risk level (Risk Appetite) in managing risks clearly in order to managing risks in the same direction.

2. Risk management structure and responsibilities

The Company's risk management structure is shown as below;



Risk Management Responsibilities

The Company's risk management structure is shown as below;

Board of Directors

The Board of Directors is responsible for monitoring the enterprise-wide risk management as a whole.

Audit Committee

The Audit Committee is responsible for considering and verifying the effectiveness of the internal control, monitoring

the risk management results, as well as evaluating the risk management outcomes implemented by the Risk

Management and Business Continuity Working Group.

Risk Management Working Parties

To control risk management activities to achieve targets and enable confident and trust in business running in organization, Board of directors would appoint risk management working parties which comprised of high level of managers of each field. Defining risks would have to pass the approval from risk management working parties, risk management committees and board of directors executively.

3. Organizational Risk Management Process

The Company has set the risk management process to ensure the systematic steps and procedures and the entire operations leading to the same direction. The core process of the organization risk management consists of 8 steps as below;

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

POTENTIAL RISK AND RISK MANAGEMENT STRATEGIES**1. Strategic Risk.****1.1. Risk from manufacturing contract by using overseas technology**

Company acquires overseas technology supports from world class paint manufacturers performed their businesses some 100 years ago, VALSPAR and CARBOLINE INTERNATIONAL CORPORATION whose Company has agreement with, to support Company painting technology as follows;

1) Valspar Paint (Australia) Pty Ltd. ("VALSPAR") VALSPAR purchased all Wattyl Business and maintain licence for Company both manufacture and selling wood enamel and decorative paints for 3 years period by renew contract. Company could renew contract interval for 3 years. Presently, such contract is binding on the agreement from July 1st, 2016 to June 30th, 2018 and renewal for another 3 years until 30th June 2022.

2) Carboline International Corporation (CARBOLINE) CARBOLINE granted Licence to Company in manufacture and distribute anti-rust paints from CARBOLINE as there are five years contract binding from March 28th, 2017 to March 27th, 2022.

This manufacturing technology reliance from those two companies would be risk from lack of supports such manufacturing technology or contract termination or contract condition changes.

However, since the past years, Company research and develop anti-rust paint until such paint is suitable for Thailand's climate. To distribute paints, despite the paint quality and variety of colors including readiness of Company to deliver products and satisfied customer requirements. One of important factor is After Sale Service which Company has Technical Service Team to suggest proper instruction for use at site. This enable Company to serve customer quicker and market expansion. Company long time in the market facilitates Company to well familiarize and specialise with domestic market and enable advantages in Company marketing. From such specialization of paint distribution for domestic markets made VALSPAR and CARBOLINE relied on sale channels and as Company Marketing Arm to boost sell domestically.

Besides, Company obtained good relations with both companies all the times. Company has gained supports and grants continuously technology licence, would enable Company to be ready, experiences and specialize in manufacturing and distribute paints under both companies technology. Company received well respects from paint customer group throughout the year as well as creates good relationship with customer groups who use such paints from those two aforementioned companies together with continue paint qualification development. This make Company paint products which employ these two aforementioned companies' technology has proper qualifications to suit the tasks and suitable Thailand's climates. Moreover, Company has various Research and development team, Company presently is able to copyright our own Brand Name and new regular register as new products arise. From this leverage us to reduce reliance technology from those aforementioned companies technology and enable us to win respects in our products and brand names.

1.2. Risk from Raw Materials Price Fluctuation and Foreign Exchanges

Company might acquire risk from raw material price fluctuation as adjusting cost of raw material. Most of raw materials used in manufacture imported from overseas produced by overseas sources and classified as chemicals relates to crude oils prices and global petroleum products prices including received foreign exchange fluctuation

As a results, Company order raw materials from representative in country by ratio of 90% and direct imported from overseas by 10%.

For raw material ordering import from overseas, Company would agree with overseas raw material agent by clearly fixing foreign exchange. Off the records, Company did not do forward contract with overseas banks as Company import not many direct shipment from overseas, Company then did not affect much by the foreign exchange fluctuation.

However, Company emphasize to planning and product and inventories management including delivery system to control and manage cost including Company's expenditure in operation. With most of manufacturing Company made to order enable Company plan according to sell plan and enable Company to fix product price from cost of manufacturing which will change in each interval and able to initially maintain level of profit ratio.

2. Risk from manufacturing

2.1 Risk from production halt as a result of fire and natural disaster

As paint manufacturing require highly flammable chemicals such as resin, pigment, solvent and additive. Therefore if those chemicals leak or a spark occurs in the factory, the Company may risk manufacturing halt due to fire.

However, the Company is well-aware of the risk and has prevented those risk by provide training for employees in the Company to understand about the manufacturing procedures, guidelines and cautions. The Company also educates employees about causes of fire, such as chemical reaction, temperature that the chemical may ignite, avoiding chemical, hazardous chemical resulted from decomposition, etc. Moreover, the Company also provides training on fire prevention and suppression by inviting official from Public Disaster Prevention Center, Preaksa District, Muang District, Samut Prakarn Province to regularly educate employees. The Company also invested in explosion proof electricity system that could prevent electrical spark, which may cause fire. Thus the risk of fire is minimized, and the Company never has risk from fire incident occur.

2.2. Risk in supplying raw materials (Raw materials management)

Raw materials used in Company manufacturing are chemicals such as Resin, Pigment, Solvent and Additive come from different sources locally and overseas ordered mainly from domestic agents. Therefore, Company has risk in supply raw materials in case of manufacturer could not manufacture or distribute raw materials for Company as quantity, time and condition as defined by Company and affects of our operation and our growth.

However, Company protect this risk in supply raw materials by spreading more than one raw materials suppliers per raw material. Furthermore, Company built good relations with raw material suppliers and continue business since 35 years ago, therefore, opportunity of risk may occur is minimal and Company has never such bad incident happen before.

2.3. Risk from reliance to main management and experienced employees

Main management and personnel who have knowledge and understand in whole manufacturing process system including idea initiation in develop products to be quality is an important factor for entrepreneur in the manufacturing and distribution industry. It is a loss of main management and personnel who have knowledge and understand in whole manufacturing process system, research and development may affect in capacity of the Company's competitiveness. **๑๑๑๑**

However, as most of main management and research and development personnel have worked with Company for a long time, Company low rate of turnover in this department. Furthermore, prioritize of main management, manufacturing related and research and development personnel are shareholder and Company's directors, therefore, Company convinces that risks of losing personnel is minimal. In addition, Company prevent such risk by providing training in order to develop knowledge and capability of personnel in the department to disseminate knowledge to the task force including promote and delegate employees to the higher position to support management and reduce especially reliance of single personnel.

3. Risk from financial management

3.1. Risk from credit release to customer structure and debt collection

Risk from customer or contract parties unable to pay or reimburse or violate the contracted agreement which may affect Company operation and finance status as a whole. Company is aware of such risks, therefore, currently Company keep a closed follow up debt quality as well as improving credit criteria to be appropriatedly and strictly to comply with the current situation.

Besides, Company emphasized on credit risk management system as a system development according to good finance system, to improve credit release consideration procedure including debt collection and credit risk control by developing procedure to support credit release approval for customer. Company should have management debt process to prevent and correct outstanding debt, in addition, Company has allowance for doubtful accounts by analyzing payment history and potential and risk of payment in the future forecast. For outstanding debtor more than 1 year, Company reserved 100% and consistently follow up this debtor including report of debtors with overdue payment for Company benefits in future management.

4. Risk from regulatory compliances oversight

4.1. Importance of regulatory compliance and risk management for corruption

Company had given importance to strictly and manage risk that caused by corruption. There is a anti-corruption committee which their main duties on policy definition including defining measures and preventive corruption measures in organization. In 2015, Company joined Thailand's private sector collective action coalition against corruption to demonstrate the intention and commitment to perform anti-corruption in every aspects.

Company conducted self appraisal evaluation in anti-corruption measures and submitted such self appraisal evaluation to Thailand's private sector collective action coalition against corruption (CAC) council. Chairman of Audit committee of CAC Council has inspected and proposed to CAC council for final consideration. Company was certified by CAC council on July 22, 2016 to be membership of CAC council and to be expired in 3 years. For official recognition Company was honour to be presented the certification on August 16, 2016 at Ballroom, Grand Hyatt Erawan Hotel, and in 2019, company submitted for renewal and achieved accreditation from CAC Councils as of August 5th, 2019. Such accreditation will last 3 years since accredited date.

4. GENERAL INFORMATION OF COMPANY

**Company name for share Dimet (Siam) Public Company Limited
issuance:**

Established Year	1982
Stock ticker	DIMET
Company's registrar number	0105525004339
Business characteristics	Manufacture of Alternative Electric Power Business and Manufacture of high quality paints products, which is used in petrochemical plant, oil refinery, power plant, off-shore platform in the Gulf of Thailand to prevent corrosion, architectural coating, timber finishes for furniture factories, industrial coating such as household gas cylinder.
Office and plant location	602 Moo2, Bangpu Industrial Estates, Soi1, Sukhumvit Road, Tambol Bangpu Mai, Muang District, Samutprakarn 10280
Office and plant phone no.	0-2323-2800-6
Office and plant fax no.	0-2323-2807
Website	www.dimetsiam.com
Registered capital :	Baht 403,430,170.50
Issued and paid up capital	Baht 268,953,447 divided into 537,906,894 shares of common stock at par value of 0.50 baht .

Subsidiary Companies

Company's registrar number	Asian Corrosion Control Technology Ltd. 0105531022203
Business characteristics	Sell and service painting work , Cathodic Protection business for immersed and submerged steel structure by Wax Tape
Office and plant location	602 Moo2, Bangpu Industrial Estates, Soi1, Sukhumvit Road, Tambol Bangpu Mai, Muang District, Samutprakarn 10280
Office and plant phone no.	0-2323-2800-6
Office and plant fax no.	0-2323-2807
Registered capital :	Baht 4,000,000
Issued and paid up capital	Baht 4,000,000 divided into 39,490 shares of common stock and 510 shares of preference shares at par value of 100 baht .

Related Company

Company's registrar number	Suncoat (Thailand) Company Limited. 0115548010718
Business characteristics	A trading firm to expand business of heat resistance paint for automotive , motorcycle parts, electrical appliances to Japanese Companies
Office and plant location	888/18 Moo 19, Tambol Bangpleeyai, Bangpleeyai, Samutprakarn 10540
Office and plant phone no.	0-2382-5370
Office and plant fax no.	0-2382-5371
Registered capital :	Baht 3,000,000
Issued and paid up capital	Baht 3,000,000 divided into 30,000 shares of common stock and at par value of 100 baht .

Related Company	UA WITHYA PUBLIC COMPANY LIMITED
Company's registrar number:	0107548000129
Business characteristics:	Operated as manufacturing and sales of Galvanized steel frame for Pole high voltage transmission lines, telecommunication towers and Skeletal Substation.
Office and plant location	247 Romklao Road, Sansaep, Minburi, Bangkok 10510
Office and plant phone no:	0-2543-9020-8
Office and plant fax no:	0-2543-9029
Registered capital ::	1,907,119,713 Baht
Issued and paid up capital:	1,316,247,525.60 Baht
Related Company	IGEN Engineering Company Limited.
Company's registrar number:	0105551028657
Business characteristics:	Installation of high-voltage and low-voltage electrical equipment Sub-station construction work services.
Office and plant location:	52 Thaniya Plaza Building, 27th Floor, Suriyawongse, Bangrak, Bangkok
Office and plant phone no:	0-2652-5229
Office and plant fax no:	0-2652-5228
Registered capital ::	270,000,000 Baht
Issued and paid up capital:	270,000,000 Baht
Related Company	McTRIC Public Company Limited ("McTRIC")
Company's registrar number:	0107558000121
Business characteristics:	Civil & Construction, Mechanical, Electrical and Plumbing services
Office and plant location:	121/105 RS Tower 39 Fl., Ratchapisek Road, Dindaeng, Bangkok 10400
Office and plant phone no:	0-2641-2100
Office and plant fax no:	0-2641-2030
Registered capital ::	450,000,000 Baht
Issued and paid up capital:	300,000,000 Baht
Investor relation:	Contact: Mrs. Yuppadee Koopetngarm
Telephone No. 0-2323-2800	Telephone No. 0-2323-2800 e-mail : yuppadeek@dimetsiam.com
Certified public accountant:	Ms. Kanyanut Sriratchatchaval certified public accountant no. 6549 of Grant Thornton Co., Ltd. 18th Floor Capital Tower, All Seasons Place 87/1 Wireless Road, Bangkok 10330 Thailand. Tel: 0-2205-8222 Fax: 0-2654-3339

5. CAPITAL STRUCTURE

Company Securities

Company registered capital of 403,430,170.50 Baht by paid up capital of 268,953,447 Baht divide into ordinary share of 537,906,894 shares value per share is 0.50 Baht remaining registered capital of 268,953,447 Baht is newly issuance of ordinary share of 537,906,894 shares at value per share is 0.50 Baht by 268,953,447 shares offering right to existing shareholders according to the proportional which their names appear in the record date at May 3rd, 2018 in a proportion of 1 existing share per 1 new share of offering price of per share 1.00 Baht. Company defined the subscription date and paid for the new of ordinary share during , July 2nd – 6th, 2018, and allotment of new ordinary shares of not exceed of 268,953,447 shares value per share 0.50 Baht to support exercise of warrant DIMET-W2 to offer rights to existing shareholders.

Currently, the ordinary shares for existing shareholders (DIMET-W2) that have not yet exercised and will be expired in July 20, 2019 amount of 268,952,742 shares.

shareholders

Shareholders' names at June 30th, 2019 as follows;

Names	Shares	Percent
1. Ua Withya Public Company Limited	134,357,683	24.98%
2. Mr. Chinchai Leenabunchong	41,225,100	7.66%
3. Ms. Kanchana Wongpitoonpiya	18,591,100	3.46%
4. Ms. Pornwadi Somphongchaikul	17,905,500	3.33%
5. LGT Bank (Singapore) Ltd.	17,303,000	3.22%
6. Nimit Holding Ltd.	12,967,500	2.41%
7. Ms. Saifon Saensi	12,848,500	2.39%
8. Mr. Boonchai Srithirakul	9,758,000	1.81%
9. Standard Chartered Bank (Hong Kong) Limited.	9,057,200	1.68%
10. Mr. Danai Kuttikul	8,034,500	1.49%
11. Ms. Phastaree Wongthonglin	7,443,800	1.38%
12. Ms. Sayomporn Buapoom	6,600,000	1.23%
13. Mrs. Pranee Wongpaitoonpiya	6,026,400	1.12%
14. Mrs. Pimonphon Lorsiriphaiboon	6,000,000	1.12%
15. Maybank Kim ENg Securities Pte. Ltd.	6,000,000	1.12%
16. Mr. Jitrapat Isarangkura Na Ayudhya	5,902,900	1.10%
17. Mr. Kritsada Tunpao	5,801,400	1.08%
18. Ms. Duangwan Bunnag	5,707,900	1.06%
19. Mr. Aswin Leelayana	5,006,700	0.93%
20. Small shareholders	201,369,711	37.44%
Total	537,906,894	100%

The issuance of other securities.
Information of the warrants to purchase common shares of the Company

Securities	:	Warrants to purchase ordinary shares of Dimet (Siam) Public Company Limited (Class 1) (Warrant " or "DIMET-W1").
Types of Warrants	:	Named and transferable
Date Listed	:	November 14, 2013 (Trading day)
Secondary Market	:	Market for Alternative Investment ("mai").
Number of shares issued	:	90,000,000 units
Offering	:	0.00 Baht
	:	Granted to existing shareholders in the ratio of 2 shares for 1 warrant
Number of Shares	:	89,999,978 units
Number of shares to be allotted	:	89,999,978 shares (par value of 0.50 baht per share) .
Date of issue of warrants	:	November 2, 2013
Term of warrants	:	5 years from the date of issuance of the warrant
Maturity date of the warrants .	:	The final exercise is on November 1, 2017 . (Warrants will cease to be listed on the next day) .
Exercise of warrants	:	The rate of conversion of; 1 unit of warrant to purchase common shares of the Company, one share. Rates for conversion; Baht 0.50 (fifty cents) . *** The exercise ratio and exercise price are subject to change in accordance with the terms of adjustment. (For details of the terms, please study from the Stock Exchange of Thailand website). *** The date for the first time on December 30, 2014 and the exercise is the last business day of the following quarter . The exercise date Date of November 1, 2017

Warrant DIMET-W1 Schedule

Times	Exercise Date	Times	Exercise Date
1	December 30 th , 2014	5	December 30 th , 2016
2	June 30 th , 2015	6	June 30 th , 2017
3	December 30 th , 2015	7	November 1 st , 2017
4	June 30 th , 2016		

Information of the warrants to purchase common shares of the Company (DIMET-W2)

Securities	: Warrants to purchase ordinary shares of Dimet (Siam) Public Company Limited (2 nd warrant) (Warrant " or "DIMET-W2").
Types of Warrants	: Named and transferable
Date Listed	: July 20 th , 2018 (Trading Date)
Secondary Market	: Mai stock exchange (“mai”)
Number of shares issued	: 268,953,447 Units
Offering	: 0.00 Baht ((Zero Baht) Granted to existing shareholders in the ratio of 2 shares for 1 warrant : 268,953,447 Units
Number of Shares	: 268,953,447 Units (par value of 1.00 baht per share)
Number of shares to be allotted	: July 20 th , 2018
Date of issue of warrants	: 1 year from the date of issuance of the warrant
Term of warrants	: July 19 th , 2018 and final day for exercise (Warrants will cease to be listed on the next day))
Maturity date of the warrants .	: <u>Ratio of conversion</u> Warrant 1 unit have one right to purchase new ordinary shares from Company 1 share <u>Price of concersion</u> 1.15 Baht <i>*** Ratio and price of conversion may be changed in the future according to revision (study details from license terms on Company website or stock exchange website ***</i>
Exercise of warrants	: Defined first exercise day on August 31 st , 2018 and able to exercise every last day of November, February and final day would be July, 19 th 2019. In case of last exercise date match the vacation date of Company, please move the date to last working day prior to defined last exercise date.

Warrant DIMET-W2 Schedule

Times	Warrant Date
1	August 31 st , 2018
2	August 30 th , 2018
3	February 28 th , 2019
4	July 19 th , 2019

6. DIVIDEND POLICY

The Company has a policy of paying dividends to our shareholders each year not less than 40 % of net profit after deduction of legal reserves. If no other necessities and the payment shall not affect the normal Company operation , the Board of Directors approved a dividend payment shall be presented for approval at the Annual General Meeting except for the interim dividend, the Board of Directors is authorized to pay dividends and report in the next shareholders meeting.

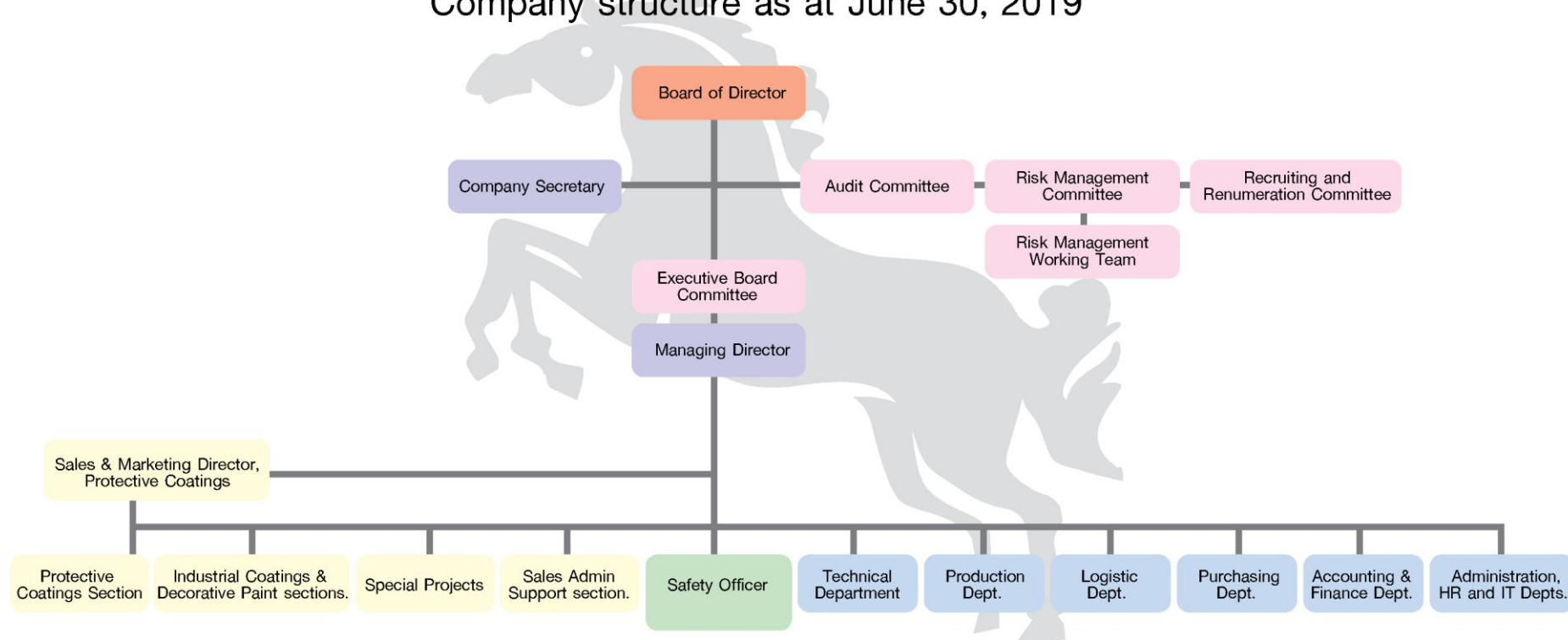
For subsidiaries , the Company did not set a dividend policy .The dividend of the subsidiary will be based on the performance of subsidiary. If the dividend is declared dividends must be appropriated statutory reserve at least 5 % of net profits to pay dividends. Until the legal reserve equals 10 % of the share capital of the Company and such payment shall not affect the normal operations of the Company significantly. By resolution of the Board of Directors approved the dividend that will be proposed for approval by the general meeting of shareholders, except as an interim dividend, the Board of Directors is authorized to pay dividends and report to the shareholders in the next meeting.

Paying Dividends History when compare to net profit (separate) 2017 – 2019

items	2017 (Jun 30, 2017)	2018 (Jun 30, 2018)	2019 (Jun 30, 2019)
Profit (loss) Net (Separate) MB	(23.35)	(37.33)	(112.25)
Dividend MB	0.00	0.00	0.00

7. ORGANIZATION STRUCTURE AND MANAGEMENT

Company structure as at June 30, 2019



Board of Directors

The company management structure consists of 5 committees, Board of Directors, Audit Committee, Risk Management Committee, Executive Board Committee and the Nomination and Remuneration Committee as follows;

(1) Board of Directors.

As of 30 June 2019, the Board of Directors comprised of 8 Directors as follows;

Name	Position	Number of Meeting (times)	Meeting attendance (times)
1. Dr.Panya Boonyapiwat*	President, Director Chairman of risk management committee Chairman of Executive Board Committee Managing Director	11	11
2. Mr. Theerachai Leenabanchong	Director Executive Board Committee Recruiting and Remuneration Committee	11	11
3. Police Lieutenant General Somkid Bunthanom	Independent Committee/Director	11	11
4. Mr. Chokechai Niamrat	Director Executive Board Committee	10	11
5. Ms. Wanna Maluengnon	Independent Committee Chairman of Audit Committee Risk management committee Chairman of Recruiting and Remuneration Committee	10	11
6. Mr. Mani Kootanapat	Independent Committee Audit Committee Recruiting and Remuneration Committee	11	11
7. Pol. Maj.Gen. Prapass Piyamongkol	Independent Committee Audit Committee	9	11
8. Mr. Narongsak Tangtong	Independent Committee/Director	7	11

Remarks :

- : Mrs. Yuppadee Koopetngarm remain working as board secretary and Company secretary
- : Pol. Maj.Gen. Prapass Piyamongkol has been appointed to be an Independent committee and audit committee effective from August 27, 2018
- : Mr. Narongsak Tangtong has been appointed to be an Independent committee effective from October 30, 2018
- : * Although chairman of Board of directors, Executive chairman and managing director are the same personnel however Board of directors comprised of 5 independent committees from total of 8 committees calculated as 62.5% and there is independent in consideration and votes in topics and important agendas according to good governance.

Authorized Directors from June 30th, 2019

Dr. Panya Boonyapiwat, Mr. Theerachai Leenabanchong, Police Lieutenant General Somkid Bunthanom and Mr. Chokechai Niamrat; two from four of them are authorized to sign with Company seal.

Scope of responsibilities of the Board of Directors

Boards of directors have duties to oversee business and Company's mission to be accorded to shareholders' approval and regulations Company has to comply with, including objectives, requirements, meeting resolution and board of directors resolution. Board of directors must their judgment and careful in business' decision and conduct their duties with responsibility, honesty and carefully to protect highest Company benefits.

1. The Board of Directors have duty and responsibility to manage Company according to the law, objectives, Company rules and resolution of the shareholders meeting follow the principles of Good Corporate Governance for listed Company according to stock exchange of Thailand.
2. The Board of Directors have duty and responsibility to manage Company according to the law, objectives, Company rules and resolution of the shareholders meeting with honesty nad careful to protect Company benefits.
3. The Board of Directors has duties to approve the Company's goals, guidelines, policies, plan and budget and to oversee the management or anyone who has been delegated with the works to ensure that they act according to the policy determined by the Board of Directors
4. Consider and appoint persons possessing desirable qualifications and having no prohibited characteristics as stipulated in the Public Limited Company Act B.E. 2535 (including the amendments), the Securities and Exchange Act B.E. 2535 (including the amendments), as well as the announcements, rules, and/or related regulations to take up the directorship in case of vacancy in the Board of Directors for other reasons than retirement by rotation. Consider and endorse the appointment of directors to replace those who retire by rotation, as well as determine the directors' remuneration for further proposal in the shareholders' meeting for consideration and approval.
5. Consider to define management structure, The Board of Directors has authority to appoint directors to be Executive Board, sub-committee and/or other board advisor as appropriate. This including defining the scopes of duty and authority of Executive board, managing director, and sub-committee appointment. Hereby, delegation of such authority must not done in the way that authority which make executive board, managing director and subcommittee is able to build items of conflict, advantage and disadvantage and conflict of interests in benefits with other Company (subsidiary and related) (if any), except such items approval compliance to policy and criteria which Board already considered and approved.
6. Consider and approve the financial expenditure in investment, other operations, loans or credits from a financial institution, as well as serving as a guarantor, for business-as-usual operations of the Company or subsidiaries, including companies

in the Group; without financial limit, under the Company's regulations or rules with relevance to the Stock Exchange of Thailand and the Capital Market Supervisory Board.

7. Ensure that the Company and its subsidiary companies apply appropriate and efficient accounting system, as well as establish the internal control system and the internal audit system can be evaluated efficiently and sufficiently. To provide a proper assessment process of the Company of internal control system and subsidiaries as usually.
8. The Board of Directors has authority to define and change authorized directors.
9. Assign framework and policy for salary determination, salary adjustment, bonus determination, remuneration, and reward and recognition of employees in Company.
10. The Board of Directors must manage to the best interest of the shareholders, ensure that there is information disclosure, and prepare according to the required conditions and standards
11. The Board of Directors has a duty to ensure that the Company has internal audit system and efficient internal audit system by having the internal audit oversee the audit system and work with the Audit Committee.
12. The Board of Directors has a duty to prepare financial statements and provide accounting auditors to audit and/or review the financial statement before presenting to the shareholders
13. The Board of Directors has the duty to appraise individuals annually according to self appraisal form of the Company and CEO appraisal form from The stock exchange of Thailand and maintain these files with chairman of audit committee.
14. Arrange Annual shareholders meeting is an annual meeting within 4 months since the end of financial year.
15. Approved for requirements consideration in authorized credit approval.
16. Arrange for review and correct Board of directors' requirements correspond with current situation.
17. Provide appropriate channels of communication for each group of shareholders, and supervise the disclosure of information in order to ensure correctness, clearness, transparency, and credibility in line with the Company's disclosure of information and relevant regulations.
18. Appoint Company secretary to assist Board of Directors in operating procedures according to rules and related regulatory.
19. Monitor the Company's corporate performance to run efficiently, and protect any interests related to all stakeholders.

20. Review charters of Board of directors at least once annually
21. Any of the following proceedings by the Board of Directors, the Board must receive shareholders' resolution with the vote of no less than three-quarter (3/4) of the participated shareholders who are eligible to vote.
- A. Sell or transfer all or crucial parts of business to other party.
 - B. Acquire or receive other Company or public Company to be part of The company.
 - C. Create, amend, or cancel contracts about renting all or crucial parts of business, assigning other person to manage the Company, or to form joint venture to share profit or loss with other person.
 - D. Add or amend the Company memorandum of association or Regulations.
 - E. Increase or decrease the Company's registered capital.
 - F. Terminate the Company.
 - G. Issue the Company's bond.
 - H. Merge with other Company

In all, any director who has conflict of interests with the Company or subsidiary does not have the right to vote on that particularly issue.

Moreover, the Board has obligation to oversee and ensure that the Company or subsidiary operate according to the regulations and announcement of the Stock Exchange of Thailand and law concerning Securities and Stock Exchange on connected transaction or items concerning acquisition or sales of the Company or subsidiary's assets.

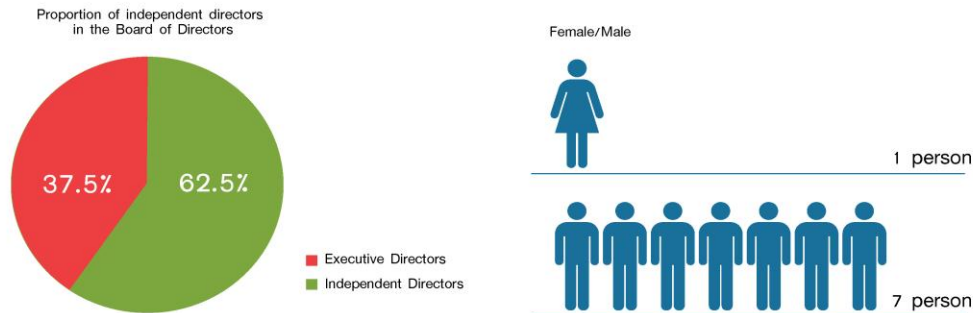
Board of directors are able to authorize and/or delegate other personnel to operate specific tasks by authorizing or authorize certain period as within certain scopes defined in such authorization according to given power of attorney and/or procedures, requirements or company's orders and /or company definitions. Furthermore, such authorization of Board of Directors shall not authorize or authorized period when enable Board of directors or Attorney from Board of directors to be able to approve list that own or personnel who is conflicts (according to definition by announcement of Securities and Exchange Commission and/or stock market and/or related departments) may have same interest or may gain any benefits or may conflict of any benefits with company or its subsidiaries except it is approved according to policies and regulation as of General Annual Shareholders. It should be approved list as normal business and normal business conditions according to Securities and Exchange Commission and/or stock market and/or related departments.

Period for maintaining Board of Directors

Company committee shall stay in their own position for 3 years as the 1 year means from the date that Shareholders general meeting is appointed as Company committee until the following year that Shareholders take for next general meeting. Committee that is out of position may stay as committee if he or she name was re-introduced and appointed again.

Independent Committee

Independent committee proportion in Board of directors at June 30th, 2019.



(2) Audit Committee

At June 30, 2019 the audit committee consists of 3 independent directors with completed qualifications as specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand.

At June 30th, 2019 Company has 3 audit committee as follows;

order	Names	Position
1.	Ms. Wanna Maluengnon	Chairman of Audit Committee
2.	Mr. Manit Kootanapat	Audit Committee
3.	Pol. Maj.Gen. Prapass Piyamongkol	Audit Committee

Remarks: Audit committee who has accounting background is Ms. Wanna Maluengnon by Mrs. Yuppadee Koopetngarm acts as secretary to audit committee.
Pol. Maj.Gen. Prapass Piyamongkol has been appointed to be an Independent committee and audit committee effective from August 27, 2018

Scope of responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities according to scopes of duties as delegated as follows;

1. Review the Company's financial reports to ensure the accuracy and sufficiency of financial reports in accordance with the relevant financial reporting standards, and to cooperate with the external auditor and the management in preparing quarterly and annual financial reports. The Audit Committee may also suggest the auditor to review or audit any transaction which is deemed important and necessary during the auditing process of the Company.
2. Review to have Company with appropriate and effective Internal Control and internal audit and consider the independent of internal audit unit including approval in appoint, move and lay off head of Internal audit.

3. Has the authority to access to all level of information of the Company, including inviting executives, management, department heads, employees, or other relevant parties to the meeting for clarifying information. This includes distributing and sharing related information in accordance to the duties subject to the scope of authority as assigned by the Board of Directors.
4. Review the Company's action to be consistent with the law concerning Securities and Stock Exchange, the regulation of the SET and relevant laws.
5. Consider and approve the annual budget, manpower and resources required for the internal audit department's duties and approve the annual internal audit plan including any material changes to such plan as well as ensure that the duties and assignment of the internal audit are in accordance with the approved annual internal audit plan and the International Standards for the Professional Practice of International Auditing, evaluate the quality of the internal audit performance annually at least once a year.
6. Consider, select, nominate, and dismiss an independent person to serve as an auditor of the Company, and propose the auditor's remuneration in consideration of reliability, sufficient resources, quantity of auditing work of the audit firm, and experience of the auditor to be assigned for audit of the Company, as well as attend in a meeting with the auditor in the absence of the management at least once a year.
7. Consider related items or items which has conflict of interests, comply with laws and stock exchange to convince that such items are reasonable and at the highest benefits of Company.
8. Prepare audit committee report by disclosing them in Company Annual report which is signed by chairman of audit committee with at least the following details;
 - Provide opinion relates to precision, full, reliability of the Company financial report.
 - Provide opinion on adequacy of internal control within Company.
 - Provide opinion on compliance to the laws of securities and stock exchange including its requirements or Company business related laws.
 - Provide opinion relates to appropriateness of Certified Public Accountant.
 - Provide opinion on items which may have conflict of interests.
 - Provide opinion number of audit committee and attend of meeting of each audit committee.
 - Provide opinion or total observations which audit committee received from following the procedures and charters.
 - Other items which audit committee sees that shareholders and general investor should know under the scopes of duties and responsibility delegated from Board of directors.
9. Audit the informed matters from Certified Public Accountant. In case of finding any suspect behavior of board of director, manager or any personnel who is responsible in Company operation commit error or mistake mentioned in securities and stock exchange acts B.E 2535 and corrected by securities and stock exchange acts 4th Edition B.E. 2551 and 5th edition B.E. 2559. Report initial audit results to securities and Exchange Commission, Stock exchange of Thailand and Certified Public Accountant within 30 days since received information from Certified Public Accountant.
10. Review and follow up important risk management continuously from risk management committee of directors.
11. Provide opinion for planning and result from planning, budget and manpower of audit committee.
12. Review charter for audit committee at least once a year.
13. Prepare report of work conducted propose to board of directors at least once a year.

14. In scope of duties, audit committee is able to invite manager or supervisor attend the meeting to explain or submit related documents.
15. Audit committee is able to obtain suggestion from independent specialist as appropriate with Company expenses as per responsible scopes.
16. Other tasks given by board of directors delegate with agreement from audit committee.

Reporting.

1. Prepare Audit Committees' report which such report was signed by audit committee chairman and disclosed in annual report.
2. Report the performance of the Audit committee to the Board of Directors on at least every quarter.
3. In performing duties, the Audit Committee has found or suspected that any transaction or act may cause material impact on the Company's financial position and operation, the Audit Committee is required to report to the Board of Directors for a timely rectification. Such transactions and acts may include:
 - 3.1. Any transaction that may cause conflicts of interest,
 - 3.2. Fraud or irregularity or defect in relation to the internal control system,
 - 3.3. Violation against the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, or Capital Market Supervisory Board, or relevant laws pertaining to the Company's business.
4. Audit committees report to shareholders relates to activities that conduct annually as per duties and responsibilities delegated from Board of directors and signed by audit committee chairman and disclosed to company annual report.

Period for maintaining Audit committee

The Audit committee can stay at his post for 3 years, and can stay in the position not more than three times or 9 years consecutively after the date his or her was appointed from the Company committee or general meeting for the Shareholders. In this case one year means that from the date that Shareholders general meeting is appointed as Company committee until the following year that Shareholders take for next general meeting, committee that is out of position as age may received name re-introduced and appointed as Audit committee. For audit committee who wish to resign before term is ending, inform board of director 1 month in advanced with reason.

(3) Risk Management Committee

At financial year 2019, there are 3 risk management committee as follows;

Order	Names	Position
1.	Dr. Panya Boonyapiwat	Chairman of risk management committee
2.	Ms. Wanna Maleungnon	Risk management committee
3.	Mr. Poonyawee Leesanguankul	Risk management committee

Remarks: Mrs. Yuppadee Koopetngarm acts as secretary of risk management committee.
Mr. Poonyawee Leesanguankul's been appointed to be Risk Management Committee, effective from December 21, 2018 and resigned from this position since August 16, 2019

Scopes of authority and duties of the Risk Management Committee

1. Define policy and framework for Company risk management. This policy will cover all types of risks; strategy risk, finance risk, operation risk, and society risk including laws and any requirements,
2. Planning working strategies to comply with risk management policy by evaluation, audit and control Company risk to the acceptable level.
3. Support to coordinate in Company total risk management and review policy and risk management system for adequacy including efficiency of system and implement as per policy.
4. Oversee operation to commit to the risk management frameworks, review information disclosure risk management to the task force units and publics.
5. Report consistency to board of directors for things which requires improvement according to policy and defined strategy.
6. Conduct other assignment from Board of Directors
7. Risk management committee is able to hire external consultant for recommendation with Company expenses by agreement of board of directors.
8. Authorized to appoint risk management committee.

Period for maintaining Risk Management Committee

The risk management committee is appointed by board of directors and able to stay at this post each rotation for 3 years, when it expires would come back and reappoint. For risk management committee who wish to resign, inform chairman of board of director 1 month in advanced

(4) Executive Board Committee

At June 30th, 2019, there are 3 Executive Board Committees as follows;

Order	Names	Positions
1.	Dr. Panya Boonyatiwat	President
2.	Mr. Theerachai Leenabanchong	Executive Board Committee
3.	Mr. Chokechai Niamrat	Executive Board Committee

Remarks

- : Mrs. Yuppadee Koopetngarm acts as Secretary of Executive Board Committee.
- : Mr. Siva Naktharee resigned from Executive Board Committee effective since October 25, 2018
- : Mr. Chavalit Suwatdikul resigned from Executive Board Committee effective since October 31, 2018

Scope of responsibilities of the Executive Board Committee

1. Determine the business policies, strategies, business plan, annual budget and Authority to manage Company business for Board of Directors to consideration and approval.
2. Plan and control Company business operations according to the Company's policies, strategies, business plan, approved annual budget from Board of Directors effectively and favorable conditions for business including consulting, suggesting and management to top level directors.
3. Consider to approve expenses for investments, business' operation for financial institution to open account, loan, pawn, advance payment guarantee, and other

activity as normal business under defined credit line (details as shown in approval chart).

4. Study the possibility of investing in new projects and have the authority to consider and approve the investment or joint venture with an individual, entity, or other organization that the Executive Committee deems appropriate in order to operate in line with the Company's objectives. This includes consideration and approval of expenditure for such investment, entering into a legal contract, and/or any operations related to the matter until it reaches the set financial limit and/or applicable laws and regulations, and/or the Company's Articles of Association.
5. Monitor the progress and performance of the investment projects of each business unit, and report the performance with problems or obstacles that may arise, and provide a solution or improvement to the Board of Directors for acknowledgement.
6. Determine policies and consider organization structure by authorized managing director to conduct organization as per procedure and Company regulation and authorized directors in hiring contract with employee level 2 downward. For employee level 1, Executive Board Committee has duty to propose to Board of Director for further consideration.
7. Control and approve of Company business operation or appoint or delegation to any personnel or many personnel to conduct something on behalf of Executive Board Committee as Executive Board Committee sees as appropriate and Executive Board Committee is able to cancel, change or correct such authority.
8. Consider as filter any work which propose to Any committee of Company prior to report directly to Board of directors .
9. Determine employee's benefits according to the prevailing environment.
10. Consider and approve rules, regulations, management policies, and business operations of the Company or any actions which bind the Company.
11. Report the significant Company matters to the board of directors.
12. Any work as per policy assigned and delegate from Board of Directors.
13. Authorized to appoint head of consultant or consultant or consultant group of Executive Board Committee as propriate and authorized to determine compensation, allowance, welfare, facilities and any other expenses of head of consultant or consultant or consultant group as appropriate.
14. Executive Board Committee or Chairman of Executive Board Committee has authority to call for meeting according to meeting regulations as pppropriate.
15. In case of Chairman of Executive Board Committee is not able to perform his duty, Chairman of Executive Board Committee appoints acting care taker to conduct his duty as a time, and such acting personnel has authority and duties as Chairman of Executive Board Committee.
16. Review and consider to approve Executive Board Committee's charter at least once an annual.
17. Invite executives, management, or employees to attend the Executive Committee's meeting, or provide relevant information to be considered in the Executive Committee's meeting.
18. Report to the Board of Directors all actions taken by the Executive Committee under its scope of authority, and responsibilities on a regular basis, including any other matters as deemed necessary and appropriate to be presented to the Board of Directors for acknowledgment.

19. Consider and approve the work-related policies and scope of responsibility of the management in order to ensure that all acts taken by the management are conducted in a systematic manner.
20. Evaluate Chief Executive Producer, Managing director and Executive Directors' performance including each executive director to consider performance review, problem and obstacle annually to bring such evaluation results to develop and improve works in various aspects.

Executive Board Committee Tenure Agenda

1. Executive Board Committee who is Board of Directors, has tenure of three years as see out its term. Holding position of Executive Board Committee and at the end of tenure of Executive Board Committee might be reappointed from Board of Directors.
2. Executive Board Committee who is Company Directors has its tenure as long as he is Company director, except Board of Directors has other resolution.
3. Executive Board Committee who is external and is not Company committee or Company directors has tenure according to Board of Directors see as appropriate.
4. Executive Board Committee shall be out of position as follows;
 - Pass away
 - Resigned
 - Lack of Qualification and has characteristic of prohibition as laws defined.
 - Board of Directors' resolution to be out of position.
5. Any Executive Board Committee shall resign from position, to submit resignation to Chairman of Executive Board Committee and effective since the date when the resignation letter reach the Company.
6. When the position of Executive Board Committee become available to have Board of Director select any personnel whose qualification fits, join into Executive Board Committee.

As discussd above on delegation of Executive Board Committee's duties and responsibility do not include authority and/or delegation during approval of oneself or contractor or related personnel (as defined and announced by Securities and Exchange Committee), Advantage and Disadvantage or other benefits conflict to Company and subsidiary as such transaction approval must propose to Meeting Committee and/or shareholders meeting (depends on each case) to consider and approve such transaction as per Company and subsidiary regulations or relevant laws and regulatory.

(5) Recruiting and Remuneration Committee.

At June 30th, 2019, there are 3 committees as follows;

Order	Names	Position
1	Ms. Wanna Maluengnon	Chairman of Recruiting and Remuneration Committee
2.	Mr. Manit Koothanapat	Recruiting and Remuneration Committee
3.	Mr. Theerachai Leenabanchong	Recruiting and Remuneration Committee

Remark: Ms. Yuppadee Koopetgarm acts as a secretary of the Recruiting and Remuneration Committee.

Scopes of Authority and Duty of Recruiting and Remuneration CommitteeRecruiting

1. Prepare policies, criteria and methods in recruiting board of directors, audit committee, subcommittee, managing directors, senior manager and director by determining as per appropriateness of number structures and composition of committee including determine qualification of committee as appropriate according to size, types and business complexity to propose to Board of Directors and/or proposal for approval from shareholder meeting depends of the cases.
2. Consider recruiting and propose names of personnel who has the suitable qualification of knowledge, experiences and specialised in order to propose such person for holding position of Board of Directors, audit committee, subcommittee, managing director, senior manager and director by proposing their names to Board of directors consider to appoint and/or propose to shareholders meeting for consideration to further approval (depends on the case) including their qualifications adequately as they are qualified as defined in Company charter and related laws and no conflict with related laws and related to business operation. Recruiting and remuneration committee shall submit adequate information about such personnel who is nominated for decision.
3. Take care of preparation of Succession Plan for inheritance of committee, directors or top management in case of managing director or top management retired, resigned or cannot conduct his duty. To continuously manage the operation, recruiting and Remuneration Committee shall report the progress of Succession Plan to Board of Directors as periodically at least once annually, This includes controls business has managed and developed personnel to gain suitable knowledge, skills, experiences and motivation.
4. Review Committee recruiting criteria and methods propose to Board of Directors prior to Board of Directors end of Tenure.
5. Considered Independancy of each independent committee to ensure each independent committee has completed qualifications.
6. In case of Recruiting and Remuneration Committee propose Committee who is out of tenure and return to original position, Recruiting and Remuneration Committee shall consider performance such committee and propose his operation performance or Contribution to Company including history of committee meeting attendance and shareholders meeting for shareholders to consider.
7. Consider development plan for Board of Directors, subcommittees, managing director, senior manager and director format and preparation to develop both knowledge of existing team and new team to understand Company business, role, duty and other important development, i.e., economic and industrial situation which related to Company business.
8. Review the policies and criteria regarding the remuneration and benefits of the directors, managing director and senior managements.
9. Provide suggestions to the Board of Directors in order to consider and approve the remuneration and benefits of the directors, which is proposed to the Board of Directors for consideration and approval prior to the shareholders' meeting for further approval.
10. Conduct other operation which delegated from Board of Directors with agreement of Recruiting and Remuneration Committee.

Remuneration

1. Consider and prepare policy and criteria of determination of remuneration and benefits (in cash, in criteria or other format) of Board of Directors, Audit Committee, Subcommittee, Managing Director, Senior Manager and Directors including salary adjustment of managing director, senior manager and director to propose to Board of Directors meeting and/or shareholders meeting to consider and further approve depend on cases. Compensation of committee shall be comparable as the same level as operate in industry including compensation guidelines of directors according to Company main objectives and targets and Company benefits in long term.
2. Prepare policy and criteria in evaluation of Board of Directors, Audit Committee, Subcommittee, Managing Director, Senior Manager and Directors to consider annual compensation and proposal to Board of Directors for approval.
3. Disclose policy and criteria in determination of compensation and other benefits and report to define such compensation in the Company annual report.
4. Consider filtering of salary structure and other benefits return of Executive Board Committee
5. Conduct other works as delegated from Board of Directors with agreement of Recruiting and Remuneration Committee.
6. Recruiting and Remuneration Committee has duty to review and propose to Board of directors to correct scopes of duty and responsible of Recruiting and Remuneration Committee as per situation.

Tenure of Recruiting and Remuneration Committee

Recruiting and Remuneration Committee tenure is three year interval and according to Company tenure as Board of Directors (As Recruiting and Remuneration Committee work in Company as Board of Directors) including when is out according to tenure may re-appoint as Recruiting and Remuneration Committee again. In case of Recruiting and Remuneration Committee is external person of the Company, such person has tenure of three years interval including when is out of tenure shall be reappointed as Recruiting and Remuneration Committee again.

Authority level to approve credit line as of June 30th, 2019

Positions	Purchase/sales of fixed Assets		Products purchase and /or raw materials		Credit limit from financial institute
	(Baht)		(Baht)		(Baht)
Board of Directors	Exceeds 10,000,000		Exceeds 15,000,000		Exceeds 15,000,000
Executive Board Committee	Not exceed 10,000,000		Not exceed 15,000,000		Not exceed 15,000,000
Chairman	Not exceed 5,000,000		Not exceed 10,000,000		Not exceed 10,000,000
Managing Director	Not exceed 1,000,000		Not exceed 5,000,000		Not exceed 5,000,000

Company conduct annual budget for investment including sales expenses and annual Company management in order to use as plan for business operation by all details must be considered and

approved by Board of Directors, Company shall consider and approve annual budget for next financial year in period from April to June annually.

(6) Board of Directors

At June 30th, 2019, There are 5 Board of Directors as follows;

Order	Names	Position
1.	Dr. Panya Boonyapiwat	Managing Director
2.	Mr. Thawat Methakulawat	Technical Director
3.	Mr. Chachaval Asawakanoksilp	Sales Director – Protective Coating Section.
4.	Mr. Poonyawee Leesanguankul	CFO
5.	Mr. Wiroj Pantian	Sales Manager – Industrial & Timber Coatings
6.	Mr. Santit Upatam	Project Sales Manager
7.	Mr. Theeradon Chanarharn	Production Manager
8.	Ms. Jureerut Phui-on	Senior Purchasing Manager
9.	Ms. Chanida Saengtong	Accounting Manager
10.	Ms. Yuppadee Koopetngarm	Senior Admin Manager

Remarks

- : Mr. Siva Naktharee resigned from Senior Director since October 25, 2018
- : Mr. Chavalit Suwatdikul resigned from Senior Director since October 31, 2018.

Scopes of authority and duty of Managing Director

1. Propose management guideline for Board of Directors and Executive Board Committee for consideration.
2. Plan and control operation according to defined policy by Board of Directors and Executive Board Committee for consideration
3. Defined authority and responsibility for top management.
4. Summarize performance to propose to Board of Directors and Executive Board Committee.
5. Authorized to approve purchasing, cancel, assets sales, investment fund and expenses necessary to conduct Company operation (details as approval structure).
6. Authorized to hiring, appoint, dismiss, leave, sack, define hiring rate, reward and recognition, salary adjustment, compensation and bonus for employee level 3 downward according to compensation policy.
7. For employee level 1-2 resigned, managing director to report Executive Board Committee.

As discussd above on delegation of managing director duties and responsibility do not include authority and/or delegation during approval of oneself or contractor or related personnel (as defined and announced by Securities and Exchange Committee), Advantage and Disadvantage or other benefits conflict to Company and subsidiary as such transaction approval must propose to Meeting Committee and/or shareholders meeting (depends on each case) to consider and approve such transaction as per Company and subsidiary regulations or relevant laws and regulatory.

Composition and Committee Recruiting

Board of Directors has duties to recruit and appoint committee and top management. Personnel who is appointed such position as Committee and Company director must be person whose qualification match clause 68, Public Company Limited Acts B.E.2535, Annoucement of

Securities and Exchange Commission No. Tor Jor 28/2551, Permission and Allow to offer sales of issued new share, dated December 15th, 2007, and not belong to Company which issued stock. Furthermore, Committee and Directors shall not have wrongful record in laws ten years history backward to prior to registration before requested dates including no record of being judged to the end of Bankruptcy, not a person who violate rule, regulation, announcement, order, committee resolution, or agreed registration securities and exchange including circulation letter which stock exchange issued and conflicts or litigation is pending by having the composition and recruit criteria as follows;

(1) Company Directors.

Board of Directors will select personnel whose qualifications and no prohibited characteristic as defined as well as not proposing to Board meeting and/or Annual General shareholders meeting (by any case) to appoint such personnel to become committees to obtain highest benefits to company and comply to good governance requirements.

Composition and Committee recruitment

1. The Company's Board of Directors shall comprise of at least five (5) directors with no less than half of directors must reside in the kingdom. The Company's directors must have characteristics according to the law. Director may be the Company's shareholder.
2. Directors could join Board of Directors in registered company not exceeds of 5 companies.
3. Board of Directors must consist of at least one third of the entire Board, but shall not less than 3 independent directors.
4. The shareholders' meeting will appoint directors with following criteria and procedures.
 - 4.1. Each shareholder shall have a vote (1) per share (1).
 - 4.2. Each shareholder shall exercise all the voting right according to the item to select one or many candidates as directors.
In case of selecting many directors, the shareholders cannot split vote unevenly among the candidates.
 - 4.3. The person who receives highest numbers of vote shall be elected as the Company directors in order down to the vacant positions in such selection.
In case there are candidates who have equal votes exceed the number of vacant positions, the Chairman of the meeting shall have the final vote.
5. During the general ordinary shareholders' meeting, a-third (1/3) of the Board will retire by rotation. If the numbers of the Board cannot be divided by three, use the numbers closest to a-third. The directors retired this way may be re-elected back to the post. The directors with longest serving duration shall be retired from the positions.
6. The director may resign from the position by submitting resignation letter. The resignation will be in effect from the date the resignation letter reaches the Company.
7. The shareholders meeting may vote any director out of the position prior to the retirement by rotation by using at least three-quarter (3/4) of the participated shareholders who are eligible to vote, and all the shares must be more than half of the participated shareholders who are eligible to vote.

8. In case the directorship position become vacant by reason than retire by rotation, the remaining Board of Directors shall appoint person with characteristics and without any prohibited characteristics stipulated by the law concerning public Company limited or securities and securities exchange to fill the vacant director position with at least three-quarter (3/4) vote of the remaining directors unless the term of the previous director is less than two (2) months. The new director selected by this method will remain director according to the remaining term of the previous directors. Director may be or may not be the Company's shareholder.

(2) Audit Committee.

The Board of Directors appoints the Audit Committee, which is considered an important mechanism of good corporate governance in order to assist the Board of Directors in performing duties in overseeing the quality, reliability of accounting systems reliability, auditing system, Internal control and financial reporting process.

Composition and Recruiting of Audit Committee

The Company's Audit Committee must be the Company's directors who are appointed by the Board and has characteristics as determined by the Securities and Stock Exchange Act and announcement, regulation and/or rules of the SET. The Audit Committee shall comprise of at least 3 directors with at least one of them must have accounting and finance knowledge. The Audit Committee must have following characteristics concerning their independency;

1. Should consist of qualification as required by related law and regulations especially public company law and Law on securities and primary markets.
2. The Audit Committee shall comprise of at least 3 directors who is considered and appointed by Board of Directors or from Company shareholders meeting.
3. Chairman of audit committee and audit committees must be independent committee who match qualifications as defined in Corporate Governance policy of Board of Directors and the same qualification of Annoucement by Stock Exchange of Thailand of explanation of qualification and operation scopes of Audit Committee.
4. Audit Committee shall have appropriated skills of specialist for delegated tasks. At least one Audit Committee must have knowledge, understand and experienced in accounting or financial and adequate experience in perform duty of reliable review of financial statement.
5. Chairman of Audit Committee is only one member of the subcommittee.
6. Audit Committee is a person who can perform their duty and express themselves or report operation performance as delegates indenpendantly not under other control of management or major shareholder including relates or closed family of such person.
7. Internal Audit Manager or Company Secretary acts as Secretary of the Audit Committee.

(3) Risk Management Committee.

Composition and Recruiting of Risk Management Committee

1. At least 2 Board of Directors who is considered and approved by Recruiting and Remuneration Committee comprise of managing director (by position) and one independent Committee.
2. At least One management who is considered and approved by Risk Management Committee.
3. Risk Management Committee selects member as Chairman of the Risk Management Committee.

(4) Executive Board Committee.

Composition and Recruiting of Executive Board Committee

1. Executive Board Committee is appointed from Board of Director by number of Board of Director sees as appropriate, comprise of numbers of Board of Directors and may be numbers of Company management and/or numbers of external personnel.
2. Executive Board Committee shall have at least 3 committees.
3. Board of Directors appoints one Executive Board Committee as Chairman of Executive Board Committee.

(5) Recruiting of Recruiting and Remuneration Committee

Composition and Recruiting of Recruiting and Remuneration Committee

1. There are at least three members in the Recruiting and Remuneration Committee
2. Recruiting and Remuneration Committee is not necessary as Board of Directors.
3. Recruiting and Remuneration Committee considers one of the Recruiting and Remuneration Committee as a Chairman of Recruiting and Remuneration Committee.
4. Recruiting and Remuneration Committee shall appoint Secretary to the committee for work assistant of Recruiting and Remuneration Committee related to meeting appointment, Meeting agenda preparation, delivery of meeting document and minutes of meeting.

Independent Director qualification.

All of the independent directors of the Company is qualified in line with Notification of the Capital Market Supervisory Board No. Tor Jor.39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (including the amendments), and regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

1. Holding no more than 1.0 percent of the total voting shares of the Company, parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director.
2. Not being or having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least 2 years.
3. Not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, management, major shareholders, controlling person or person to be nominated as director, management or controlling person of the Company or its subsidiary.
4. Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder.
5. Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than 2 years.
6. Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than 2 million

baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than 2 years.

7. Not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder.
8. Not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary.
9. Not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company.
10. Independent directors as qualification defined above, may receive delegation to decide in operation of the company, head quarter, subsidiaries, associated company, same level subsidiaries, major shareholders or regulators within collective decision scopes.

Company Directors qualification

1. The Board of Directors comprise qualified directors with knowledge and experience and can allocate sufficient time to discharge its duties and responsibilities effectively.
2. Board of directors shall occupy and no prohibited characteristics as defined in public company law including no characteristics which demonstrate of inappropriate to obtain trust in managing business which public as shareholders according to SEC office defined as Director Pool in new director selection.
3. Should pass training course and received certification of Director Accreditation Program (DAP) Training course from Institution of Directors (IOD) or equivalence within 12 months from the appointed dates.
4. The number of listed companies that the directors can serve as directors should not exceed 5 listed companies in order to allocate their sufficient time and perform their duties and director roles effectively.

Audit Committee qualification.

Audit committees shall be an independent director who occupies full qualifications and not a prohibited personnel according to public company law, law on securities and primary markets and other laws which relates to company's business as follows;

1. A committee who does not participate in management and not an employee, officer or consultant who receive routine salary from company, subsidiaries, associated company, related company or company major shareholders.
2. A committee who does not have benefits or direct or indirect interest both financial and management in company, subsidiaries, associated company, related company or company major shareholders.
3. A committee who is not related or closed relatives of management or company shareholders.
4. A committee who is not appointed as representative to protect directors' benefits, major shareholders or shareholders who is related to major shareholders.
5. Hold shares not exceed 1.0% of paid fund of the company, subsidiaries, associated company, and related company, together to count shares which held by related personnel

(including personnel who has blood related, marriage and registered legally such as father, mother, spouse and children.

6. Able to perform the tasks, express opinions or report performance as duties given by Board of directors without influence from management or major shareholders including relates (including personnel who relates or concerned with company until he or she cannot perform tasks independently or flexibly such as customers, debtor, creditor or any significant business personnel) or closed relatives with such personnel.
7. Dependent enable to express opinions freely as per given tasks, without thought of any benefit which relates to asset or position and do not fall into personnel or groups' influences as well as no any situation which he/she could not perform any necessary opinions.
8. Enable to devote enough time to operate all tasks of Internal audit committees and intend to increase their knowledge concerning company operation continuously in order to increase effectiveness in working.

Executive Directors Qualification.

1. Executive Director shall be a knowledgeable, capable and experienced personnel which would be good benefits to company business. He/she shall be faithfully, honest and ethical in business operation and adequate time to devote knowledge capability and perform full tasks for company.
2. Executive Director shall occupy and no prohibited characteristics according to public company law, law on securities and primary markets and concerned law and regulatory

Nomination and Compensation committees Qualification

Nomination and Compensation Committee shall occupy the following qualifications as follows;

1. Personnel who is knowledgeable and capable to be well benefits for Nomination and Compensation committees. He/she shall be faithfully, honest and ethical in business operation and adequate time to devote knowledge capability and perform full tasks for company.
2. Shall occupy full qualifications and no prohibited characteristics according to public company law, law on securities and primary markets and concerned law and regulatory.
3. Not a personnel to operate business, partner or committee in any other legals as the same status and/or company competitor even though for own or other benefits except notifying the Board of Directors meeting prior to appointing agenda.

Risk Management committee Qualification.

Risk Management Committee must comprise at least 3 independent directors with;

1. At least 2 Board of Directors who is considered and approved by Recruiting and Remuneration Committee comprise of managing director (by position) and one independent Committee.
2. At least One management who is considered and approved by Risk Management Committee and selects member as Chairman of the Risk Management Committee.

Committee and Management Compensation.
Compensation as Money

a) Committee Compensation
Details of Compensation

Details of Committee Compensation	2019	
	Monthly Allowance	Allowance per Meeting
Allowance of Board of Directors Committee		
Chairman	-	10,000 Baht
Vice Chairman	-	7,000 Baht
Committee	-	6,000 Baht
Allowance of Audit Committee		
Chairman of Audit Committee	20,000 Baht	10,000 Baht
Audit Committee	-	8,000 Baht
Allowance of Risk Management Committee		
Chairman of Risk Management Committee	-	6,000 Baht
Risk Management Committee	-	4,000 Baht
Meeting Allowance of Executive Director Committee		
Pay Meeting Allowance of Board of Directors as actual but not exceed of 15 times Annually.		
Board of Directors who is Company employee shall not receive Monthly Allowance.		
Chairman of Executive Directors Committee	25,000 Baht	6,000 Baht
Executive Director Committee	10,000 Baht	4,000 Baht
Meeting Allowance of Nomination and Compensation Committees.		
Chairman of Nomination and Compensation Committee.	-	6,000 Baht
Nomination and Compensation Committee	-	4,000 Baht

Summary of Committee Compensation

Committee Compensation	Financial Year 2018 (July 1st, 2017-June 30th, 2018)		Financial Year 2019 (July 1st, 2018-June 30th, 2019)	
	Amount (Person)	Amount (Baht)	Amount (person)	Amount (Baht)
Committee Meeting Allowance	8	870,000	7	736,000
Compensation	4	740,000	4	780,000
Total		<u>1,610,000</u>		<u>1,506,000</u>

Board of Directors and Management Compensation

Company paid compensation to management in Money, Bonus and other welfares, i.e., provident fund excluding committee meeting allowance.

Compensation of Board of Directors and Management	Financial Year 2018 (July 1 st , 2017-June 30 th , 2018)		Financial Year 2019 (July 1 st , 2018-June 30 th , 2019)	
	Amount (Person)	Amount (Baht)	Amount (Person)	Amount (Baht)
Salary	4	9,977,385	4	7,005,114
Total		<u>9,977,385</u>		<u>7,005,114</u>

Statistic of meeting attendance of Board of Directors in Financial Year 2019

There are 11 Board of Directors meeting at June 30th, 2019 as per attendance of each committee as follows;

Name	Number of Meeting (times)	Meeting attendance (times)
1. Dr.Panya Boonyapiwat	11	11
2. Police Lieutenant General Somkid Bunthanom	11	11
3. Mr. Theerachai Leenabanchong	11	11
4. Mr. Chokeychai Niamrat	10	11
5. Mr. Narongsak Tangtong ¹	7	11
6. Ms. Wanna Maluengnon	10	11
7. Mr. Manit Kootanapat	11	11
8. Pol. Maj.Gen. Prapass Piyamongkol ²	9	11

Remarks: : ¹ Pol. Maj.Gen. Prapass Piyamongkol has been appointed to be an Independent committee and audit committee effective from August 27, 2018.

: ² Mr. Narongsak Tangtong has been appointed to be an Independent committee effective from October 30, 2018

8. CORPORATE GOVERNANCE

In the past, the Company has practiced according to the good corporate governance guideline as per SET defined as follows;

Section 1: Rights of Shareholders

The Company is well-aware of the basic rights of the shareholders, both in term of the owner of the Company and the investors in the securities. Those rights include, the right to buy, sell, or transfer the securities, right to receive adequate information disclosure, right to receive profit shares from the Company's operation, right to participate in the shareholders' meeting, right to give opinion, right to co-make important decision of the Company, such as dividend allocation, appoint or terminate directors, appoint accounting auditor, and other transaction that is crucial to business operation, etc. Other than the rights mentioned above, the Company also does the following to facilitate the shareholders to exercise their right.

1. The Company will arrange general ordinary shareholders' meeting every year within 4 months after the last date of each accounting year. The Company will send meeting invitation and relevant information concerning every agenda to shareholders at least 7 days prior to the meeting. The Company will also publish the invitation in the newspaper for 3 consecutive days prior to the meeting. Each agenda will be commented by the Board of Directors.
2. The Company shall encourage the shareholders to exercise their rights. The basic right of shareholders includes to attend the shareholder meetings to vote for appointment or the shareholder meeting shall hold in convenient place and travelling.
3. In case that the shareholder cannot participate in the meeting by self, the Company allow the shareholders to appoint independent directors or other person as a proxy to attend the meeting by using any of the attached proxy form that was sent with the invitation letter. The Company will choose the venue with convenient transportation at appropriate date and time.
4. The Company shall allocate sufficient time, and provide opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
5. Sufficient staffing and technology are allocated in order to run the meeting in timely, accurately and precisely.
6. All directors should attend the meeting to meet shareholders and answer questions from shareholders on company-related matters.
7. Arrange for a resolution of the meeting of shareholders for each agendas i.e., appoint director agenda.
8. The Company promotes the appointment of an independent party as an inspector to count or validate votes at the annual general meeting or extraordinary general meeting, which shall be disclosed at the meeting and recorded in the minutes of meeting.
9. For promoting transparency and future reference, the Company encourages the use of voting cards for important agenda items such as related party transactions, acquisitions or disposal of assets, etc.
10. After the shareholders' meeting is over, the Company will notify the resolutions to the Stock Exchange of Thailand (SET) before the stock exchange could open in the next session. The Company will record meeting minutes with accurate and complete meeting information, details of the participating directors, vote counts of every agenda, important and interest question or comment raised in the meeting. The minute will be sent to the SET within 14 days after the shareholders' meeting.

11. The Board of Directors ensures that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through channel of the Stock Exchange of Thailand and the Company's website within the next business day.

Section 2: Equitable Treatment of Shareholders

Other than the shareholders' meeting as mentioned above, the Company also has a policy to treat every shareholder on equitable basis, whether the internal stakeholders, such as employees and management, or external stakeholders, major shareholder, small shareholders including foreign shareholders to be treated with equality and fairness with the following guidelines;

1. The Company shall submit the invitation letter of the shareholders' meeting in inThai and English to Thailand Securities Depository Company Limited, a registrar of the Company, in order to send the notice and related document to all shareholders at least 7 days and Company's website both inThai and English at least 28 days before. The invitation letter or the notice of the shareholders' meeting must includes agenda items and the Board of Directors' opinions and related document i.e., registration form, documents and evidence that attendees must present before attending the meeting. Proxy Forms and Proxy methods and a map of the meeting place.
2. Shareholders shall be informed about relevant regulations pertaining to the meeting, voting procedures, including voting right for each type of stock.
3. During every shareholders' meeting, the Company will give every shareholders equal opportunity to vote according to the numbers of shares the shareholders own, which is one share equal to one vote. In case that the shareholder cannot participate in the meeting by self, the Company allow the shareholders to appoint independent directors or other person as a proxy to attend the meeting by using any of the attached proxy form that was sent with the invitation letter.
4. The Company establishes the criteria that allows shareholders to propose agenda items for shareholders' meetings with details posted on the Company's website at www.dimetsiam.com.
5. The Company shall provide the opportunity for shareholders to exercise their rights in appointing committee individually.
6. Directors and management must report their interests and those of their related persons to the Board of Directors for considering the Company's transactions that may cause the conflicts of interest, and for the best interest of the Company. The Company determined that management report any changes in shareholdings to the Office of the SEC and the SET at least 1 day before changing according to the section 59 of the Securities and Exchange Act B.E. 2535.
7. Moreover, the Company has a policy to strictly deal with internal insider's information, which shall only be known by the relevant persons. Every director and management is well aware of duties and responsibilities for the insider's information and will not use it for personal gain or personal trading and those who have an access to inside information, exploit the information for their personal gain by prohibiting them to buy or sell the company's securities, derivatives, and convertibles which depends upon the value of the underlying stock of the Company within 1 month prior to the disclosure of the financial statements to the public.
8. Prohibited to trade the company's securities within 1 month before disclosing the quarterly and annual financial statements.
9. The Board of Directors determines the policy on securities trading, and reporting procedures for directors, management, and employees involved with inside information

to comply with. Directors and management who hold management position as specified by the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand must report their securities holding to the Board of Directors.

Section 3: Roles of Stakeholders

The Company respects the rights of all stakeholders, whether the internal stakeholders, such as employees and management, or external stakeholders, such as competitors, trade partners and customers. The Company value support and suggestion from every stakeholder and believe that it will be invaluable to develop and improve the Company operations. The Company will comply with the relevant law and regulation to preserve the right of every stakeholder. The Company respect right of every stakeholder by doing the following:

1. Employee and Labor Caring.

The Company emphasizes and values the human capital development to enhance knowledge and competencies in which the Company believes that its employees are the vital factor in driving its achievement. Therefore, the Company focuses on building knowledge-based society, leadership, and developing employees at all levels into talented professional, readiness for ongoing learning, and at the same time to drive the organization towards sustainability, with the following guidelines;

- (1) The Company has a policy pertaining to fair remuneration and welfare benefit. The welfare is also provided for the employees as required by law, such as social security. In addition to the legal requirements, the Company provides the employees with additional welfare for their good quality of life, life security and long-term care such as provident fund, annual health check-up, health and accident insurance, lunch coupon as well as transportation bus etc.
- (2) Appoint, Move, Reward and Punish are carried out fairly and base on knowledge, capability and appropriateness of employees.
- (3) Conform to employees' related law and regulation strictly.
- (4) Listen to opinions and suggestions which based on employees' knowledge and fairness.
- (5) Take care of work conditions to provide safety for employees' lives and assets.
- (6) The Company offers all employees an opportunity for career advancement, receiving training courses provided to employees at all levels to improve their professional skills in the proper workplace.

2. Customer Caring.

The company is aware of the importance of customers and set policies for treating customers as follows;

- (1) Commit to producing high quality products and initiating new innovations to fulfill customers' satisfaction and needs, develop the service system to enhance the quality and standard of service to ensure the efficiency and ultimate satisfaction of our customers.
- (2) Establishing a supervision and compliance system complied with customer requirements.
- (3) Record the customer information as a database in order to deliver customer service, and do not use it for personal gain or those involved wrongfully.

3. Shareholder Caring.

Company realizes the importance of shareholders therefore company defines policies in treating shareholders as follows;

- (1) In the meeting with shareholders, company would give shareholders' right to vote for every agenda and opportunity for question and answer as well as free suggestion together with answers and additional information for shareholders from Board of directors and executive directors.
- (2) Perform duties with integrity, as well as making a decision on the professional principle with caution, care and fairness to major and minor shareholders with the intention to generate a good performance, stable growth for the best interest of the shareholders.
- (3) Notify every shareholder equally for company future trends and strategies which base on true information.
- (4) Report the Company's status, operating performance, and other reports with accuracy, completion, consistency, and truth to the Board of Directors and the shareholders.

4. Competitors Caring.

The Company conducts its business under the rules of fair competition with due regard to business ethics, business alliances to support each parties without causing any damage to business and relations.

5. Business Partners and/or Creditors Caring.

The Company determines a policy pertaining to fair and equitable treatment towards all business partners and/or creditors with honesty, without exploitation, in consideration of maximizing the Company's benefits based on the fair return for both parties. Any situation causing the conflict of interest must be avoided, and the negotiation for any solution shall be decided by taking the business relationship into account, with the following guidelines:

- (1) The process of selecting business partners is clearly set by providing equal information and selecting business partners with fairness based on the criteria for evaluating and selecting the Company's business partners under the proper contract form and fairness to all parties.
- (2) The Company must not request for, receive, or offer any kind of benefits from business partners and/or creditors in a way that is perceived as dishonest.
- (3) In case there is any information on occurrence of request, acceptance, or pay of any dishonest benefit, such matter shall be informed to the business partners and/or creditors to jointly find solutions fairly and quickly.
- (4) The Company attaches great importance to its creditors as an important business partner, so it is committed to complying with all existing contractual obligations with its creditors and without concealing any information or facts that may cause any damage or non-compliance with such obligations, the Company will notify the creditors in advance to find out the solution, including guarantees, capital management and default payment.

6. Environment and society Caring.

The Company determines a policy to run its business beneficial to economy and society to comply with applicable laws and regulations by running its business under the environmental standard and under any compliance issues.

7. Financial institutions Caring.

Company treats and prioritizes to creditors and maintain good relations to create confident and trust with honour to creditor according to concerned contracts.

Section 4: Disclosure and Transparency

The Company is aware of the importance of accurate, complete, and transparent information disclosure, both in financial and general information according to the requirement of the Office of the SEC and the SET, as well as the crucial information that may affect share prices, which could affect decision making of the investors and stakeholder of the Company as below;

- (1) Disclosing information to the public must be carried out with accuracy, completeness, and clarity, to avoid misunderstanding or misinterpretation.
- (2) The Board of Directors establishes the disclosure of Business ethics, Anti-corruption Policy and to ensure that all information relevant is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the Company's sensitive and confidential information i.e. annual report, 56-1 report or company website, etc.
- (3) Establish the Investor Relations department to communicate with investors or shareholders. The Company shall disclose its information, financial and general information to inform shareholders, securities analyst, and related parties through convenient, timely, and accessible channels. Such parties shall be given an opportunity to meet the Company's management as appropriate in consideration of public disclosure of information. The roles and responsibilities of the investor relations department are defined in the IR code of conduct. The Company has not yet form the investor relation unit, but the Board has appointed Mrs. Yuppadee Koopetngarm to communicate with the investors, shareholders, including analysts and relevant persons. The interested person can contact at the Company Telephone number 02-323-2800-6 or MB. 092-258-5999
- (4) Reveal roles and duties of committees and subcommittees, frequency of the meeting and frequency of each committee attended the meeting annually in the previous year including training information and knowledge development of committees in Annual report and annual registration statement (56-1).
- (5) Disclosed audit fee and other services which internal auditor offers.
- (6) Reveal each committee compensation annually in annual report and annual registration statement (56-1).
- (7) Except information distribution as defined and through stock exchange, annual registration statement (56-1) and annual report, Company would also disclosed information through other channels such as company website.
- (8) Related Board of directors and executive directors shall report to company of personal interest or related personnel who have interest related to company business management or subsidiaries according to principles and methods of Capital Market Committee announcement of such requirements within 30 days from the changed date of abovementioned interest. Besides, Board of Director shall report share purchase-sell/holding securities of company to the director meeting acknowledgement.
- (9) Company provides Management Discussion and Analysis in order to use with disclosed financial budget and company performance.
- (10) Board of directors is responsible for financial budget and financial information which appear in annual report. Such financial budget prepared according to general accounting standard in Thailand by selecting appropriate accounting policies and

used regularly including adequate information disclosure of financial budget. For this matters, internal audit committee would be financial budget reviewer of such financial budget quality and internal control including adequacy of significant information disclosure in footnotes of such report.

Section 5: Board Responsibilities

(1) Board of Directors' Composition

The Board of Directors must comprise at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom of Thailand including the composition of independent directors must not less than 1/3 of the entire board and at least 3 independent directors in compliance with the regulation of the Securities and Exchange Commission. The Board of Directors comprised of persons with diverse sets of knowledge, skills and expertise with good leadership quality with acception by Board of Directors shall take part in determining the Company's vision, mission, strategy and policy to operate business. The Board shall ensure the Company's operation is consistent with legal requirement, objective, regulations and shareholders' resolution.

Directors or High levels of Management of company shall not be employee or partner of such external internal audit company within past two years.

Every independent directors occupy defined qualification as required by Capital Markets Committee, as of TorJor 39/2559, title; Request for permission and Granted permission of propose sell of new shares issuance (including additional revision). They are independent from management and shareholders, no independent director who maintain as board of directors in Thailand exceeding 5 companies as well as there is no directors as company management maintain Board of Directors in other registered company in Thailand more than 2 companies.

Company policies relates to committee tenure definition comply with company rules which defines as in the annual general shareholders meeting, one third of directors would resign by considering from longest directors should resign first, each director have each tenure of 3 years periods and resigned directors may re-elected from annual general shareholders meeting once again.

Besides, Company appoints executive directors, internal audit committee, risk management committee and nomination and compensation committee by defining clear scopes, authorities, duties and responsibility of subcommittees. This is to prevent any committee has unlimited authorization and appoint company secretary to perform corporate governance and subcommittee including co-ordinate work according to board of directors resolution.

(2) Roles, duties and responsibilities of the Board of Directors.

2.1. The Principles of Good Corporate Governance

The Board of Directors understand the importance of the principles of good corporate governance by determine and mak it a key operating policy to control business transparency that can be verified. To increase investor's confidence, the Company shall regularly disclose the Company's information to the public. The Company also emphasizes on internal control and internal audit system. For risk management, Company tries to control risk and risk management very closely. In addition, Company also considered business ethics to ensure that every stakeholder is treated fairly.

2.2. Leadership and vision

The Board has responsibilities to ensure good corporate governance in the following issues;

- Determine vision, mission, objective, business plan and budget of the Company.

- Regularly oversee and follow up the operation of the management to ensure that the goals are achieved.
- Ensure adequate internal control and consistent follow up system. The Company's accounting Certified Public Accountant, Grant Thornton Company Limited, also evaluated and reviewed the Company's internal control system during the annual internal audit and did not found significant weakness and flaws in such system.
- Ensure that there is adequate risk management measure and followed up regularly for the Company's highest benefits.

2.3. Conflict of interest

To prevent conflict of interest, the Board will carefully evaluate any transaction that may cause conflict of interest. The Board will determine policies and measures to prevent management and relevant persons to use the Company's insider's information for personal gain. In order to proceed with the transaction that may risk conflict of interest, the Board's approval must be obtained with consent from the Audit Committee. In all the connect transaction must consider the Company's best interest, must be done with fairness and rationale with transaction occurred at market price.

Moreover, the related person who may have conflict of interest in such transaction shall not take part in the approval of such transaction to ensure fairness and greatest benefit of the Company. If the connected transaction that relates to the SET's regulation, announcement, order and rule, the Company shall comply with the regulations of the SET. Moreover, the Company will determine the guideline to prevent the usage of insider's information by limiting the disclosure of the insider's information to only those who is responsible. Every director and management is well aware of the duties and responsibilities toward insider's information and will not use it for personal gain or personal trading. The Company also stipulates punishment measure for violation. Besides, Board of Director has duty to report share purchase-sell/holding securities of company to the director meeting acknowledgement.

2.4. Internal Control System and Internal Audit

Company is aware of importance of effective Internal control system by Board of directors is delegating internal audit committee to review company internal control system to confirm whether company occupied all 5 ingredients in internal control system as follows;

- Internal control system within organization
- Risk management
- Operational Control
- Information Technology and information communication
- Follow-up system as per The Committee of Sponsoring Organization of the Treadway Commission (COSO) internal control operation framework

Company valued the essence of internal control system within management level and operation level in order to obtain efficiency, therefore, it defines duties and authority of operators and management in clear written procedures. Company assests were controlled uses for benefits, there are separated duties for operators and followers to control and evaluation totally for balancing and test each other appropriately. Furthermore, there is internal control for finance system by company prepared financial reporting system to management and responsible department, besides, Grant Thornton Co., Ltd. who is company internal auditor, evaluated and reviewed company internal control system in annual internal audit, resulted as no weak point and nonconformity found in such system.

2.5. Internal Control System and Internal Audit

Company approved external company for internal audit to inspect and evaluate the adequacy and efficiency of internal control system within company and report directly to internal audit committee regularly as per quarter to improve and efficient.

2.6. Business ethics

The Company is aware of creation of values about business ethics in order to enable them as organization cultures, then it is preparing code of ethics as documents to promote expressin responsibilities of duty, works, shareholders, colleagues, stakeholders and society including behavior avoidance which risk for business ethics and is the reason of laws violation by setting up business ethics as follows;

2.6.1. Principles of business operation

- Vision and mission
- Responsibility to shareholders
- Compliance to the regulations and relevant ones

2.6.2. Conflict of Interest and Confidentiality

- Conflict of Interest
- Usage of Company internal Data and Customer confidentiality

2.6.3. Company responsibilities and Company Assets

- Company assets protection
- Documentation
- Use of computer and IT technology
- Anti-Corruption
- Intellectual Property
- Expression and Interview with the media.
- Humanity

2.6.4. Stakeholders treatment

- Policy and shareholders treatment
- Policy and employee treatment
- Policy and customers treatment
- Policy and partners and/or account payable treatment
- Policy and competitors treatment
- Policy and Safety, Occupational Health and Environment treatment
- Policy of social responsibility

2.6.5. Control to have practical works according to business ethics

2.6.6. Complaints Received of Corporate Governance and Business Ethics

2.7. Counterbalance of non-management Committee

Company have 3 audit committees who are independent from numbers of committees and there are 3 non-management committees out of 7 total Board of Directors as of June 30th, 2019 which is more than one third of the total committees which is utilized as counterbalance of Board of Directors.

2.8. Committee and Management Compensation

Company determines compensation to Board of Directors as the same level in the industry and appropriate as duty and responsible delegated, including at the adequate level to motivate and maintain committee who has qualification according to Company requirements and Board of Directors define by link with business performance and each committee performance.

2.9. Committee Meeting

2.9.1. Board of Directors Committee.

The Company determined that there must be at least a committee meeting every 3 month and meet more as necessary. The meeting agendas will be clearly indicated prior to the meeting with a regular agenda to follow-up on the progress of the Company. The meeting invitation and relevant documents will be sent to directors at least 7 days prior to the meeting so the Board can have enough time to study relevant information prior to the meeting.

2.9.2. Subcommittees

2.9.2.1. Audit Committee

Extraordinary General Annual Shareholders Meeting No.2/2007 at October 17th, 2007, had meeting resolution to appoint audit committee at June 30th, 2018 to have 3 audit committees and are all independent committees. Audit Committee has tenure of three in the post and stay to the post of 3 years interval and stay up to maximum of 3 terms or 9 years consecutively since appoint date from Board of Directors or shareholders meeting by 1 year. In this case, means, interval between Annual shareholder meeting date of appointed year until Annual shareholder meeting date of following year. Committee who is out of tenure may be proposed names to reappoint again. In case of not exceed 3 tenures or 9 years consecutively, Board of Directors shall review actual independence of that committee annually by authority and duty of audit committee is in details in clause 9.2 title of subcommittee. Company organizes regular meeting of internal audit committee at least 4 times annually or as quarterly, such meeting has been defined and advanced notification.

2.9.2.2. Risk Management Committee

Board of Directors meeting no. 1/2011 at February 11, 2011, there is meeting resolution to appoint Risk Management Committee at June 30th, 2018, 2 committees which have 3 years tenure and assist in oversee the Company operation, organize risk management committee meeting regularly at least 4 times annually as of quarterly which is scheduled and notify in advanced annually to evaluate the risk and company risk control.

2.9.2.3. Executive Board Committee

Board of Directors meeting no. 1/2007 at October 26th, 2018, there is meeting resolution to appoint Executive Board Committee at June 30th, 2018, to define policy and strategy for business operation. There are 5 Executive Board Committees which have 3 years tenure by having authority. By authority and duties of Board of directors to arrange meeting of Board of directors regularly at least 4 times annually, as per quarterly annually which is scheduled and advanced notification annually.

2.9.2.4. Recruiting and Remuneration Committee

Board of Directors meeting no. 2/2018 at March 8th, 2018, had resolution to appoint Recruiting and Remuneration Committee at June 30th, 2018, 4 of them who have 3 years tenure. Recruiting and Remuneration Committee must control plans for succession plan of director level upward, and evaluate Committee performance prior to stay until end of the tenure by having authority and duty according to details in clause 9.2 of Subcommittee.

2.10. Committee Reports

Board of Directors is responsible for important business operation and control of Company and subsidiary financial budget and financial IT which is appeared in front of Public in form of Annual Data Entry and Annual Report By preparing financial budget according to accepted accounting standard in Thailand by suitable accounting policy and work regularly with careful consideration and best forecast in the preparation including disclosure of adequate and important data in remarks of financial budget.

2.11. Self Evaluation of Board of Directors

Company arranges committee to evaluate oneself by evaluation their total work performances, evaluate by each subcommittee and evaluate committee individually in order to enable committees jointly to consider performances and issues which such evaluated results, Committee shall analyse and summary in order to set measurement in further improve committee work efficiency.

Principles of committee and subcommittee performance appraisal according to stock exchange suggestions consist of 6 topics as follows;

- Structure and Qualification of Committee
- Roles, Duties and responsibilities of Committee
- Committee meeting
- Committee duties performance
- Committee relation with management
- Committee personal development and Management Development

Process in committee duties performance appraisal

- Board of directors and subcommittee review appraisal formats whether they are accurate, full and comply to principles.
- Company secretary submits appraisal formats to committee with evaluate through Google document system.
- Company secretary collects appraisal results and prepare appraisal conclusion report and propose to Board of directors.
- Board of directors apply appraisal results as a direction for future work.

Appraisal results of committees and subcommittee for 2019 are as follows;

Board of Director Committee nd subcommittee	The evaluation results of the performance of the entire Board of Directors (%)	Evaluation of individual director performance (%)
1. Board of Director Committee	94.87	90.09
2. Audit Committee	94.17	90.15
3. Executive Committee	72.22	80.30
4. Risk Management Comittee	94.44	92.18
5. Nomination and Remuneration Committee	93.17	90.36

2.12. Committee and Top Management Development.

Company supports Board of Directors and Top Management to join seminar and benefit courses to work duty including to exchange concept with other organization Board of Directors and Top Management consistently and bring knowledge and experience to further Company development.

Courses which Board of Directors and top management joined seminar in 2018/2019 as follows;

Date	Hours/Day	Title of Training/Seminar	Training Location
12/11/2561	8	Director Accreditation Program รุ่นที่ 154/2018	Thai Listed Companies Association
19/10/2561	8	Company Reporting Program – CRP รุ่นที่ 22/2018	Thai Listed Companies Association
26/09/2561		Enhancing Good Corporate Governance based on CGR Scorecard	Thai Listed Companies Association
1/02/2562	8	Board Reporting Program รุ่นที่ 28/2019	Thai Listed Companies Association
30/05/2562,6,13 & 20 /06 /2562	32	Advanced Audit Committee Program รุ่นที่33/2019	Thai Listed Companies Association

2.13. Succession Plan

Committee define to establish succession plan of Chairman of Executive Board. Committee and Company top management to ensure investors, organization including employees trust that Company operation pursue works as soon as possible. When such important position vacant Company shall recruit Committee and management who has no history of criminal record within 10 years backward prior to submit the registration including as well as no history record of being finally judged as bankrupt, not a person who violate rules, regulation, announcement, order, Committee resolution or agreement of securities and exchange registration including circulation letter as well as disputes or litigation is pending

2.14. Fair business and anti-corruption

Dimet (Siam) Public Company Limited “DIMET” has policy to run business under transparency and good corporate governance by adhering to responsibility to society and their stakeholders.

In 2015, DIMET joined “Thailand’s Private Sector Collective Action Coalition Against Corruption’s Declaration to show spirit and commitment to anti-corruption. DIMET have policies for the Board of Directors, management and employees of the Company to implement laws and commitment to anti-corruption. We realising that corruption is a serious threat that undermines free competition and fair as well as causing damage to the economic and social development.

Company conducted self appraisal in anti-corruption measures and submitted such self appraisal to Thailand’s private sector collective action coalition against corruption (CAC) council. Chainman of Audit committee of CAC Council has inspected and proposed to CAC council for

final consideration. Company was certified by CAC council on July 22, 2016 to be membership of CAC council and to be expired in 3 years. For official recognition Company was honour to be presented the certification on August 16, 2016 at Ballroom, Grand Hyatt Erawan Hotel.

The company has submitted an extension and has been certified by the CAC Council on August 5, 2019 which the certificate will be valid for 3 years from the date of approval.



To convince that DIMET has policy to define their responsibilities, procedures and requirements to implement appropriate operation to prevent corruption in all aspects in running every business activities. In order to making any decision to run the proper business where risk of corruption may occur. DIMET had prepared and announce “Anti-corruption Policy” in writing and clear guidelines for all DIMET to follow in running business and develop to sustainable organization.

Anti-corruption Policy

Messages from Chairman

Dimet (Siam) Public Company Limited or Dimet conducts business ideally and transparently with morals, commit in social responsibility and interest in every group with good governance and ethics including policy and guideline to company's interest groups. In 2015, Dimet joined Alliances of Thai public companies in anti-corruption in order to demonstrate intention and commitment in anti-corruption in all formats. Therefore, Dimet has policy to committee, management and company's employee to follow the compliances of law section 123/5 of Acts on prevention and suppression of corruption 1999, (Amendment (version 3) 2015) and related laws strictly and commitment in anti-corruption with awareness of corruption is a severe dangerous forces to destroy free and fair competition as well as damage economy and social developments.

Besides, Dimet arranges to have risk assessment on anti-corruption which may happen in each process continuously including appropriate solution findings and defining whistle blowing channel or complaint deliver to company's internal audit committee in case of finding any behavior of dishonesty or wrong doing of personnel.

To convince that Dimet has policy defining in responsibility, guideline and requirement of appropriate operation to prevent corruption of Dimet in every business activity. This also provides decision and business operation which may have risk in corruption to be considered and carried out carefully. Dimet has prepared Anti-corruption Policy as written ones as a clear guideline for implement in business operation and develop to sustainable organization

Announced at February 12nd, 2019.

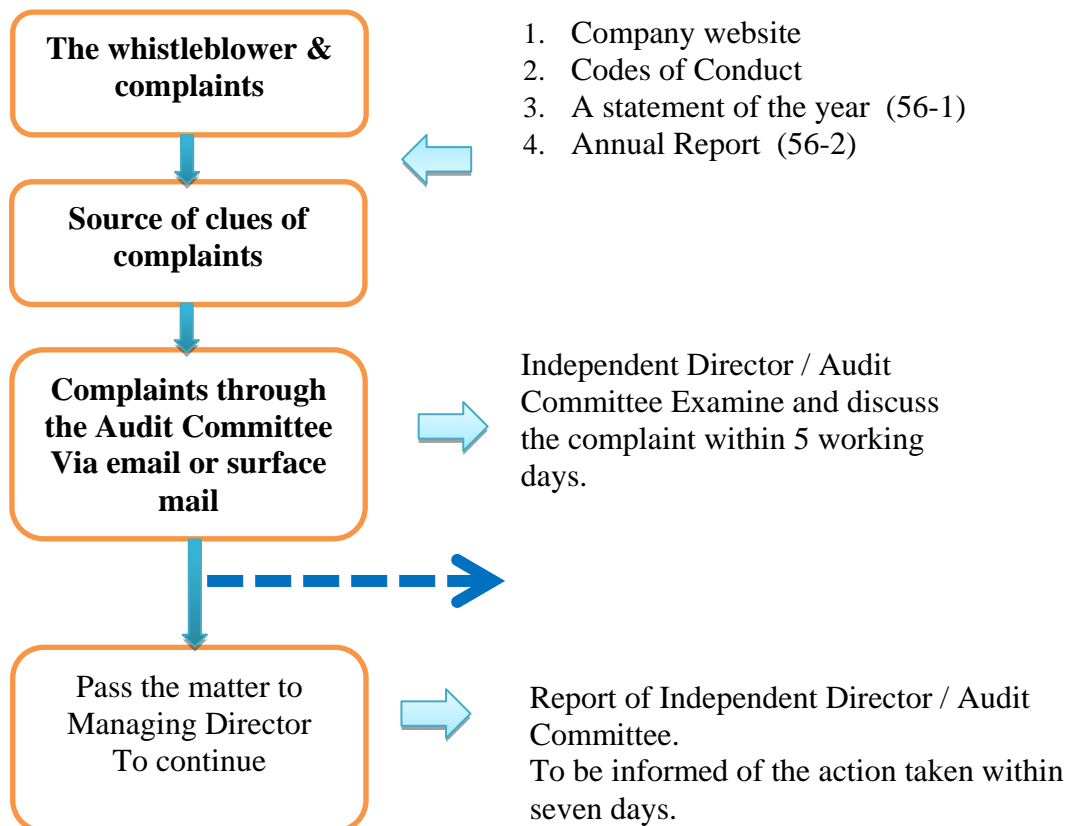


Dr. Panya Boonyapiwat
Chairman

Company define reporting channels clues or complaints to the Board of directors and then deleagte through Audit Committee. Audi committee would consider such clues or complaints which leads to suspect corruption incidents either direct or indirect to Company business. Complaint has to submit with the detailed incidents with names, address and telephone number for communication. Please submit through these channels;

1. Email of following addresses;
 - 1.1.Chairman of audit committee at accplusconsultant@yahoo.com
 - 1.2.Company secretary at yuppadeek@dimetsiam.com
2. Post to
 - 2.1. Ms. Wanna Maluengnon
Independent Committee and Chairman of audit committee or
 - 2.2. Mrs. Yuppadee Koopetngarm
Company secretary

At Dimet (Siam) Public Company Limited
602 Moo 2 Soi 1B Sukhumvit Road, Bangpoo Mai,
Muang, Samutprakarn 10280



Besides, Company would define operation " business ethics " in order to cover details of business operation, honesty, virtue and business ethics. To follow the law and regulations, responsibility to share holders, disputes of benefits, use of internal data and keep customer personal as confidentiality data, policy for competitor, policy for employees, responsibility for the community and environment and follow up for strict implementation.

Board of directors provided effective internal control system maintenance in order to reasonably convince that account document in the correct way, fully and adequately to maintain assets and weak points to prevent corruption or significant wrong doing incidents.

Therefore, the Board of directors appointed audit committee which includes committee who is non-executive and adequately independent is responsible of finance report quality and internal control system. Audit committee has expressed their opinion that internal control system is in adequate level and enable reliabilities and confident of Company finance.

Company arranged training and workshop of Anti-Corruption in Practice for employees Annual to build knowledge and understanding for Management and employee to obtain “Code of Conduct”, business ethic in work and effects of corruption caused to Company and employee.

Thailand's Private Sector Collective Action Coalition Against Corruption's Declaration



ANTI CORRUPTION IN PRACTICE



DIMET

Dimet (Siam) Public Company Limited.
บริษัท ไดเมท (สยาม) จำกัด (มหาชน)

Commitment against bribery and corruption

9. SOCIAL RESPONSIBILITY

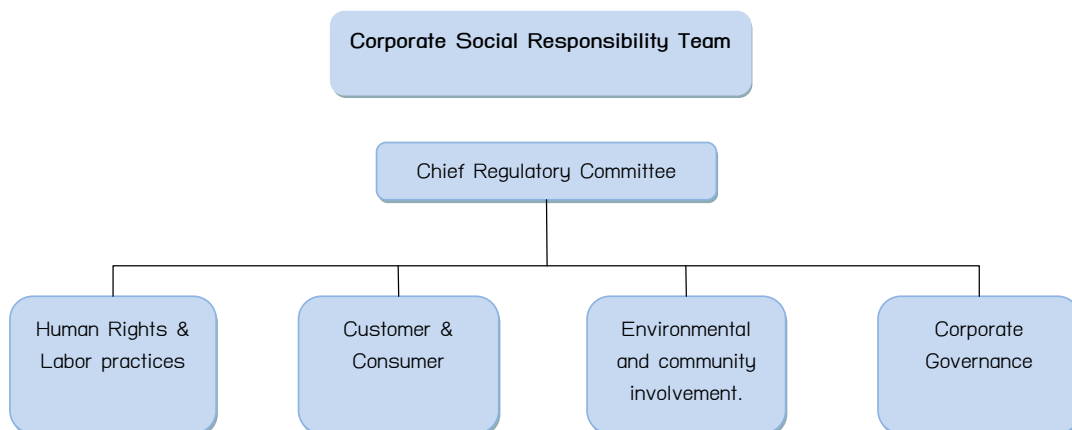
Dimet (Siam) Public Company Limited is aware that we are part of society and could operate business together with social responsibility and environment which will take us to firm growth and sustainable development. Company established working team to enable working policy and operation policy for social responsibility since 2012. Company set up the policy and operation for social responsibility as follows;

Social Responsibility Policy

DIMET (Siam) Co., Ltd. (Thailand) is a Paints manufacturer and distributor. The Company has commitment to proceed with the responsibility for the consequences in the future which arise from the operation of the organization. The principles of our business are transparency, honest and fair by consider to the interests of the stakeholders, ethical, moral respect for human political right and do not empower either party.

The Company is committed to developing and manufacturing products which are environmentally friendly by using the environmental raw material. The Company realize to the awareness of employees, customers, suppliers, the environment and the communities affected by the organization by law compliance and other requirements according to international practice. The Company also focuses on the attitudes and culture so that employees have a responsibility to society which stay together.

Corporate Social Responsibility Team Structure



Corporate Governance and Anti-Corruption.

The Company recognizes the importance of the policy of good corporate governance. The policy is to keep the fair business as much as possible. A transparent governance, enable to be inspected and anti-corruption by including all stakeholder, whether internal stakeholders, including employees and executives or external stakeholders, including suppliers, customers, competitors, shareholders and community.

Furthermore, the Company also set guidelines on the subject. "Code of Conduct" by covering up the details of its business with Integrity, Moral, Ethics, Regulatory Compliance, Responsibility to Shareholders, Conflict of interests, Use of inside information and the confidentiality of its customers, Partners Policy, The Treatment Policy to Staff, Social and Environmental Responsibility and monitor all to ensure the strictly implementation.

Respect for human rights.

The Company prioritizes the implementation of the Master Declaration of Human Rights to all stakeholders. The information is presented through the media or products, focused on presentations with no infringement, proposed to provide true and accurate data and including the equality and fair to all stakeholders.

Fair Treatment to Labour.

The Company treats employees strictly under the labor ministry laws and give priority to Company personnel. The Company treats its employees as valuable resources and a strong focus on growth in the business. Throughout the previous history, Company focused on the development of awareness and competency within the Company to increase knowledge, efficiency and effectiveness and potential to work. To advance and grow with the organization Company has set up a compensation and welfare system, such as health insurance, Life and Accident Fund and provident fund to employees.

Activities for social and environment benefits, Company provide support and promote such activity for employee can participate in making benefits to social and environment as following details;

1. Blood Donation Activity
2. Paint Donation to Temples, School and other Places.

As we are paint manufacturing and paint distribution, Company has policy to support and paint donation for social benefits as below details;

NO	DATE	NAME	TYPE
E18-001	09/01/2561	Wattana Ratsuksa School	Architectural Coatings
E18-002	09/01/2561	Ban Krai Kriang Border Patrol Police School	Architectural Coatings
E18-003	22/01/2561	Ban Khlong Luek Mosque	Architectural Coatings
E18-004	25/01/2561	Chiang Mai Municipality Office	Architectural Coatings
E18-005	10/02/2561	Wat Saen Phummarawas	Architectural Coatings

NO	DATE	NAME	TYPE
E18-006	13/02/2561	Wat Saeng Tham Buraram	Architectural Coatings
E18-009	18/04/2561	The Psychological Security Association of Thailand	Architectural Coatings
E18-010	24/04/2561	Rajamangala University of Technology Suvarnabhumi	Architectural Coatings
E18-011	11/05/2561	Wat Khok Si Nok	Architectural Coatings
E18-013	14/05/2561	Ban Khok Petch School	Architectural Coatings
E18-014	16/05/2561	Thinthonnue School	Architectural Coatings
E18-015	16/05/2561	Ban Don Khun Pattana School	Architectural Coatings
E18-016	17/05/2561	Wat Thai Charoen	Architectural Coatings
E18-017	13/06/2561	Ban Khok Klang School	Architectural Coatings
E18-018	14/06/2561	Wat Kaeng Toi	Architectural Coatings
E18-019	20/06/2561	Wat Chang Khlod	Architectural Coatings
E18-021	12/07/2561	Wat Tha Phru	Architectural Coatings
E18-022	06/08/2561	Ban Dongkachao School	Architectural Coatings
E18-023	05/09/2561	Ban Yang Lon School	Architectural Coatings
E18-024	27/09/2561	Bang Son Fire Station	Architectural Coatings
E18-025	05/10/2561	Internal Security Operation Division, Samut Prakan Province	Architectural Coatings
E18-026	10/10/2561	Pha That Luang Vientiane	Architectural Coatings
E18-027	29/11/2561	Rajamangala University of Technology Suvarnabhumi	Architectural Coatings
E18-030	24/12/2561	Wat Sawang Buraparam	Architectural Coatings

PAINTED WALL AT WAT SAENG THAM BURARAM SCHOOL,
SAMUTPRKARN, THAILAND.

กิจกรรม Corporate Social Responsibility “ CSR ”
กิจกรรมความรับผิดชอบต่อสังคมและสิ่งแวดล้อม



ทาสีกำแพงโรงเรียนวัดแสงธรรมบุราราม บางปู เมืองสมุทรปราการ



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REPAINTED AT RAJAMANGALA UNIVERSITY OF
TECHNOLOGY SUVARNABHUMI, AYUTTHAYA, THAILAND.



มหาวิทยาลัยเทคโนโลยีราชมงคลสุวรรณภูมิ
60 หมู่3 ตำบลหันตรา อำเภอพระนครศรีอยุธยา จังหวัดพระนครศรีอยุธยา

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BANGZON FIRE STATION, BANGKOK, THAILAND.



**สถานีดับเพลิงบางซื่อ ถนน กรุงเทพมหานคร-นนทบุรี
แขวงวงศ์สว่าง เขตบางซื่อ กรุงเทพฯ**

**BANN YAN LON CHAROENRATCHPAIBOON SCHOOL,
SAKON NAKHON, THAILAND.**



WAT SAWANG BURAPARAM TEMPLE, NAKHON RATCHASIMA, THAILAND.



วัดสว่างบูรพาราม อำเภอสูงเนิน จังหวัดนครราชสีมา

10. INTERNAL AUDIT CONTROL AND RISK MANAGEMENT

Internal Control

There is good system for internal control and very important in building confident that Company enable operation to achieve objective and help to assist risk management and reduce other damages from phenomenon which shall occur to Company and stakeholders. Therefore, Company established Audit Committee who conducts his duty efficiently and independently. To review internal control system for the best efficient, internal control system covers 5 principles correspond with Risk Management Principles of Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management (COSO-ERM) as follows;

1) Control Environment

Board of Directors, Executive Board Committee and top management jointly determine organization structure in management, roles of relates and authority in consider and approve all affairs to ensure that Company has system of internal control which promote objective achievement effectively and comply with relates regulations and standards. This includes manage efficiently achieve set vision and mission under good corporate governance.

Company prepared “Code of Conduct” which covers business operation principles, conflict of interests and benefits and maintain data confidentiality, Company responsibility, Treatment of stakeholders, caring for business ethics implementation and complaints handling of good corporate governance and business ethics and anti-corruption policy in 2015. This document has been continuously updated according to laws, regulations, criteria and environment changes, review and latest updated and approved by Board of Directors at August 27th, 2018, in order to Board of Directors and subcommittee’s roles and duties in all charters correspond to good corporate governance for registered Company in 2017 or CG Code which SEC implemented in 2017.

In addition, to cultivate values of honesty and ethic, Company prepared communication on good management policy, management and employees ethics including business ethics and anti-corruption for employees at all levels through training, employee orientation for new employee in order to have Company employee aware of important of honesty to oneself and public.

For commit to promote, develop and maintain personnel who is knowledgeable and capability, Company set employee promotion process and appraisal with refers to ratio of salary increase including development and training plans for employee at all levels especially development of potential employees to become in succession plan.

2) Risk Assessment

Risk Management prepared Risk Assessment Matrix which shows Impact and Likelihood of occurring including risk follow up to cover Strategic Risk, Operational Risk, Financial Risk and Compliance Risk regularly on every quarter. Risk Management Committee is appointed which comprised of each department manager to consider evaluation and management of risk to build awareness in occurring of risks which is major development steps. Furthermore, Risk Management Committee proposed to prepare follow up report every quarter in order to manage risks efficiently and keep up with changed situations, throughout 2018, risks in Company many aspects are managed in a satisfactory level.

3) Control Activities

Company defined policies and procedures in writing and covers all processes appropriately including financial transactions, purchasing and general management as well as determinations of scopes, authorities, duties and levels. Clear approval in each levels according to organization structure and authorization by separating approval duties from account recording including control and oversee Assets from each other for mutually counterbalance and inspect.

This includes providing internal control through policies and steps of works in order to defined policies enable to actual practices and is able to manage risks according to Company set objectives by such control activity shall implement in all levels of organization.

4) Information & Communication

Company prepared data used in operation by such data must be of high quality from internal and external organization to support operation and internal control to enable operations work according to set targets includes every employees must communicate accurately, suitably and adequately for their works.

For shareholders meeting, Board Of Directors meeting and Company Subcommittee meeting, Company provides shareholders, Committee, Management including stakeholders acknowledge accurate and adequate data for any decision, within suitable timeframes which Company could completely do continuously as well as defined such policies in the good corporate governance manual.

Furthermore, Company provides complaints handling mechanism through 2 main channels and procedures in case of whistle blower to personnel inside and outside company to notify data and clues which related to fraudulent or corruption to Company safely through Whistle-blowing channel which Company defined without exposure himself or afraid of any influence.

5) Monitoring Activities

Company monitor and evaluate results of internal control to ensure that full internal control is suitably continued, monitor evaluation results continuously by each line manager to ensure the all composition of internal control is existed and do their duties appropriately and efficiently as well as protecting conflict of interests which may occur between Company and management, Committee or shareholder including protection of misuses of benefits in Assets, Data and Company opportunity and Transaction with related Company personnel inappropriately.

In the meeting, weekly and monthly Management monitor targets and control operation according to plans in annual budget plans which approved by Board of Directors and progress report or any change which is not according to Board of Directors' plans. If found any significant mistakes, Executive Board Committee must report to Board of Directors or Audit Committee or other Committee for reasons explanation and corrective actions immediately.

Audit Committee and Certified Public Accountant's opinion of Company internal control system

Management evaluation of Adequacy of internal control system prepared by Securities and Eexchange Commission (SEC) and covers all 5 topics as discussed earlier of which such evaluation is reviewed by Audit Committee and proposed to Board of Directors as usual annually.

Internal auditor has no significant observation in mistakes of internal control or ability in Company and subsidiary assets protection from management or employee misuse or without authority and believe that Company financial statement report is accurate, reliable and comply to standard general accounting and according to standard financial statement report.

Audit Committee Annual Report 2019

To shareholders

Audit Committee comprises of independent committee with full qualification as per related criteria and experienced specialist, with knowledge and capability and benefits to Company operation 3 Committees are Ms.Wanna Maluengnon as Chairman of Audit Committee, Mr.Manit Koothanapat and Pol. Maj.Gen. Prapass Piyamongkol are as the Audit Committee by Ms.Wanna is graduated in Accounting and has knowledge and experienced is adequately in review reliability of financial statements.

In financial year 2019, Audit Committee conducts their duties as completed according to scopes, duty and responsibility, according to charters of Audit Committee approved by Board of Directors including opinion and suggestion independently, there is joint meeting with management, internal control auditor, Certified Public Accountant 4 times By Committee attend each meeting as follows;

Names	Position	Times of Attendance / Times of Meeting
Ms.Wanna Maluengnon	Chairman of Audit Committee	4/4
Mr.Manit Koothanapat	Audit Committee	4/4
Pol. Maj.Gen. Prapass Piyamongkol	Audit Committee	3/4

Remark : Ms.Wanna is graduated in Accounting and has knowledge and experienced is adequately in review reliability of financial statements.

: Ms. Yuppadee Koopetngarm act as a secretary of Audit Committee.

: Pol. Maj.Gen. Prapass Piyamongkol has been appointed to be Audit Committee effective from August 27, 2018.

Summary of Audit Committee Works and Opinion given to different topics to Board of Directors meeting in 2019 as follows;

Financial Report Review

Audit Committee reviewed the accuracy and reliability of financial report including financial budget, by quarterly and annual financial budget which reviewed and audited by Certified Public Accountant did not find problem issues or significant mistakes in the matters including internal control report with important work procedure. Invite Certified Public Accountant to attend the meeting to consider scope, guideline and internal audit plan as well as enquiry for completeness, accuracy of updated important accounts as per standard accounting, adequacy of data disclosure, effective of internal control system necessary in financial budget and appropriate in accounting records to ensure financial budget is according to standard general accounting. There is a meeting with Certified Public Accountant without management, to ensure Certified Public

Accountant has independent in problem and obstacle report in working or report incident or abnormal seen to independent committee, for benefits of financial budget user.

Evaluation and review of internal control system

Audit Committee reviewed internal control system from internal audit report from internal audit external and report from internal control audit internal, and also reviewed from internal control system evaluation under defined guideline by Securitie and Exchange Comiision SEC.

Audit Committee suggested the benefits related to internal audit report of Certified Public Accountant and internal control which considered for operation, fraudulent and reliability of financial budget report which Company shall bring suggestion of Audit Committee and Certified Public Accountant and internal control auditor to implement to increase Company work efficiency to ensure that work process has continuously good internal control.

Review of Transaction between Company

Audit Committee reviewed sensible and maximum benefit to the Company in transaction between Company or transaction which has conflict of interest, to comply with laws and regulations of Securities and Exchange Commission SEC including suggestion which is benefits related to define the conditions of general trades by emphasize practices as per related criteria and to management to run fairly, does not caused transfer benefit and under principles which Board of Directors approval.

Review of the process of receiving fraudulent clues including inappropriate data of financial budget report or other.

Audit Committee reviewed of the process of receiving fraudulent clues to open opportunity and increase efficiency of complaints handling and whistle blower about the fraudulent including receiving of unsuitable data of financial budget or other topic quarterly.

In the previous year, Audit Committee did not receive complaint about fraudulent or unsuitable data of financial budget report or other topic at all.

Caring of operation follow up as per rules, regulation and policy.

Audit Committee reviewed Company operation according to laws of Securities and Exchange Commission including laws related to Business and found no laws violation of Securities and Exchange Commission, requirements of stock Exchange of Thailand and laws related business. Besides, Audit Committee acknowledges the changes of rules and regulationsand important policy relates to Company business this quarter, to ensure that Companyis ready in operation including consultant in different aspects to inspect and suggest Company in Significant matters to be confident that Company is ready and well prepared of continuous changes.

Consideration to choose and propose to appoint Certified Public Accountant.

Audit Committee considered the Independence, knowledge, Understanding in Company business, work quality and qualification of Certified Public Accountant as well as appropriate of internal audit fees by agreement to propose Certified Public Accountant from Grantt Thornton Co.,Ltd. as Company and subsidiary's Certified Public Accountant for financial year 2020 as Mr.Somkid Tiatrakul, Certified Certified Public Accountant no.2785, Ms.Kanyanat Sriratanachatchaval, Certified Certified Public Accountant no.6549 and/or Mr.Theerasak Chuasrisakul, Certified Certified Public Accountant no.6624.

Certified Public Accountant who initial signature in internal audit of financial budbet report has complete qualification as per requirements and agreed by Securities and Exchange Commission.

Evaluation total and individual performance including charter reviewed according to duty and responsibility

Audit Committee considered evaluation both group and individual by reviewing duties in Company regulations according to Company Audit Committee manual which prepared by Securitie and Exchange Commission as well as charters of Company Audit Committee. From evaluation results, found that Audit Committee works as per duty and responsibility, For scores of both group and individually are in excellent level of around 3.76 and 3.60 from total score of 4.0

Audit Committee reviewed Audit Committee charters annually, by comparing scopes of duty and responsibility and manual of Audit Committee which prepared by Securitie and Exchange Commission as well as charters of Audit Committee of other registered company and adapted for implementation as per duty and responsibility of Audit Committee including proposal to Committee to consider and approve audit committee charters.

Summary of Total Opinion of Audit Committee for operation in all areas

Audit Committee works as per duty and responsibility defined in charter of Audit Committee which is approved by Board of Directors with knowledge, capability, careful, prudence and independence as well as providing feedback and suggestions creatively to highest benefits for stakeholders by receiving good coordination from related department and personnel. Audit Committee provide feedback that financial budget report as per essence of standard accounting in linking. It is appropriated and maximum benefits to Company, adequate IT disclosure, full and reliable as well as adequacy and effective of internal control system including work as good corporate governance policy and comply to laws and related regulation by no significant mistake.

Internal control Supervisor and Operation Supervisor

At present, company delegates Mrs. Yuppadee Koopetngarm, currently as company secretary, also supervise company operation and internal audit in order to supervise operation comply to principles of the department in running company business.

11. TRANSACTION

Company conducts transactions with related personnel, this item occurred as an transaction between subsidiaries and related company. In the case of subsidiaries, Company has committee and authorized committee who will co-sign. In case of related company, company enters as shareholders by occurred the transaction disclosed in remarks in audited financial budget by Certified Public Accountant and Audit Committee provided feedback related to appropriate of transaction made, is items occurred as per Company normal business, there are appropriate, defined price and other condition according to market price as same as defined price for personnel or other activity unrelated and no benefits transfer between company, subsidiary, related company and related personnel.

1. Transaction between Company and subsidiary

Subsidiary	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
ACCT	<ul style="list-style-type: none"> - Is Company subsidiary - There are committee and authorized committee co-sign by Mr. Panya Boonyapiwat, Mr. Theerachai Leenabanchong and Mr. Siva Naktharee as Committee in ACCT, authorized committee in ACCT are Mr. Panya Boonyapiwat, Mr. Theerachai Leenabanchong and Mr. Siva Naktharee 	1. Company sold products to ACCT	0.00	270,047.00	ACCT runs their business as paint distributor, contract for project painting and design and install anti-rust called Cathodic Protection for underground pipe and steel frame underwater, etc.
		2. Company had debtor as sold product to ACCT	0.00	288,950.00	
		3. Company obtain revenue of rental from ACCT	60,000.00	60,000.00	Used for product storage areas
		4. Company obtains revenue from management fees from ACCT	168,000.00	168,000.00	For clear and transparency in management
		5. Company obtains revenue from ACCT, i.e., revenue from delivery, transportation and telephone services	11,010.00	9,297.00	For cost management and transparency in management.

1) Transaction between Company and subsidiary (continued)

Subsidiary	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
ACCT (continued)		6. Company gave short loan for ACCT	1,079,644.00	952,965.00	Provide financial support to subsidiary according to general monetary condition
		7. Company has income as interest from ACCT	63,750.00	73,321.00	
		8. Company receivable accounts as warehouse rental, management fee and other services from ACCT	125,658.00	375,366.00	purchase and sale as business as usual

Remarks: - Company has contracted as the rental of office and warehouse for goods keeping and office service contract agreement locates at 602 Moo 2 Bangpoo Industrial Estate Soi 1 Sukhumvit Road, Bangpoo Mai, Muang, Samutprakarn with ACCT for 2 years from July 1st, 2018 to June 30th, 2020 on monthly revenue. For rental office fee and warehouse location of 5,000 Baht, Office service rental of 13,000 Baht monthly and Insurance of 1,000 Baht monthly.

- Company Audit committee and independant committee was determined transaction between company and ACCT in the audit committee meeting 3/2019 at August 30, 2019 and has opinion that they were normal business and has no effect to the operation

2) Transaction between related company

Company	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
SUNCOAT	<ul style="list-style-type: none"> - is related company - company held the 10% of the shareholders registered stock in SUNCOAT 	1. company sales heat resistant coating to SUNCOAT	112,535,296.00	103,727,297	Japanese stock holder of SUNCOAT has knowledge, experiences and skills in heat resistant coating. Company would rely on such technology to expand into heat resistant coating market.
		2. company has account receivable from selling heat resistant coating to SUNCOAT	29,639,659.00	22,369,703	
		3. company purchases goods from SUNCOAT	46,532,660.00	39,703,500	Raw materials specific for producing coating product for SUNCOAT by importing from Japan
		4. company has account payable from purchasing heat resistant coating from SUNCOAT	16,382,803.00	10,747,636	

Remarks : - Company Audit committee and independent committee determined transactions between company and SUNCOAT in the audit committee meeting 3/2019 on August 30, 2019 has opinion that they were normal business and has no effect to the operation.

Company	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
UAWITH YA PLC. "UWC"	-Is a related company as it is a major shareholders of the Company and has joint committee.	1. Company sold goods to UWC	38,350.00	39,100.00	Company sold product to paint high voltage pole
		2. company has account receivable from selling goods to UWC	0.00	0.00	

Remarks : -Company Audit committee and independent committee determined items between company and UWC in the audit committee meeting 3/2019 at August 30, 2019 has opinion that they were normal business and has no issue to affect to the operation.

Company	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
UWC Amber Biogas PLC.	Is a related company as it is a major shareholders of the Company and has joint committee.	1.Company sold goods to UWC	6,825.00	0.00	Company sold product to paint BTS frameworks.
		2.company has account receivable from selling goods to UWC Amber Biogas PLC.	0.00	0.00	

Remarks :- Company Audit committee and independant committee determined items between company and UWC Amber Biogas PLC. in the audit committee meeting 3/2019 at August 30, 2019 has opinion that they were normal business and has no issue to affect to the operation.

Company	Relation Characteristic	Item Details	Value at (Baht)		Reason and necessary
			Ended Jun 30, 2018	Ended Jun 30, 2019	
IGEN Engineering Co., Ltd. “IGE”	Is a related company as the company invested in IGEN Engineeing 14% of its registered capital.	1.Company construction materials to IGE.	0.00	14,747,953.00	
		2.company provide construction service to IGE.	0.00	26,745,296.00	
		3. company has account receivable from selling goods to IGE.	0.00	19,763,316	

Remarks :- Company Audit committee and independant committee determined items between company and IGEN Engineering Co., Ltd. in the audit committee meeting 3/2019 at August 30, 2019 has opinion that they were normal business and has no issue to affect to the operation.

Audit Committee Opinion

Audit committee determined transactions between company and subsidiary and personnel who may be conflict of interest in the audit committee meeting 3/2019 at August 30, 2019 has opinion that those transactions were normal business and has no effect to the business operation or helping financial support to subsidiary by such transactions are reasonable, price fixed and other conditions according to market price as same as price fixed for personnel or unrelated business and no beneficial transfer between company subsidiary and related personnel

Measure and Transactions Approval Procedure

In case of there is transactions between company or subsidiary with related personnel may have beneficial conflict, advantage and disadvantage, or future conflict. Company will have audit committee opinion for necessary and appropriate of the transactions. In case of audit committee do not have skills in transactions, this may occur, company will request the independent expertise or certified company accountant to give opinions to such transaction in order to bring such information to decide any circumstances of committee or shareholders. Besides, company would disclose the transaction in footnotes of finance budget that was audited by company certified Certified Public Accountant and shown in company annual report (56-1).

Transactions Policy or Trend between company in the future

In the future, company may have transactions between them as see appropriate and highest benefits for company which shall base on normal business condition or financial support given with reference with same business condition as company conducts with outside personnel. The company shall operate comply with Securities and Exchange Commission, rules, announcement and requirements of Thailand stock exchange including comply to regulations and requirements on related data disclosure and acquisition and disposition of important assets of registered company and their subsidiaries strictly according to standard accounting which Accountants Association has specified.

12. FINANCIAL DATA

Financial Budget

(a) Certified Public Accountant and The Essence of Accounting Policy

Report from certified Certified Public Accountant to audit the financial budget of the company, period ending June 30th, of the financial year 2017, 2018 and 2019 are summarized below.

Certified Public Accountant auditor's Report for the financial budget of the financial period ended June 30th, 2017 which was audited by Ms. Kanyanat Sriratanachatchaval CPA (Certified Public Accountant) Registration No. 6549 from Grantt Thornton Co.,Ltd. has expressed without conditions that the company financial budget and performance comply to the essence of generally accepted accounting principles.

Certified Public Accountant auditor's Report for the financial budget of the financial period ended June 30th, 2018 which was audited by Ms. Kanyanat Sriratanachatchaval CPA (Certified Public Accountant) Registration No. 6549 from Grantt Thornton Co.,Ltd. has expressed without conditions that the company financial budget and performance comply to the essence of generally accepted accounting principles.

Certified Public Accountant auditor's Report for the financial budget of the financial period ended June 30th, 2019 which was audited by Ms. Kanyanat Sriratanachatchaval CPA (Certified Public Accountant) Registration No. 6549 from Grantt Thornton Co.,Ltd. has expressed without conditions that the company financial budget and performance comply to the essence of generally accepted accounting principles.

(b) Financial Status and Company Performance Summary Table

Financial Statement Summary	Ends 30 JUN 17		Ends 30 JUN 18		Ends 30 JUN 19	
	MB	%	MB	%	MB	%
Cash and cash equivalents	16.44	8.61%	12.55	7.74%	18.02	5.40%
Trade account receivable (general customers)	29.96	15.69%	27.05	16.67%	42.13	12.62%
Trade account receivable (related companies)	40.95	21.45%	36.16	22.29%	70.34	21.07%
Inventories-net	42.64	22.34%	32.25	19.88%	42.08	12.61%
Other current assets	3.46	1.82%	4.10	2.53%	2.78	0.83%
Total Current Assets	133.45	69.91%	112.11	69.10%	175.35	52.53%
Restricted deposit with bank	5.00	2.62%	5.00	3.08%	1.92	0.58%
Investment in subsidiary company	0.33	0.17%	0.33	0.20%	118.63	35.54%
Property, plant and equipment	37.52	19.65%	33.97	20.94%	30.18	9.04%
Intangible assets	0.47	0.24%	0.31	0.19%	0.90	0.27%
Deferred income tax assets	12.77	6.69%	9.76	6.02%	0.31	0.09%
Other assets	1.36	0.72%	0.77	0.47%	6.53	1.95%
Total Non Assets	57.45	30.09%	50.14	30.90%	158.47	47.47%
Total Assets	190.90	100%	162.25	100%	333.82	100%
Overdrafts and short-term loan	0.00	0.00%	0.00	0.00%	0.00	0.00%
Trade account payable-related company	6.13	3.21%	17.29	10.66%	10.75	3.22%
Trade account payable –general suppliers	54.88	28.75%	49.15	30.29%	64.28	19.26%
Current portion of liabilities under finance lease agreement agreements	1.12	0.59%	0.58	0.36%	0.44	0.13%
Other current liabilities	9.42	4.93%	9.51	5.85%	15.79	4.73%
Current Liabilities	71.55	37.48%	76.53	47.17%	91.26	27.34%
Liabilities under finance lease agreements	1.27	0.67%	0.44	0.27%	0.00	0.00%
Employee retirement benefits obligation	5.74	3.01%	3.21	1.98%	4.18	1.25%
Total Liabilities	78.56	41.15%	80.19	49.43%	95.44	28.59%
Issued share capital and full paid	128.73	67.43%	134.48	82.89%	268.95	80.57%
Premium on share capital	20.39	10.68%	20.39	12.57%	154.86	46.39%
Surplus from change in proportion of investment in subsidiary company	0.72	0.38%	0.72	0.44%	0.55	0.16%
Advance Capital for stock value	0.00	0.00%	0.00	0.00%	0.00	0.00%
Legal reserve	3.03	1.59%	3.03	1.87%	3.03	0.91%
Retained earnings (deficit)	(40.70)	(21.32%)	(76.44)	(47.12%)	(189.01)	(56.62%)
Total Portion of the Company's shareholders	112.17	58.76%	82.17	50.65%	238.38	71.41%
Non controlling interests	0.17	0.09%	(0.11)	(0.07%)	0.00	0.00%
Total Shareholders' equity	112.34	58.85%	82.06	50.58%	238.38	71.41%
Revenues from sales and services	301.92	100%	276.93	100%	333.25	100%
Total revenues	301.92	100%	276.93	100%	333.25	100%
Costs of sales and services	232.29	76.94%	226.68	81.85%	259.93	78.00%
Total costs	232.29	76.94%	226.68	81.85%	259.93	78.00%
Gross income	69.63	23.06%	50.25	18.15%	73.32	22.00%
Other income	1.93	0.64%	1.96	0.71%	1.32	0.40%
Profit before expenses	71.56	23.70%	52.21	18.86%	74.64	22.40%
Selling and Administrative expenses	95.05	31.48%	88.05	31.80%	177.72	53.33%

Financial Statement Summary	Ends 30 JUN 17		Ends 30 JUN 18		Ends 30 JUN 19	
	MB	%	MB	%	MB	%
Profit (loss) before Interest paid and income tax	(23.49)	(7.78%)	(35.84)	(12.94%)	(103.08)	(30.93%)
Financial costs	0.48	0.16%	0.31	0.11%	0.15	0.05%
Profit (loss) before Interest paid and income tax	(23.97)	(7.94%)	(36.15)	(13.05%)	(103.23)	(30.98%)
Income tax	1.24	0.41%	(2.39)	(0.86%)	(9.43)	(2.83%)
Total Profit (loss) for the year	(22.73)	(7.53%)	38.54	(13.92%)	(112.66)	(33.81%)
Other comprehensive profit and loss	(0.45)	(0.15%)	2.51	0.91%	0.05	0.02%
Total comprehensive profit and loss for the year	(23.18)	(7.68%)	(36.03)	(13.01%)	112.61	33.79%
The total profit share						
The shareholders' equity.	(23.33)	(7.73%)	(35.74)	(12.91%)	112.56	33.78%
Attributable to the non-controlling interests.	0.15	0.05%	(0.29)	(0.10%)	0.05	0.02
Earnings (loss) per share (Baht / share).	(0.089)		(0.144)		(0.224)	
Par value (baht / share).	0.50		0.50		0.50	
Number of shares (million shares).	257.5		268.95		537.90	
Loss (Baht per share)	(0.089)		(0.144)		(0.224)	
Par value (baht / share).	0.50		0.50		0.50	
Number of shares (million shares).	257.5		268.95		537.90	

(b) Balance sheet item summary and performance Table.

Statement of Cash Flow	Ended 30 JUN 17	Ended 30 JUN 18	Ended 30 JUN 19
Net profit before tax	(23.97)	(36.15)	(103.23)
Improved non-cash items			
Depreciation and amortization.	6.43	5.52	4.53
Loss (gain) from obsolescence.	9.26	11.15	0.56
Bad and doubtful debts	(2.45)	1.97	(0.32)
Allowance for impairment of long - term investment	-	-	83.14
Loss (gain) on foreign exchange that has not really happened.	-	(0.16)	(0.10)
Gain on sale of assets and amortization.	-	(0.77)	-
Tax withholding pay cut.	-	-	-
Loss from debt restructuring of the debtor.	-	-	-
Amortization of intangible assets.	-	-	-
Current service cost for benefits after employees out of work.	0.37	0.43	0.92
interest income	(0.79)	(0.06)	(0.24)
Finance costs	0.48	0.31	0.15
Operating assets (increase) decrease.			
Receivables from related companies	(6.12)	2.91	(15.08)
Other trade receivables	15.31	2.82	(33.86)
Left in stock	2.50	(0.77)	(10.39)
Other current assets	0.18	(0.64)	1.33

Statement of Cash Flow	Ended 30 JUN 17	Ended 30 JUN 18	Ended 30 JUN 19
Income taxes paid in advance	-	-	-
Current assets	(0.03)	0.70	(5.33)
Operating liabilities increase (decrease).			
Related companies	(0.80)	11.16	(6.54)
Trade payables	(9.60)	(5.79)	15.23
Accrued expenses	(0.90)	(0.74)	3.07
Other current liabilities	0.83	1.01	3.21
Commitment for Employment Benefits Post-employment.	(0.18)	-	-
Cash from operations	(9.48)	(7.08)	(62.96)
interest payments	(0.20)	(0.13)	(0.04)
taxes	(0.15)	(0.11)	(0.43)
Proceeds Interest	(9.84)	(7.32)	(63.43)
Proceeds from the sale of property	0.01	1.36	-
Cash paid for purchase of property and equipment.	(1.88)	(2.37)	(0.61)
Cash paid for purchase of intangible assets.	(0.16)	(0.01)	(0.72)
Proceeds from sales of investments in subsidiaries	-	-	-
Interest received	0.72	0.06	0.24
Pledged deposits (increase) decrease.	-	-	-
Restricted deposit with bank decrease	-	-	3.08
Investment in other company	-	-	(201.44)
Investment in subsidiary company - net	-	-	(0.01)
Net cash from investing activities	(1.31)	(0.95)	(199.46)
Proceeds from bank overdrafts and short-term loans from financial institutions.	-	-	-
Cash received from warrants converted to common shares	0.26	5.75	-
Cash received from increase in share capital	-	-	268.95
Payment of financial lease liabilities	(1.45)	(1.37)	(0.58)
Payments for short-term loans, related companies	(1)	-	-
dividend	-	-	-
Net cash from financing activities	(2.19)	4.38	268.37
Net cash at beginning of period	29.77	16.44	12.55
Net cash increase (decrease).	(13.33)	(3.89)	(5.47)
Net cash at end of period	16.44	12.55	18.02

(c) Important Financial Ratio Shown Table

Financial Ratio		2017	2018	2019
Liquidity ratio				
Current ratio	time	1.87	1.46	1.92
Quick ratio	time	1.22	0.99	1.43
Cash Flow Ratio	time	(0.13)	(0.10)	(0.76)
Accounts receivable turnover ratio	time	4.06	4.13	3.79
The average collection period	day	88.57	87.17	94.89
Inventory Turnover	time	4.79	6.05	6.99
The average sale period	day	75.20	60.00	51.48
Payable turnover ratio	time	3.51	3.56	3.67
Repayment period	day	102.61	101.21	97.97
Cash cycle	day	61.16	45.44	48.40
Profitability ratio				
Gross margin	%	23.06%	18.14%	22.00%
Operating margin	%	(7.78%)	(12.96%)	(30.93%)
Profit margins more	%	(0.15%)	0.90%	0.01%
The ratio of cash to make a profit	%	41.87%	20.59%	60.95%
Net margin	%	(7.73%)	(12.91%)	(33.78%)
Return on equity	%	(18.85%)	(36.77%)	(70.25%)
Efficiency ratio				
Return on assets	%	(11.20%)	(20.24%)	(45.38%)
Return on assets	%	(28.71%)	(54.54)	(103.58%)
Turnover of Assets	time	1.45	1.71	1.34
Financial Policy ratio				
Debt to equity shareholders.	time	0.7	0.98	0.4
Ratios Interest	time	(22.13)	(15.05)	(359.66)
Coverage obligations - Cash basis.	time	(3.12)	(2.48)	(35.75)
A dividend rate of ^{1/}	%	0.00%	0.00%	0.00%

Remarks : 1/ = To calculate the payout ratio Dividends are calculated by dividing the net profit of the previous year. Paid from retained earnings

13. ANALYSIS AND EXPLANATION FROM MANAGEMENT

Total Picture of the past operation

Company conducts a manufacturing and distribution business of high quality paints employed in industrial and steel frames used in construction such as petrochemicals factory, oil refinery factory, electricity generation factory, oil and gas rig in Gulf of Thailand to prevent rusty including building paints, wood enamels, furniture paints and industrial paints, i.e., spray paints. Company owns 1 subsidiary which conduct business in paints distribution, contracted project painting and design and install anti-rust system type “Cathodic Protection”. For underground pipes, underwater steel frames and Corrosion protection by “Wax Tape” system

When considers the total picture of the past operation in 2018 found that Company and subsidiary earn domestic and overseas revenues of 99.60% and 0.40%, respectively. Main revenues in Company operation came from 3 product group, i.e., industrial paints 50.45% of total revenues, building paints 7.36% of total revenues and revenues from the other groups (other paints including revenues from contract manufacturing and services) calculated as proportion of 41.79% of total revenues.

Between 2017 to 2019, Company and subsidiary have total revenues of 303.84 MB, 278.88 MB and 334.57 MB, respectively. In 2017 Company has total profits (Only part of the Company) 23.35 MB, In 2018, total loss of (Only part of the Company) 37.33 MB and in 2019, total loss of (Only part of the Company) 112.25 MB.

Financial Statement Performance Analysis **Revenue**

As of end of financial 2019, company hasincom from sales and service amount 333.25 Million Baht increased from 2018 by 54.37 Miilion Baht or representing the increment ratio of 20.34% because of industrial revenue and construction increment as main reasons.

Company has other revenues in 2019 amount 1.32 Miilion Baht comprises of management fee, rent, interest, used drum and scrap sales.

Costs of Sales and Expenses in Distribution and Management

In Financial year 2019, Company had cost of sales and service 78.00% of total revenues decreased from Financial of 2018 by decreasing ratio of 3.85%, due to effective management including increased sales.

In Financial year 2019, Company had sales and management expenses of 177.71 MB increases from financial year 2018 of 89.67 MB, increased ratio of 101.85%, due to market expansion and investment in other businesses.

In Financial year 2019, Company’s financial costs is 0.15 MB, decreased from financial year 2018 of 0.16 MB reduced by Company’s effective cash flow management.

Gross Profits Rates and Net profits Rate

In Financial year 2019, Company's gross profit rate is 22.00% of total sales and service revenues increased from financial year 2018 of 3.86% of total sales and service revenues, due to increased income from industrial paints and construction services.

In Financial year 2019, Company's total loss of 112.25 MB or is net loss rate of 33.97% from total revenues.

Financial Status Analysis

Assets

At June 30th, 2019, Company has total assets of 333.82 MB increased from financial year 2018 by 171.57 MB calculated as increased rate by 105.74% by changing of total assets of Company as a results from following reasons;

- Cash and cash equivalent at financial year 2019 equals to 18.02 MB increased from financial year 2018 by 5.47 MB or calculated as increased rate of 43.64%. Company has no short term loan from financial institution in 2019.
- Net Account receivable at end of financial year 2019 is 70.34 MB increased from financial year 2018 by 34.18 MB or calculated as increased rate of 94.54% due to increase in total sales and services calculated as increased rate by 19.50%.
- Account receivable's payment not yet due for payment of 58.59 MB increased from financial year 2018 by 35.38 MB and the account receivable's overdue payment in financial year 2019 equal to 26.44 MB reduced from financial year 2018 by 1.52 MB or equivalent of reduced rate of 5.43%., average days of debt collection in financial year 2018 and 2019 can be conducted as 113 days and 98 days, respectively.
- Account receivable from related Company at financial year 2019 is 42.13 MB increased from financial year 2018 by 15.08 MB or equivalent of increased rate of 55.75 % , as a result of increased sales and services.

Company estimate allowance for doubtful accounts by evaluating from reviewing trade accounts receivable. Company would review adequacy of money amounts of set allowance for doubtful accounts with each customer who had overdue payments and reasons to believe that it cannot be collected or not full amounts by calculating experiences from past and present payment including changes in composition and quantity of debtors

Relations between allowance for doubtful accounts and debtors including domestic economic situation, overdue payment account receivable exceeds 12 months, Company would set allowance for doubtful accounts full amount. Except in case of expect that such debtor guarantee to pay.

At financial year 2018 and 2019, total allowance for doubtful accounts are 15.01 MB and 14.69 MB decreased by 0.32 MB or equivalent of decreased rate of 2.15%, management believe that it adequately set allowance for doubtful accounts.

- Net Inventory at financial year 2019 is 42.08 MB increased from financial year 2018 by 9.83 MB or calculated as increased rate of 30.48% as a resulted of increase of total sales and services 19.50%.
- Net Lands, building and equipment at financial year 2019 is 30.18 MB reduced from financial year 2018 by 3.78 MB or calculated as reduced rate of 11.13%

Liquidity

At financial year 2019, Company had current assets of 175.35 MB and current liability is 91.26 MB or calculated as liquidity ratio of 1.92 times, Company has quick ratio of 1.43 times. It expresses that Company has liquidity ratio increasing from financial year 2018.

Source of Capitals**Liability**

At financial year 2019, company total liability is 95.44 MB increased from financial year 2018 by 15.25 MB or calculated as increased rate of 19.02% which increase from account payables.

Shareholders' Equity

Company has shareholders' equity (only part of the Company) at the financial year 2019 of 239.27 MB increased from financial year 2018 by 156.75 MB which is reduction of shareholder part (only part of the Company) and resulted from increased registered capital.

Capital Structure

Company has ratio of liability and shareholders' equity at financial year 2019 of 0.40 times decreased from financial year 2018 which is 0.58 times. The decreasing of such ratio came from increment of Company's shareholders' equity.

Financial Status and Opeartion performance of ACCT**Operation Performance**

ACCT is subsidiary of Company, conducts business in paints distribution and contarct for project painting and design and install anti-rust system called Cathodic Protection and corrosion protection system called Wax Tape. ACCT earned revenues from distribution and services of financial year 2019 amount 2.84 MB which is increased from financial year 2018 by 0.95 MB or calculated as increased ratio of 50.29%, total loss before tax is (0.44) MB.

Financial Status

In financial year 2019, ACCT had assets of 0.55 MB reduced from financial year 2018 by 1.18 MB or calculated as reduced rate of 68.22%, with total liability of 1.76 MB reduced from financial year 2018 by 0.75 MB or calculated as reduced rate of 29.81% as there is shareholders' equity of 1.21MB.

Factors which might affect operation or financial status in future.

Factors and Influences that might affect operation or financial status in the future rather than discussed previously in risk factors is reduction of profits per share due to increase shares from increase registered capital.

From financial statement in financial year 2019, ended June 30th, 2019, Company registered capital as 403,430,170.50 Bahtand fully paid registered capital of 268,953,447 Baht with ordinary shares of 537,906,894 shares values per shares of 0.50 Baht (Fifty Satang), Company had net loss (part of the Company) of 112.20 MB or calculated as profit/loss per share as 0.223 Baht per share.

The Board of Director's Meeting of Dimet (Siam) public Company Limited ("Company") No. 6/2019 held on May 27, 2019 had approved the significant resolutions which can be summarized as follows: -

- (1) Investment in IGEN Energy Co., Ltd. ("IGEN-ENERGY") by purchasing 409,998 ordinary shares of IGEN-ENERGY, or 99.99% of its registered capital, par value of

100 Baht, with total amount 40 Million Baht, expected transaction within December 2019.

- (2) Invested and purchased 12,244,800 ordinary shares McTRIC Public Company Limited (“McTRIC”), or 4.082% of its registered capital, par value of 1.63 Baht, with total amount 20 Million Baht.
- (3) Besides the Board of Directors has a resolution to present to the shareholders' meeting for consideration and approve with special resolution for the Company's partial business transfer transaction to Asian Corrosion Control Technology Limited (“Subsidiary”) whereas the Company has holding 99.88% of paid-up capital.

Details of Committees, Top management and Authorized to control Company at June 30th, 2018

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
1.	Mr. Panya Boonyapiwat Chairman of the Board Chairman of Executive Board Committee Chairman of Risk Management Committee Managing Director Authorized Committee	55	<u>Bachelor Degree</u> Electrical Engineering Kasetsart University <u>Master Degree</u> General Management University of Texas at Arlington <u>Doctor Degree</u> Management Psychology University of Texas at Arlington <u>Certificates</u> 1. . Executive Director Program Generation 94/2007 (DCP 94/2007) 2. Role of The Chairman Program RCP generation 39/2016 3. Program of Director of Psychological operation, (SorJorWor) 109 th generation 4. Advanced Management Program (SorWorPorOr.MorSor.) 5 th generation	-	0.00	2017 - present 2010 – present 2017 - present 2016-present 2016 – present	Chairman of the Board Chairman of Executive Board Committee Chairman of Risk Management Committee Managing Director Dimet (Siam) Public Company Limited. Independent Committee Bangkok Land Public Company Limited Vice president of the psychological security Association of Thailand Consultant of Strategic Plan for the development of energy storage system of Thailand, Ministry of Energy. Consultant of Information Technology, Department of Special Investigation, Ministry of Justice.

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
			5. Executive Director Program, Capital Market Acedamy (WorTorTor) 19 th generation 6. ABC Difference Program, 7 th Generation 7. Global Business Leaders (GBL): Cornell University, Business Institute, 1 st generation				

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
2.	Mr.Theerachai Leenabanchong Board of Director Committee. Executive Board Committee Recruiting and Renumeration Committee Authorized Committee	48	<u>Bachelor Degree</u> Marketing department, Faculty of Business Administration Assumption University <u>Master Degree</u> Master of Business Administration, Faculty of Business Administration Assumption University <u>Certificates</u> 104/2013 generation: Institute of Directors 2. Global Business Leaders (GBL): Cornell University & Lead	-	0.00	Feb 2016 - present 2013 –present 2013 –present 2016 – present 2016 – present 2015 – present	Committee and Executive Board Committee Recruiting and Renumeration Committee Dimet(Siam) Public Company Limited Committee and Executive Board Committee Engineering Network Plc. Committee and Executive Board Committee Managing Director, Business Development and organization business Uawitaya Public Company Limited Committee and Executive Board Committee Rayong Wire Industry Public Company Limited Committee, Enersol Co.,Ltd. Board of Directors, Goman Biomass Co.,Ltd.

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
			Business Institute, 2 nd generation 3. Modern Managers Program: Chulalongkorn University (MMP) 51 st generation			2016 – present	Committee, UWC Amber Biomass Co.,Ltd.
						2016 – present	Board of Directors, Satuek Biomass Co.,Ltd.
						2015 – present	Board of Directors, UWC Solar Co.,Ltd.
						2015 – present	Committee, Evergreen Biomass Co.,Ltd.
						2015 – present	Committee, Paradise Green Energy Co.,Ltd.
						2017 – present	Committee, UWCC (Cambodia) Co.,Ltd.
						2017 – present	Committee, Interglob Investment Co.,Ltd.

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
3.	Ms.Wanna Maluengnon Independent Committee Chairman of Recruiting and Remuneration Committee Risk Management Committee	48	<u>Bachelor Degree</u> Bachelor of Accounting, Chulalongkorn University <u>Master Degree</u> Master of Business Administration Chulalongkorn University <u>Certificates</u> 1. Certified Public Accountant Thammasart University 2. Audit Committee Program (ACP) 42/2013 generation, Institute of Directors 3. Director Accreditation Program (DAP) 99/2012 generation	-	0.00	Mar 2016-present May 2016-present Jul 1994-present Jan 2018-present	Independent Committee, Chairman of Audit Committee and Risk Management Committee Dimet (Siam) Public Co.,Ltd. Chairman of the Board Ocean Commerce Public Co.,Ltd. Managing Directors Ac-Plus Consultant Co.,Ltd. Committee Siam Biomass Supply Co.,Ltd.

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
4.	Mr.Manit Koothanapat Independent Committee Audit Committee Recruiting and Remuneration Committee	61	<u>Bachelor Degree</u> Bachelor of Arts (Political Science) Ramkamhaeng University Bachelor of Engineering (Mechanical Engineering) Institute of Technology Prachomklao (Thonburi) <u>Master Degree</u> Master of Engineering (Energy Technology) <u>Certificates</u> Director Accreditation Program (DAP) 132/2016 generation Institute of Directors	-	0.00	16 Aug 2016.- present Mar 2018-present 2007-present 2016 2007-2016 2015-present	Independent Committee and Audit Committee Recruiting and Remuneration Committee Dimet (Siam) Public Co.,Ltd. Committee, 4332 consultant and Technology Co.,Ltd. Councilor of Ramkamhaeng University Lecturer, Faculty of Engineering, Ramkamhaeng University Council of Engineer

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
5.	Mr.Chokechai Niamrat Committee Executive Board Committee Authorized Committee	54	<u>Bachelor Degree</u>	-	0.00	1993-2017	- Sales Director, Woods enamel and industrial paints Dimet (Siam) Public Co.,Ltd.
			Bachelor of Industrial Engineering, University of Chiangmai			2007-2014	Committee Dimet (Siam) Public Co.,Ltd
			<u>Certificates</u> Director Certification Program 84/2007 generation			Sep 2017 – present	Committee/Executive Board Committee Dimet (Siam) Public Co.,Ltd
			Financial Statements for Directors Class 9/2010 Institute of Directors (IOD)			2018 - present	Committee Asian Corrosion Control Technology Co.,Ltd.

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
6.	Police Lieutenant General Somkid Bunthanom	66	<u>Bachelor Degree</u> Bachelor of Public Administration (police), Police Cadet	-	0.00	1998 – sep 2012	Royal court police duty officer for Royal family, serve for 15 year for royal court.
	Committee					2011- 2012	Police Chief Inspector (SorBor8)
	Authorized Committee		<u>Master Degree</u> Master of Public Administration, Chulalongkorn University			2013 – present	Secretary of the commission of follow up study of law enforcement related to guardianship and embracing the monarchy, National Legislative Assembly (SorNorChor)
			<u>Certificates</u> National Defense public sector-government joint defense Program (WorPorOr) 2546 th generation			Nov 2012 – present	Consultant to Preecha Group Public Co.,Ltd.
			F.B.I.Program training, USA. Police top management program 19 th generation			22 Jun 2018 - present	Committee and authorized committee Dimet (Siam) Public Co.,Ltd

Board of Directors related details

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
7.	Police Major General Prapass Piyamongkol Independent Director Audit Committee	61	<u>Bachelor Degree</u> Bachelor of Laws Ramkhamhaeng University <u>Master Degree</u> Master of Public Administration National Institute of Development Administration <u>Certificates</u> Director Certification Program 154/2018 generation Advanced Audit Committee Program 33/2019 Advanced Police Administration (SMC 35) Certificate of Completion Training Course for Judge	-	0.00	22 Aug 2018 - present 20 Mar 2019-present 2018 2017-2018 2014-2017 2013-2014 2011-2013	Independent Director and Committee Dimet (Siam) Public Co.,Ltd Subcommittee on Compliant Diagnosis and Problems or Argument Election Commission of Thailand Advisory Level of Royal Thai Police Deputy Commander of Criminal Records Division Deputy Commander of Surin Provincial Police Deputy Commander of Ubon Ratchathani Provincial Police Deputy Commander of Chaiyaphum Provincial Police

Items	Names/Positions	Age	Qualification	Family Relation Between Management	Shareholder ratio in Company (%)	Experiences in past 5 years	
						Interval	Position and Department/ Company Names
8.	Mr. Narongsak Tangtong Independent Director	51	<u>Bachelor Degree</u> Agro-Industry (Bachelor of Science) King Mongkut's Institute of Technology Ladkrabang University <u>Certificates</u> Director Certification Program 236/2017 generation THE BOSS #61 Management and Psychology Management of Public Economic for Executive #14 King Prajadhipok's Institute Executives for Nation Building (NBI 2) Nation-Building Institute Chief Executive in City Management (4 th generation city leader) Navamindradhiraj University	-	2,225,000 stocks	22 Aug 2018 - present	Independent Director and Committee Dimet (Siam) Public Co.,Ltd

Names	Company	Subsidiary	Related Company																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Mr.Panya Boonyapiwat	X, /, //, @	/, @												/					
2. Mr.Theerachai Leenabanchong	/, //, @	/, @	/, //	/	/	/	/	/	/, //	/, //	/	/				/	/		
3. Mr.Chokechai Niamrat	/, //, @	/																	
4. Pol.Lieutenant General Somkid Bunthanom	/, @																		
5. Mrs.Wanna Maluengnon	/												/, @					/, @	/, @
6. Mr.Manit Koothanapat	/														/				
7. Police Major General Prapass Piyamongkol	/																		
8. Mr.Narongsak Tangtong	/																		

Remarks :

X = Chairman of the board / = Board of Directors // = Executive Board Committee @ = **Authorized Committee**

Company means Dimet (Siam) Public Co.,Ltd.

Subsidiary means Asian Corrosion Control Technology Co.,Ltd.

Related Company means

1. Uawitaya PLC.

2. Evergreen Co.,Ltd.

3. UWC Solar Co.,Ltd.

4. Enersol Co.,Ltd.

5. Paradise Green Energy Co.,Ltd

6. UWC Amber Biomass Co.,Ltd.

7. Capital Engineering Network PLC.

8. Rayong Wire Industries PLC.

9. Goman Biomass Co.,Ltd.

10.Stuek Biomass Co.,Ltd.

11. Ac-plus Consultant Co.,Ltd.

12. Bangkok Land PLC.

13. 4332 Consultant and Technology Co.,Ltd.

14. UWCC (Cambodis) Co., Ltd.

15.Interglob Investment Co., Ltd.

16. Ocean Commerce PLC.

17.Siam Biomass Supply Co.,Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dimet (Siam) Public Company Limited*Opinion*

I have audited the consolidated financial statements of Dimet (Siam) Public Company Limited and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Dimet (Siam) Public Company Limited (the "Company"), which comprise the separate statement of financial position as at 30 June 2019, the separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2019, and its consolidated financial performance and cash flows for the year then ended and the separate financial position of the Company as at 30 June 2019, and its separate financial performance and 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 and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in the audit
<p><i>Allowance for slow-moving and obsolete inventories</i></p> <p>As at 30 June 2019, the Group and the Company recognized allowances for slow-moving and obsolete inventories of Baht 29.60 million and Baht 29.33 million, respectively. I focused on this matter because the allowance for slow-moving and obsolete inventories requires significant management judgement based on inventory aging and determining the net realizable value.</p> <p>Refer to Note 4 for critical accounting estimates, assumption, and judgments and capital risk management and Note 9 “Inventories” for details of inventory balances.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Understanding the nature and type of inventories including the policy for the calculation of the allowance for slow-moving and obsolete inventories. - On a sample basis, testing the aging report and reperforming the calculation of the allowance for slow-moving and obsolete inventories and comparing the results with the estimated amount from the management. - Observing the condition of long outstanding inventories to ensure they are usable. - Performing subsequent review after period end to ensure that the inventory value was not above the net realizable value. - Assessing the appropriateness and adequacy of the disclosure of the allowance for slow-moving and obsolete inventories.

The key audit matter	How the matter was addressed in the audit
<p><i>Impairment of long-term investments</i></p> <p>As at 30 June 2019, the consolidated and separate financial statements included long-term investments amounting to Baht 118.63 million. As a result of impairment testing, an allowance of Baht 83.14 million was recorded in 2019.</p> <p>Both the identification of impairment indicators, and impairment testing process is complex and highly judgmental and involves estimates about future conditions.</p> <p>Refer to Note 4 for critical accounting estimates assumption, and judgments and capital risk management and Note 12 which provide detail of the impairment testing performed by management.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Assessing the independence, professional competency and experience of the valuer - Reviewing the independent valuers report and assessing the appropriateness of the approach and methodology - Assessing the reasonableness of the assumptions applied to estimate the expected future cash flows by comparing with current and historical operations. - Discussing with the valuer and management the basis of assumptions used and future business plan. - Evaluating the reasonableness of the discount rate applied to calculate future cash flows. - Verifying the mathematical accuracy of the model. - Reviewing management's sensitivity analysis and considering the impact to the recoverable amount. - Assessing the adequacy and appropriateness of the disclosures of assumption and recoverable amount of assets.

Other Information

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

My opinion on the consolidated and 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 and 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 and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to request the management and those charged with governance to correct the material misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated and 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, 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 and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and 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 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 and 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 and 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 and separate financial statements, including the disclosures, and whether the consolidated and 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and 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.



Miss Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

30 August 2019

**DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION**

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	18,020,945	12,545,286	17,899,211	11,991,206
Trade accounts receivable - general customers - net	6	70,340,553	36,155,887	70,340,553	35,356,169
- related companies	6, 7	42,133,019	27,048,581	42,421,969	27,048,581
Amount due from subsidiary company	7	-	-	375,366	125,658
Short - term loan to subsidiary company					
and accrued interest income	7	-	-	952,965	1,079,644
Inventories - net	9	42,084,379	32,254,473	42,067,373	32,206,065
Other current assets		2,775,530	4,104,206	2,733,822	4,117,005
Total Current Assets		175,354,426	112,108,433	176,791,259	111,924,328
NON - CURRENT ASSETS					
Restricted deposit with bank	10	1,920,185	5,000,000	1,920,185	5,000,000
Investment in subsidiary company - net	11	-	-	10,000	-
Long - term investments - net	12	118,631,360	331,360	118,631,360	331,360
Property, plant and equipment - net	13	30,182,858	33,966,608	30,170,022	33,949,770
Intangible assets - net	14	902,366	314,504	878,594	310,777
Withholding tax		940,174	512,164	577,930	209,952
Deferred income tax assets	23	311,001	9,755,919	-	9,444,918
Other non - current assets		5,582,528	255,278	5,582,528	255,278
Total Non - Current Assets		158,470,472	50,135,833	157,770,619	49,502,055
TOTAL ASSETS		333,824,898	162,244,266	334,561,878	161,426,383

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

(Unit :
Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade accounts payable	- general suppliers	64,282,038	49,152,405	64,231,834	48,925,784
	- related companies	7 10,747,536	17,289,977	10,747,536	16,382,803
Current portion of liabilities under					
finance lease agreements	16	443,973	582,624	443,973	582,624
Accrued expenses		6,764,558	3,692,397	6,665,068	3,574,643
Other current liabilities	17	9,022,970	5,811,823	9,021,885	5,776,977
Total Current Liabilities		91,261,075	76,529,226	91,110,296	75,242,831
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreements - net	16	-	443,973	-	443,973
Employee retirement benefits obligation	18	4,177,221	3,213,047	4,177,221	3,213,047
Total Non - Current Liabilities		4,177,221	3,657,020	4,177,221	3,657,020
TOTAL LIABILITIES		95,438,296	80,186,246	95,287,517	78,899,851

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	30 June 2019	30 June 2018	30 June 2019	30 June 2018
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital – common share at Baht 0.50 par value					
- Authorized 806,860,341 shares					
(30 June 2018 : 270,000,000 shares)		403,430,171	135,000,000	403,430,171	135,000,000
- Issued and fully paid-up 537,906,894 shares					
(30 June 2018 : 268,953,447 shares)	19	268,953,447	134,476,724	268,953,447	134,476,724
Premium on share capital	19, 20	154,862,636	20,385,912	154,862,636	20,385,912
Surplus from change in proportion of investment in subsidiary company		548,303	721,283	-	-
Retained earnings (deficit)					
Appropriated for legal reserve	21	3,030,000	3,030,000	3,030,000	3,030,000
Unappropriated		(189,007,784)	(76,444,627)	(187,571,722)	(75,366,104)
Portion of the Company's shareholders		238,386,602	82,169,292	239,274,361	82,526,532
Non - controlling interests in subsidiary		-	(111,272)	-	-
TOTAL SHAREHOLDERS' EQUITY		238,386,602	82,058,020	239,274,361	82,526,532
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		333,824,898	162,244,266	334,561,878	161,426,383

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE

(Unit : Baht)

	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		2019	2018	2019	2018
Revenues from sales and services	7	298,182,909	276,925,649	295,345,047	275,037,409
Revenues from construction service	7, 8	35,066,406	-	35,066,406	-
Total revenues		333,249,315	276,925,649	330,411,453	275,037,409
Costs of sales and services	7,9,22	(225,203,249)	(226,678,120)	(223,465,579)	(225,692,648)
Cost of construction service	7, 22	(34,731,007)	-	(34,731,007)	-
Total cost of goods sold		(259,934,256)	(226,678,120)	(258,196,586)	(225,692,648)
Gross income		73,315,059	50,247,529	72,214,867	49,344,761
Other income	7	1,323,396	1,958,033	1,250,807	2,232,858
Selling expenses	22	(61,859,036)	(61,410,584)	(60,967,771)	(59,950,336)
Administrative expenses	7, 22	(115,859,796)	(26,635,275)	(115,169,033)	(26,389,813)
Loss before finance costs and income tax		(103,080,377)	(35,840,297)	(102,671,130)	(34,762,530)
Finance costs		(149,724)	(307,764)	(149,724)	(307,764)
Loss before income tax		(103,230,101)	(36,148,061)	(102,820,854)	(35,070,294)
Income tax	23	(9,432,887)	(2,386,992)	(9,432,887)	(2,260,786)
Loss for the year		(112,662,988)	(38,535,053)	(112,253,741)	(37,331,080)
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss:					
Actuarial gain - net of tax	18	48,123	2,505,080	48,123	2,505,080
Total comprehensive income for the year		(112,614,865)	(36,029,973)	(112,205,618)	(34,826,000)
LOSS ATTRIBUTABLE TO:					
Equity holder of the Company		(112,611,280)	(38,249,109)	(112,253,741)	(37,331,080)
Non-controlling interests in subsidiary		(51,708)	(285,944)	-	-
		(112,662,988)	(38,535,053)	(112,253,741)	(37,331,080)
ALLOCATION OF COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holder of the Company		(112,563,157)	(35,744,029)	(112,205,618)	(34,826,000)
Non-controlling interests in subsidiary		(51,708)	(285,944)	-	-
		(112,614,865)	(36,029,973)	(112,205,618)	(34,826,000)

BASIC EARNINGS PER SHARE

Loss (Baht per share)	25	(0.224)	(0.144)	(0.223)	(0.141)
Weight average number of common shares (share)		502,643,299	265,112,604	502,643,299	265,112,604

DILUTED INCOME PER SHARE

Loss (Baht per share)	25	(0.224)	(0.135)	(0.223)	(0.131)
Weighted average number of common shares (share)		502,643,299	265,112,604	502,643,299	265,112,604

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Cash flows from operating activities				
Loss before income tax	(103,230,101)	(36,148,061)	(102,820,854)	(35,070,294)
Adjustments to reconcile loss before income tax to net cash provided from (used in) operating activities				
Depreciation and amortization expenses	4,526,118	5,523,691	4,521,161	5,516,371
Allowance (reversal of allowance) for doubtful debt	(323,220)	1,969,908	(323,220)	1,969,908
Allowance for slow moving and obsolete inventories	557,170	11,151,033	531,419	11,143,490
Allowance for impairment of long - term investment	83,140,000	-	83,140,000	-
Unrealized gain on exchange rate	(95,412)	(163,020)	(95,412)	(166,349)
Gain on disposal of equipment	-	(767,303)	-	(767,303)
Reserve for employee retirement	919,118	434,500	919,118	434,500
Interest income	(238,301)	(63,750)	(311,622)	(127,500)
Finance costs	149,724	307,764	149,724	307,764
Cash used in operations before changes in operating assets and liabilities	(14,594,904)	(17,755,238)	(14,289,686)	(16,759,413)
Decrease (increase) in operating assets				
Trade accounts receivable - general customers	(33,861,446)	2,824,310	(34,661,164)	2,434,944
- related companies	(15,084,438)	2,910,587	(15,373,388)	2,910,587
Amount due from subsidiary company	-	-	(249,708)	64,398
Inventories	(10,387,076)	(766,986)	(10,392,727)	(885,486)
Other current assets	1,328,675	(636,822)	1,383,182	(655,762)
Other non - current assets	(5,327,250)	703,685	(5,327,250)	68,684
Increase (decrease) in operating liabilities				
Trade accounts payable - general suppliers	15,225,045	(5,787,784)	15,401,462	(5,787,784)
- related companies	(6,542,441)	11,158,868	(5,635,267)	11,964,555
Accrued expenses	3,072,161	(740,672)	3,090,425	(722,564)
Other current liabilities	3,211,147	1,005,436	3,244,908	821,281
Cash used in operating activities	(62,960,527)	(7,084,616)	(62,809,213)	(6,546,560)
Interest paid	(44,513)	(134,960)	(44,513)	(134,960)
Income tax paid	(428,010)	(105,670)	(367,978)	(47,010)
Net cash used in operating activities	(63,433,050)	(7,325,246)	(63,221,704)	(6,728,530)

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash received from interest	238,301	63,751	238,301	127,501
Decrease in restricted deposit with bank	3,079,815	-	3,079,815	-
Decrease in short-term loans to subsidiaries	-	-	200,000	-
Proceed from disposal of assets	-	1,362,619	-	1,362,619
Cash paid for acquisition of investments in other company	(201,440,000)	-	(201,440,000)	-
Cash paid for acquisition of investments in subsidiary	(10,000)	-	(10,000)	-
Cash paid for acquisition of plant and equipment	(609,230)	(2,366,276)	(609,230)	(2,366,276)
Cash paid for acquisition of intangible assets	(721,000)	(7,000)	(700,000)	(7,000)
Net cash used in investing activities	(199,462,114)	(946,906)	(199,241,114)	(883,156)
Cash flows from financing activities				
Cash received from increase in share capital	268,953,447	-	268,953,447	-
Cash received from warrants converted to common shares	-	5,745,524	-	5,745,524
Repayment for finance lease liabilities	(582,624)	(1,366,000)	(582,624)	(1,366,000)
Net cash provided from financing activities	268,370,823	4,379,524	268,370,823	4,379,524
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET	5,475,659	(3,892,628)	5,908,005	(3,232,162)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,545,286	16,437,914	11,991,206	15,223,368
CASH AND CASH EQUIVALENTS AT END OF YEAR	18,020,945	12,545,286	17,899,211	11,991,206
Supplemental cash flows information:				
Payable for purchase of fixed assets	-	46,228	-	46,228

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30 JUNE

(Unit : Baht)

		Shareholders' equity of the Company							
				Surplus from change in proportion of investment in	Retained earnings (deficit)			Non -	
	Notes	Paid-up share capital	Premium on share capital	subsidiary company	Appropriated for legal reserve	Unappropriated	Total	controlling interests	Total
Consolidated F/S									
Balance as at 1 July 2017		128,731,200	20,385,912	721,283	3,030,000	(40,700,598)	112,167,797	174,672	112,342,469
Warrants converted to common shares	19	5,745,524	-	-	-	-	5,745,524	-	5,745,524
Transactions with owners		5,745,524	-	-	-	-	5,745,524	-	5,745,524
Loss for the year		-	-	-	-	(38,249,109)	(38,249,109)	(285,944)	(38,535,053)
Other comprehensive income for the year		-	-	-	-	2,505,080	2,505,080	-	2,505,080
Comprehensive loss for the year		-	-	-	-	(35,744,029)	(35,744,029)	(285,944)	(36,029,973)
Balance as at 30 June 2018		134,476,724	20,385,912	721,283	3,030,000	(76,444,627)	82,169,292	(111,272)	82,058,020
Balance as at 1 July 2018		134,476,724	20,385,912	721,283	3,030,000	(76,444,627)	82,169,292	(111,272)	82,058,020
Increase in share capital	19	134,476,723	134,476,724	-	-	-	268,953,447	-	268,953,447
Decrease in non-controlling interest	11	-	-	(172,980)	-	-	(172,980)	162,980	(10,000)
Transactions with owners		134,476,723	134,476,724	(172,980)	-	-	268,780,467	162,980	268,943,447
Loss for the year		-	-	-	-	(112,611,280)	(112,611,280)	(51,708)	(112,662,988)

Other comprehensive income for the year	-	-	-	-	48,123	48,123	-	48,123
Comprehensive loss for the year	-	-	-	-	(112,563,157)	(112,563,157)	(51,708)	(112,614,865)
Balance as at 30 June 2019	268,953,447	154,862,636	548,303	3,030,000	(189,007,784)	238,386,602	-	238,386,602

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30 JUNE

(Unit : Baht)

				Retained earnings (deficit)		
	Notes	Paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Total
<u>Separate F/S</u>						
Balance as at 1 July 2017		128,731,200	20,385,912	3,030,000	(40,540,104)	111,607,008
Warrants converted to common shares	19	5,745,524	-	-	-	5,745,524
Transactions with owners		5,745,524	-	-	-	5,745,524
Loss for the year		-	-	-	(37,331,080)	(37,331,080)
Other comprehensive income for the year		-	-	-	2,505,080	2,505,080
Comprehensive loss for the year		-	-	-	(34,826,000)	(34,826,000)
Balance as at 30 June 2018		134,476,724	20,385,912	3,030,000	(75,366,104)	82,526,532
Balance as at 1 July 2018		134,476,724	20,385,912	3,030,000	(75,366,104)	82,526,532
Increase in share capital	19	134,476,723	134,476,724	-	-	268,953,447
Transactions with owners		134,476,723	134,476,724	-	-	268,953,447
Loss for the year		-	-	-	(112,253,741)	(112,253,741)
Other comprehensive income for the year		-	-	-	48,123	48,123
Comprehensive loss for the year		-	-	-	(112,205,618)	(112,205,618)
Balance as at 30 June 2019		268,953,447	154,862,636	3,030,000	(187,571,722)	239,274,361

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

DIMET (SIAM) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
AS AT 30 JUNE 2019 AND 2018

1. NATURE OF OPERATIONS

Dimet (Siam) Public Company Limited (“the Company”) was listed on the Stock Exchange of Thailand in 2008 and the Company’s stocks are traded on the MAI (Market for Alternative Investment). The Company is principally engaged in the manufacture and sale of coating products (paint). During the year, the Company also started to provide construction services. The Company’s office is located at 602 Moo 2 Sukhumvit Road, Bangpoo Mai, Muang Samutprakarn, Samutprakarn.

The Company has a subsidiary, Asian Corrosion Control Technology Limited, which is engaged in the distribution of coating products (paint) and provision of painting services.

As at 30 June 2019, major shareholder of the Company was Ua Withaya Public Co., Ltd. which held 24.98% (30 June 2018: 25.00%)

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis of financial statement preparation

The accompanying consolidated and separate financial statements have been officially prepared in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. These financial statements are officially prepared in the Thai language. The translation of these consolidated and separate financial statements to another language must be in compliance with the official report in Thai.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Dimet (Siam) Public Company Limited and subsidiary (Asian Corrosion Control Technology Limited). The Company has increased its ownership in Asian Corrosion Technology Limited from 76.25% to 100% during the year as described in Note 11. The consolidated financial statements have been prepared on the same basis as applied for the financial statements for the year ended 30 June 2018.

The percentage of subsidiary's total assets as at 30 June 2019 and 2018 and total revenues for the years ended 30 June 2019 and 2018 as included in the consolidated financial statements are as follows:

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2019	2018	2019	2018
<u>Subsidiary company</u>				
Asian Corrosion Control Technology Limited	0.17	1.08	0.86	0.69

Significant intercompany balances and transactions and investment in subsidiary company have been eliminated in the preparation of consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for the preparation of the separate financial statements.

2.3 New and revised financial reporting standards, interpretations and guidance

2.3.1 Amendments and interpretations to existing Standards that are effective from 1 January 2018

The Federation of Accounting Professions has issued revised Thai Financial Reporting Standards (TFRS), interpretations and guidance, that are effective for annual accounting periods beginning on or after 1 January 2018. The changes were to align with the corresponding International Financial Reporting Standards where most of the changes are relating to the revision of wording and terminology, and the provision of interpretations and accounting guidance to users of the standards.

The adoption of these revised TRFS has not had a material impact on the consolidated and separate financial statements except for the addition disclosures required under TAS 7 (Note 29).

2.3.2 New Standards that are effective from 1 January 2019

During the year, the Federation of Accounting Professions issued Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" (TFRS 15). TFRS 15 is effective for annual accounting periods beginning on or after 1 January 2019, and prescribes new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 "Revenue", Thai Accounting Standard No.11 "Construction Contracts", and several revenue-related Interpretations. The new standard establishes a control-based

revenue recognition model and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

The Company and subsidiary's management has assessed that the impact on the financial statements is immaterial on revenue and other related accounts when the new standard is initially applied.

2.3.3 New Standards that are effective from 1 January 2020

- TFRS 16 "Leases"

This financial reporting standard replaces sets out the principles for the recognition, measurement, presentation and disclosure of leases. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and lease liability.

- Thai Financial Reporting Standards for "Financial Instruments"

TFRSs for financial instruments, which consists of TFRS 9 "Financial instruments", TAS 32 "Financial instruments: Presentation", TFRS 7 "Financial instruments: Disclosure", TFRIC 16 "Hedges of a Net Investment in a Foreign Operation" and TFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", are effective for annual accounting periods beginning on or after 1 January 2020 and has new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Company and subsidiary will adopt these new standards when they become effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

3.2 Trade accounts receivable and allowance for doubtful accounts

Trade and other accounts receivable are stated at their invoice values less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment history and future expectations of customer payments. Bad debts are written off when incurred.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, which are allocated on the basis of normal operating activities. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.4 Investments

Investment in subsidiary are presented by using the cost method of accounting in the separate financial statements.

Subsidiary included in the consolidation, are the entities in which the Company has the power to govern the financial and operating policies.

Subsidiary is consolidated from the date on which control is transferred to the Company and is no longer consolidated from the date that control ceases.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost.

A test for impairment is carried out when there is an indication that an investment might be impaired. If the carrying amount of the investment is higher than its recoverable amount, impairment loss is charged to the statement of profit or loss.

3.5 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

3.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All assets, except land, are stated at cost less accumulated depreciation and impairment losses.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised as other income or other expense in the statement of profit or loss.

Subsequent costs are recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Major overhaul costs are depreciated over the remaining useful lives of related asset. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	20 years
Machinery and equipment	6.6 years
Fixtures and office equipment	6.6 years
Motor vehicles	5 years

3.7 Intangible assets

Intangible assets represent computer software which are stated at cost less accumulated amortization and impairment losses. Their amortization is calculated by reference to their costs on a straight-line basis over the estimated useful life of 6.6 years.

3.8 Impairment of assets

The carrying amounts of the assets (or cash-generating units) of the Company and subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An asset's recoverable amount is the higher of its fair value less cost to sell and value in use.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

3.9 Leases - where a company is the lessee

Leases of equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded as long-term liabilities. The finance charge is charged to the statement of profit or loss over the lease period. Assets under finance lease agreements are depreciated over its useful lives.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, penalty is recognized as an expense in the period in which termination takes place.

3.10 Revenue

Revenue from sales of goods

Revenue from sales of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer.

Service income

Service income is recognized as services are provided.

Construction contracts

Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date, base actual cost proportion of the completed contract work.

Contract revenue is measured at the fair value of consideration received or receivable.

When the Company and subsidiary cannot measure the outcome of a contract reliably, revenue is recognised only to the extent of contract costs that have been incurred and are recoverable.

In either situation, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately in profit or loss.

The gross amount due from customers for contract work is presented within trade and other receivables as unbilled accrued income for all contracts in progress for which costs incurred plus recognised profits (less recognized losses) exceeds progress billings. The gross amount due to customers for contract work is presented within other current liabilities for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognized losses).

Interest income

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

3.11 Foreign currency transactions

Transactions in foreign currencies are translated into Baht at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates prevailing at the end of reporting period. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and

liabilities, denominated in foreign currencies, are recognized as gain or loss in the statement of profit or loss and other comprehensive income.

3.12 Employee benefit

Short-term employment benefits

Salaries, wages, bonuses, and contributions to the social security and the provident fund, are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plan

The Company, subsidiary and their employees have jointly established a provident fund plan whereby monthly contribution are made by the employees and the entities. The fund assets are held in a separate trust fund. Contributions made by the Company and subsidiary are recognised as expenses when incurred.

Defined benefit plan

The Company and subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan are determined by a professionally qualified independent actuary using the projected unit credit method.

Actuarial gains or losses arising from post-employment benefits are recognized immediately in the statement of comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation.

3.13 Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected income tax payable or benefits receivable under the tax regulations on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

3.14 Basic earnings per share

Basic earnings per share is computed by dividing net profit (loss) by the weighted average number of paid-up common shares during the year.

3.15 Diluted earnings per share

Diluted earnings per share is determined by dividing the profit by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that the Company may reserve for conversion to common share occurred during the year.

3.16 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts receivable, short - term loan to subsidiary and deposits pledged as collateral. Financial liabilities carried on the statement of financial position include, trade accounts payable, financial lease liabilities and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.17 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs from the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the

same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3.18 Segment reporting

Segmental results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.19 Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company and subsidiary to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures for contingent assets and liabilities. Actual results may differ from those estimates.

3.20 Provisions for liabilities and charges and contingency assets

The Company and subsidiary account for estimated liabilities and accrued expenses in the books of accounts when legal or constructive obligations occurred as the results of past events with probable outflows of resources to settle the obligations, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Impairment of receivables

The Company and subsidiary provide allowances for doubtful accounts to reflect impairment of trade accounts receivable relating to estimated losses resulting from the inability of customers to make required payments. The allowances are based on consideration of historical collection experience couple with a review of the ages of outstanding receivables at the statement of financial position date.

4.1.2 Allowances for slow-moving and obsolete inventories

The Company and subsidiary provide allowances for slow-moving and obsolete inventories to reflect impairment of inventories. The allowances are based on consideration of inventory turnovers and deterioration of each category.

4.1.3 Building and equipment and intangible asset

Management determines the estimated useful lives and residual values for the Company's and subsidiary's building and equipment and intangible asset, and revise the depreciation charges where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in use.

4.1.4 Leases

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

4.1.5 Impairment of assets

The Company and subsidiary treat an asset as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management judgment.

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cashflows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

In 2019, the Company recorded an impairment on long-term investments (as described in notes 12 and 22).

4.1.6 Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company and subsidiary's future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is

required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.2 Capital risk management

Objectives of the Company in the management of capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimal capital structures to reduce the cost of capital.

In order to maintain or adjust the capital structures, the Company may adjust the amount of dividends payment for shareholders, return capital to shareholders, issue new shares, or sell assets.

5. CASH AND CASH EQUIVALENTS

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Cash on hand	103,527	115,293	100,289	100,289
Cash at bank - Saving accounts	3,964,379	6,861,756	3,865,688	6,861,756
- Current accounts	13,920,989	5,232,033	13,901,184	4,692,957
Fixed deposit account with bank	32,050	336,204	32,050	336,204
Total	<u>18,020,945</u>	<u>12,545,286</u>	<u>17,899,211</u>	<u>11,991,206</u>

As at 30 June 2019, cash at banks bear interest at the rates of 0.125% - 0.375% per annum. (2018: 0.10% – 1.30% per annum).

6. TRADE ACCOUNTS RECEIVABLE - NET

Aging analysis of trade accounts receivable are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
<u>Trade accounts receivable –</u>				
<u>general customers</u>				
Not yet due	58,585,890	23,204,857	58,585,890	22,405,140
Past due:				
Less than 3 months	9,735,082	9,862,508	9,735,082	9,862,508
3 – 6 months	1,367,752	1,230,669	1,367,752	1,230,669
6 – 9 months	1,117,488	3,587,058	1,117,488	3,587,058
9 – 12 months	186,171	128,647	186,171	128,647
Over 12 months	14,037,768	13,154,966	13,382,027	12,499,224
Total	<u>85,030,151</u>	<u>51,168,705</u>	<u>84,374,410</u>	<u>49,713,246</u>
<u>Less</u> Allowance for doubtful	<u>(14,689,598)</u>	<u>(15,012,818)</u>	<u>(14,033,857)</u>	<u>(14,357,077)</u>

		(Unit: Baht)	
		CONSOLIDATED F/S	SEPARATE F/S
		2019	2018
		2019	2018
accounts			
Net		70,340,553	36,155,887
<u>Trade accounts receivable - related</u>			
<u>companies</u>			
Not yet due		31,943,567	10,884,406
Past due:			
Less than 3 months		10,189,452	16,164,175
Total		42,133,019	27,048,581

During the year, the movements in allowance for doubtful accounts are as follows:

		(Unit: Baht)	
		CONSOLIDATED F/S	SEPARATE F/S
Balance as at 1 July 2018		15,012,818	14,357,077
<u>Add</u> Allowance		1,477,511	1,477,511
<u>Less</u> Bad debt recovery		(1,800,731)	(1,800,731)
Balance as at 30 June 2019		14,689,598	14,033,857

7. RELATED PARTY TRANSACTIONS

The Company has significant accounting transactions with related parties that are related through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties

The related parties include the following:

Company	Type of Business	Relationship
Subsidiary		
Asian Corrosion Control Technology Limited	Distribution of coating products (paint) and painting service	Shares held by the Company with common directorship
Related companies		
IGEN Engineering Co., Ltd.	Testing and calibration services for electrical and electronic equipment	Shares held by the Company
Suncoat (Thailand) Co., Ltd.	Distribution of coating product and thinner	Shares held by the Company

Company	Type of Business	Relationship
McTric PCL	Construction	Shares held by the Company
Ua Withaya Public Co., Ltd.	Distribution of coating products (steel towers) and hot dip galvanized service	Major shareholder and common directorship
UWC Garnet Biomass Co., Ltd.	Manufacturer and distributor of electric power generate and transmission	Common shareholder and directorship
UWC Amphan Biomass Co., Ltd.	Manufacturer and distributor of electric power generate and transmission	Common shareholder and directorship
WJC Enterprise Co., Ltd.	Construction	Common shareholder and directorship

The pricing policies for particular types of transactions are explained further below:

Type of Transaction	Pricing Policies
Revenue from sales and services	At normal business prices, same as other entities
Revenues from service of construction	Cost plus margin
Revenue from management fee	At agreed contract price
Rental income	At agreed contract price
Other income	At agreed contract price
Purchase of goods	At normal business prices, same as other entities
Loans	Interest rate at 7% per annum

Significant transactions with related parties for the years ended 30 June 2019 and 2018 are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
<u>Revenue from sales and services</u>				
Related companies	118,522,080	113,280,626	118,522,080	113,280,626
<u>Revenues from service of construction</u>				
Related company	26,745,298	-	26,745,298	-
<u>Revenues from management fee, rental and other income</u>				
Subsidiary company	-	-	237,297	239,009
<u>Interest income</u>				
Subsidiary company	-	-	73,321	-
<u>Purchase of goods</u>				
Related companies	39,703,500	20,631,194	39,703,500	20,365,557

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
<u>Key management personnel compensation</u>				
Short-term benefits	6,934,980	9,910,734	6,934,980	9,910,734
Retirement benefits	70,134	66,651	70,134	66,651
Total	<u>7,005,114</u>	<u>9,977,385</u>	<u>7,005,114</u>	<u>9,977,385</u>

Office and warehouse rental agreement and office service agreement

The Company has office and warehouse rental agreement and office service agreement with a subsidiary for the period of 2 years commencing 1 July 2018 to 30 June 2020. The monthly rental income is Baht 5,000 for the office and warehouse, Baht 13,000 for the office services, and Baht 1,000 for insurance service.

Significant balances with related parties as at 30 June 2019 and 2018 are as follow:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
<u>Trade accounts receivable – related companies</u>				
Subsidiary company	-	-	288,950	-
Related companies	42,133,019	27,048,581	42,133,019	27,048,581
Total	<u>42,133,019</u>	<u>27,048,581</u>	<u>42,421,969</u>	<u>27,048,581</u>
<u>Amount due from related company</u>				
Subsidiary company	-	-	375,366	125,658
<u>Short - term loan to subsidiary and accrued interest income</u>				
Subsidiary company	-	-	952,965	1,079,644
<u>Trade accounts payable</u>				
Related companies	<u>10,747,536</u>	<u>17,289,977</u>	<u>10,747,536</u>	<u>16,382,803</u>
<u>Liabilities of key management personal compensation</u>				
Retirement benefits	<u>1,323,057</u>	<u>1,004,733</u>	<u>1,323,057</u>	<u>1,004,733</u>

Movements in short - term loans to subsidiary and accrued interest income for the year ended 30 June 2019 are as follows:

(Unit: Baht)

	SEPARATE F/S			
	2018	Increase	Decrease	2019
Short - term loan to and accrued interest income				
<u>Subsidiary</u>				
Loan	1,000,000	300,000	(500,000)	800,000
Accrued interest income	79,644	73,321	-	152,965
Total	1,079,644	373,321	(500,000)	952,965

8. CONSTRUCTION CONTRACTS IN PROGRESS

The amounts recognized in the statement of financial position relating to construction contracts in progress are calculated as the net amounts of costs incurred plus recognized profits, less recognized losses and progress billings. The carrying amounts of assets are analyzed as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Aggregate amount of cost incurred and recognized profits and losses for all contracts in progress	35,066,406	-	35,066,406	-
<u>Less</u> Progress billings	(35,066,406)	-	(35,066,406)	-
Due from customers for construction contract work, recognized in unbilled accrued income	-	-	-	-

9. INVENTORIES – NET

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Finished goods	27,709,249	28,271,263	27,425,878	27,982,241
Work in process	5,705,708	6,397,584	5,705,708	6,397,584
Raw materials	35,580,519	24,658,239	35,580,519	24,658,239
Container and packaging materials	2,685,233	2,822,463	2,685,233	2,822,463
Total	71,680,709	62,149,549	71,397,338	61,860,527
<u>Less</u> Allowance for slow-moving and obsolete inventories	(29,596,330)	(29,895,076)	(29,329,965)	(29,654,462)
Net	42,084,379	32,254,473	42,067,373	32,206,065

During the year, the movements in allowance for slow moving and obsolete inventories are as follows:

	(Unit: Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Balance as at 1 July 2018	29,895,076	29,654,462
<u>Add</u> Additional allowance for slow moving and obsolete inventories	557,170	531,419
<u>Less</u> Obsolete inventories written-off	(855,916)	(855,916)
Balance as at 30 June 2019	29,596,330	29,329,965

During the year, costs of inventories which were recognized as expenses are as follows:

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Costs of sales	224,646,079	227,194,043	222,934,160	226,208,571
Allowance (reversal of allowance) for slow-moving and obsolete inventories	557,170	(515,923)	531,419	(515,923)
Total costs of sales	225,203,249	226,678,120	223,465,579	225,692,648

10. RESTRICTED DEPOSITS WITH BANK

As at 30 June 2019, the Company had fixed deposits of Baht 1.92 million as collateral for bank guarantees issued by a bank on behalf of the Company as mentioned in Note 27.1

During the year, the fixed deposit of Baht 5 million was released following the termination of credit facilities for bank overdraft and loan from financial institution as mentioned in Note 15.

11. INVESTMENTS IN SUBSIDIARY - NET

	Paid up capital (Baht)		Percentage of investment		SEPARATE F/S	
					Cost method (Baht)	
	2019	2018	2019	2018	2019	2018
Asian Corrosion Control Technology Limited	4,000,000	4,000,000	100	76.25	3,212,500	3,202,500
<u>Less</u> Allowance for declining in value of investment					(3,202,500)	(3,202,500)
Total investments in subsidiary - net					10,000	-

On 9 October 2018, the Company purchased an additional 9,500 common shares in Asian Corrosion Control Technology Limited, representing 23.75% of the total paid up share capital, from MUI International Limited for an amount of Baht 10,000. As a result, the Company has increased its ownership in Asian Corrosion Control Technology Limited from 76.25% to 100.00% of the total share capital. The difference between the purchase price and the net book value of the assets purchased (non-controlling interests) of Baht 172,980 was a recorded directly in shareholders equity.

12. LONG - TERM INVESTMENTS – NET

Company	Nature	Location	Percentage of shareholding	(Unit: Baht) CONSOLIDATED F/S	
				2019	2018
IGEN Engineering Co., Ltd.	Testing and calibration services for electrical and electronic equipment	Thailand	14.00	181,440,000	-
Suncoat (Thailand) Co., Ltd.	Distributor of coating product	Thailand	10.00	300,000	300,000
McTric PCL	Construction	Thailand	4.08	20,000,000	-
Patkol PCL.	Manufacturing and installation of machines	Thailand	0.01	31,360	31,360
K-Tech Construction PCL.	Construction	Thailand	0.04	658,652	658,652
Total				202,430,012	990,012
<u>Less</u> Allowance for declining in value of investment				(83,798,652)	(658,652)
Net				118,631,360	331,360

(Unit: Baht)					
Company	Nature	Location	Percentage of shareholding	SEPARATE F/S	
				2019	2018
IGEN Engineering Co., Ltd.	Testing and calibration services for electrical and electronic equipment	Thailand	14.00	181,440,000	-
Suncoat (Thailand) Co., Ltd.	Distributor of coating product	Thailand	10.00	300,000	300,000
McTric PCL	Construction	Thailand	4.08	20,000,000	-
Patkol PCL.	Manufacturing and installation of machines	Thailand	0.01	31,360	31,360
Total				201,771,360	331,360
<u>Less</u> Allowance for declining in value of investment				(83,140,000)	-
Net				118,631,360	331,360

During the year 2019

The Company acquired 378,000 common shares at Baht 480 per share representing 14% of the total paid-up share capital of IGEN Engineering Company Limited from Electric Solution (S) PTE Ltd. The total amount of Baht 181.44 million was paid by the Company on 16 July 2018.

The Company acquired 12,244,800 common shares at Baht 1.63 per share representing 4.08% of the total paid-up share capital of McTric Public Company Limited from shareholders. The total amount of Baht 20 million was paid by the Company on 31 May 2019.

Impairment testing

There were indicators of impairment in the carrying amount of IGEN Engineering Co., Ltd. of Baht 181.44 million. Consequently, the Company engaged an independent certified financial advisor to assess the recoverable amount which resulted in an impairment provision of Baht 83.14 million.

The recoverable amount was determined using a cash flow projection based on a financial and business plan approved by management.

The key assumptions used in the recoverable amount assessment include:

Growth rate (%)	7
Discount rate (%)	9.15 – 9.34

Cash flow projection assumptions

Management assumed that the budgeted gross margin approximates to the industry gross margin taking into account expected market development. Management believes that this is the best available input for this projection.

Growth rate

The weighted average growth rate is based on the country economic growth. This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.

Discount rate

Discount rate is reflected the current market assessments of the time value of money and risks specific to assets.

Management is not currently aware of any other probable changes that impact the key assumptions and estimates. However, the estimated recoverable amount is particularly sensitive to the discount rate. If the discount rate used is increased/decreased by 0.10%, the recoverable amount will decrease/increase by Baht 2.24 million and Baht 2.34 million, respectively.

The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

13. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit: Baht)

	CONSOLIDATED F/S					Total
	Land	Buildings	Machinery and equipment	Fixture and office equipment	Vehicles	
<u>Cost</u>						
1 July 2017	16,470,500	42,858,544	52,028,868	35,488,748	10,333,407	157,180,067
Acquisitions	-	149,500	1,935,085	327,923	-	2,412,508
Disposal	-	-	-	(53,376)	(4,183,626)	(4,237,002)
30 June 2018	16,470,500	43,008,044	53,963,953	35,763,295	6,149,781	155,355,573
Acquisitions	-	-	187,095	422,135	-	609,230
30 June 2019	16,470,500	43,008,044	54,151,048	36,185,430	6,149,781	155,964,803
<u>Accumulated depreciation</u>						
1 July 2017	-	33,508,313	48,274,306	31,062,838	6,819,004	119,664,461
Depreciation for the year	-	866,474	1,260,128	1,846,916	1,392,668	5,366,186
Depreciation for disposals	-	-	-	(53,371)	(3,588,311)	(3,641,682)
30 June 2018	-	34,374,787	49,534,434	32,856,383	4,623,361	121,388,965
Depreciation for the year	-	873,852	1,223,648	1,513,156	782,324	4,392,980
30 June 2019	-	35,248,639	50,758,082	34,369,539	5,405,685	125,781,945
<u>Net book value</u>						
30 June 2018	16,470,500	8,633,257	4,429,519	2,906,912	1,526,420	33,966,608
30 June 2019	16,470,500	7,759,405	3,392,966	1,815,891	744,096	30,182,858

(Unit: Baht)

CONSOLIDATED F/S

	Land	Buildings	Machinery and equipment	Fixture and office equipment	Vehicles	Total
<u>Allocation for the year 2018</u>						
Cost of goods sold						1,768,438
Selling and administrative expenses						3,597,748
Depreciation for the year						5,366,186
<u>Allocation for the year 2019</u>						
Cost of goods sold						1,575,530
Selling and administrative expenses						2,817,450
Depreciation for the year						4,392,980

(Unit: Baht)

SEPARATE F/S

	Land	Buildings	Machinery and equipment	Fixture and office equipment	Vehicles	Total
<u>Cost</u>						
1 July 2017	16,470,500	42,858,544	51,324,470	35,348,445	10,333,407	156,335,366
Acquisitions	-	149,500	1,935,085	327,923	-	2,412,508
Disposal	-	-	-	(53,376)	(4,183,627)	(4,237,003)
30 June 2018	16,470,500	43,008,044	53,259,555	35,622,992	6,149,780	154,510,871
Acquisitions	-	-	187,095	422,135	-	609,230
30 June 2019	16,470,500	43,008,044	53,446,650	36,045,127	6,419,780	155,120,101
<u>Accumulated depreciation</u>						
1 July 2017	-	33,508,313	47,569,912	30,945,848	6,819,004	118,843,077
Depreciation for the year	-	866,474	1,260,129	1,840,435	1,392,668	5,359,706
Depreciation for disposals	-	-	-	(53,371)	(3,588,311)	(3,641,682)
30 June 2018	-	34,374,787	48,830,041	32,732,912	4,623,361	120,561,101
Depreciation for the year	-	873,852	1,223,648	1,509,154	782,324	4,388,978
30 June 2019	-	35,248,639	50,053,689	34,242,066	5,405,685	124,950,079
<u>Net book value</u>						
30 June 2018	16,470,500	8,633,257	4,429,514	2,890,080	1,526,419	33,949,770
30 June 2019	16,470,500	7,759,405	3,392,961	1,803,061	744,095	30,170,022

(Unit: Baht)

SEPARATE F/S

Land	Buildings	Machinery and equipment	Fixture and office equipment	Vehicles	Total
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Allocation for the year 2018

Cost of goods sold	1,768,438
Selling and administrative expenses	3,591,268
Depreciation for the year	5,359,706

Allocation for the year 2019

Cost of goods sold	1,575,530
Selling and administrative expenses	2,813,448
Depreciation for the year	4,388,978

As at 30 June 2019, the mortgage of land with structures thereon and certain machinery which have a total net book value of Baht 23.45 million, has been released following the termination of credit facilities for bank overdraft and short-term loans from a financial institution as mentioned in Note 15.

As at 30 June 2019 and 2018, the Company and subsidiary had fully depreciated assets, but are still in active use with the cost of such assets before accumulated depreciation amounting to approximately Baht 104.29 million and Baht 96.63 million, respectively (the Company's portion: Baht 104.29 million and Baht 95.84 million, respectively). The Company also had vehicles acquired under finance lease agreements, with net book value amounting to approximately Baht 0.74 million and Baht 2.56 million, respectively.

14. INTANGIBLE ASSETS – NET

(Unit: Baht)

	CONSOLIDATED F/S		
	Software	Software under installation	Total
<u>Cost</u>			
1 July 2017	2,792,296	-	2,792,296
Acquisitions	7,000	-	7,000
30 June 2018	2,799,296	-	2,799,296
Acquisitions	21,000	700,000	721,000
30 June 2019	2,820,296	700,000	3,520,296
<u>Accumulated amortization</u>			
1 July 2017	(2,327,287)	-	(2,327,287)
Amortization for the year	(157,505)	-	(157,505)
30 June 2018	(2,484,792)	-	(2,484,792)
Amortization for the year	(133,138)	-	(133,138)
30 June 2019	(2,617,930)	-	(2,617,930)
<u>Net book value</u>			
30 June 2018	314,504	-	314,504
30 June 2019	202,366	700,000	902,366
<u>Amortization for the year 2018</u>			
Selling and administrative expenses			157,505
<u>Amortization for the year 2019</u>			
Selling and administrative expenses			133,138

(Unit: Baht)

	SEPARATE F/S		
	Software	Software under installation	Total
<u>Cost</u>			
1 July 2017	2,786,696	-	2,786,696
Acquisitions	7,000	-	7,000
30 June 2018	2,793,696	-	2,793,696
Acquisitions	-	700,000	700,000
30 June 2019	2,793,696	700,000	3,493,696
<u>Accumulated amortization</u>			
1 July 2017	(2,326,254)	-	(2,326,254)
Amortization for the year	(156,665)	-	(156,665)
30 June 2018	(2,482,919)	-	(2,482,919)
Amortization for the year	(132,183)	-	(132,183)
30 June 2019	(2,615,102)	-	(2,615,102)
<u>Net book value</u>			
30 June 2018	310,777	-	310,777
30 June 2019	178,594	700,000	878,594
<u>Amortization for the year 2018</u>			
Selling and administrative expenses			156,665
<u>Amortization for the year 2019</u>			
Selling and administrative expenses			132,183

15. CREDIT FACILITIES

As at 30 June 2019, the Company has cancelled the unused credit facilities for bank overdraft and short-term loans from a financial institution totaling Baht 70 million. Consequently, the pledge of fixed deposits, as mentioned in Note 10, and the mortgage of land with structures thereon and certain machinery, as mentioned in Note 13, have also been cancelled.

16. FINANCE LEASE LIABILITIES – NET

		(Unit: Baht)	
		CONSOLIDATED AND SEPARATE F/S	
		2019	2018
Finance lease liabilities			
Due within 1 year		461,010	627,132
Due over 1 year but not more than 5 years		-	461,010
Total		461,010	1,088,142
<u>Less</u> Deferred interest		(17,037)	(61,545)
		443,973	1,026,597
<u>Less</u> Current portion of finance lease liabilities			
(net of deferred interest of Baht 17,037			
and Baht 44,508 respectively)		(443,973)	(582,624)
Net		-	443,973

17. OTHER CURRENT LIABILITIES

		(Unit: Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
		2019	2018	2019	2018
Other payables		6,231,701	4,080,009	6,231,701	4,053,257
Value added tax payable		2,158,143	1,245,329	2,158,143	1,245,329
Withholding tax payable		333,526	141,290	332,441	141,290
Advance receipts for the sales of goods		299,600	298,967	299,600	290,873
Payable for acquisition of assets		-	46,228	-	46,228
Total		9,022,970	5,811,823	9,021,885	5,776,977

18. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

	(Unit: Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2019	2018
Statement of financial position obligations for:		
Post-employment benefits	4,177,221	3,213,047
Statement of comprehensive income:		
<i>Recognized in profit or loss:</i>		
Post-employment benefits	1,024,328	608,304
<i>Recognized in other comprehensive income:</i>		
Gains recognized in the year	(60,154)	(3,131,350)

The Company has established a defined benefit obligation under the requirements of the Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movements in the present value of the defined benefit obligations.

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2019	2018
Beginning balance as at 1 July	3,213,047	5,737,093
Recognized in profit or loss		
- Current service costs	377,738	434,500
- Interest on obligation	105,210	172,804
- Past service cost	541,380	-
Recognized in other comprehensive income		
- Actuarial gain	(60,154)	(3,131,350)
Balance as at 30 June	4,177,221	3,213,047
Wholly unfunded	4,177,221	3,213,047

On 5 April 2019, the National Legislative Assembly published Labor Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation was

effective from 5 May 2019, and resulted in an increase in the employment benefit obligation of Baht 541,380 in the consolidated financial statement and the separate financial statement, with a corresponding amount included in the profit and loss accounting in respect of the past service costs.

Actuarial gains recognized in other comprehensive income arose from:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2019	2018
Discount rate	198,908	(36,073)
Salary increase rate	46,260	-
Death rate and disability rate	-	82,652
Employee turnover	(478,880)	(528,379)
Experience adjustment	173,558	(2,649,550)
Total	(60,154)	(3,131,350)

Actuarial assumptions

The following are principal actuarial assumptions at the reporting date arose from:

	2019	2018
Discount rate	2.12 percent per annum	2.93 percent per annum
Average future salary increment rate	3.18 percent per annum	3.00 percent per annum
Mortality rate	The Mortality Table 2017	The Mortality Table 2017
Normal retirement age	60 years	60 years
Number of employees	108 persons	134 persons

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	Increase 0.5%	Decrease 0.5%
2019		
Discount rate		
Increase (decrease) in the defined benefit obligation	(130,264)	138,019
Salary growth rate		
Increase (decrease) in the defined benefit obligation		

(Unit : Baht)

CONSOLIDATED AND SEPARATE F/S

	Increase 0.5%	Decrease 0.5%
obligation	135,882	(129,574)

Staff turnover rate

Increase (decrease) in the defined benefit

obligation	(154,278)	163,302
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(Unit : Baht)

CONSOLIDATED AND SEPARATE F/S

2018

Discount rate

Increase (decrease) in the defined benefit

obligation	(110,790)	117,370
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Salary growth rate

Increase (decrease) in the defined benefit

obligation	116,705	(111,241)
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Staff turnover rate

Increase (decrease) in the defined benefit

obligation	(129,884)	137,318
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As at 30 June 2019, expected maturity of employee benefits obligation before discounting are as follow:

(Unit: Baht)

CONSOLIDATED
AND SEPARATE F/S

	2019
Within one year	208,300
Between 2 - 5 years	2,692,728
Between 6 - 10 years	2,001,667
Between 11 - 15 years	1,132,723
Total	6,035,418

19. SHARE CAPITAL

	(Unit: Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	Number of common shares	Amount
Balance as at 1 July 2017	257,462,399	128,731,200
Warrants converted to common shares	11,491,048	5,745,524
Balance as at 30 June 2018	268,953,447	134,476,724
Balance as at 1 July 2018	268,953,447	134,476,724
Increase in share capital	268,953,447	134,476,723
Balance as at 30 June 2019	537,906,894	268,953,447

The Company registered following changes in the share capital on 11 July 2018 as approved in the Extraordinary General Meeting held on 15 June 2018 :

- (a) Decrease of the Company's registered share capital from Baht 135,000,000 (270,000,000 shares at Baht 0.50 par value) to Baht 134,476,724 (268,953,447 shares at Baht 0.50 par value).
- (b) Increase of the Company's registered share capital from Baht 134,476,724 (268,953,447 shares at Baht 0.50 par value) to Baht 403,430,171 (806,860,341 shares at Baht 0.50 par value) by issuing 537,906,894 new common shares at the par value of Baht 0.50 per share.
- (c) Allotment of 537,906,894 new common shares as follows:
 - 268,953,447 shares were used in a rights offer to existing shareholders of 1 share for each existing share at a price of Baht 1 each. The offer period was between 2-6 July 2018 and was fully subscribed, and resulted in an increase in share capital of Baht 134.48 million and share premium of Baht 134.48 million. The shares commenced trading on 16 July 2018.
 - On 6 July 2018, 268,953,447 shares were offered as warrants (DIMET-W2) to existing shareholders of 1 warrant for each existing share at a price of Baht 1.15 each. The exercise dates of the warrants were 31 August 2018, 30 November 2018, 28 February 2019 and 31 July 2019. No warrants were exercised on 31 August 2018, 30 November 2018, and 28 February 2019. However, 715 warrants were exercised on 19 July 2019 with a total exercise price of Baht 811.

20. SHARE PREMIUM

Under the Section 51 of the Public Limited Companies Act B.E. 2535, if the Company sold its shares at price in excess of the par value, the excess amount has to be recorded in a reserve account ("share premium"). Share premium is not available for dividend distribution.

21. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as legal reserve until the reserve reaches not less than 10% of the authorized capital. Such legal reserve is not available for dividend distribution.

22. EXPENSES BY NATURE

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Changes in finished goods and work in process	(3,088,310)	(3,486,537)	(3,082,661)	(3,605,037)
Purchases of finish goods	21,275,687	15,108,801	20,501,320	13,588,946
Raw materials and consumable supplies used	157,559,458	175,740,716	157,559,458	175,740,716
Allowance for declining value of long – term investment	83,140,000	-	83,140,000	-
Salaries, wages and employee compensation	50,430,875	59,332,376	49,851,599	58,228,604
Depreciation and amortization	4,526,118	5,523,691	4,521,161	5,516,371
Allowance (reversal of allowance) for doubtful debts	(323,220)	1,969,908	(323,220)	1,969,908
Allowance for slow moving and obsolete inventories	557,170	11,151,033	531,419	11,043,490

23. INCOME TAX

Deferred income tax asset/liability as at 30 June 2019 and 2018, which resulted from temporary differences between assets/liabilities for income tax computation purpose and assets/liabilities for accounting purpose are summarized below:

The movement in deferred income tax assets is as follows:

(Unit: Baht)

	CONSOLIDATED F/S			
	Recognized as income			
	(expense)			
	1 July	Statement of	Shareholders'	30 June
	2018	income	equity	2019
Deferred income tax asset:				
From allowance for doubtful accounts of trade accounts receivable	3,002,564	(2,871,415)	-	131,149
From allowance for slow-moving and obsolete inventories	5,979,015	(5,930,893)	-	48,122
From allowance for declining value of long – term investment	131,730	-	-	131,730
From reserve for employee benefits obligation	642,610	(630,579)	(12,031)	-
Total	9,755,919	(9,432,887)	(12,031)	311,001

(Unit: Baht)

	CONSOLIDATED F/S			
	Recognized as income			
	(expense)			
	1 July	Statement of	Shareholders'	30 June
	2017	income	equity	2018
Deferred income tax asset:				
From allowance for doubtful accounts of trade accounts receivable	2,900,948	101,616	-	3,002,564
From allowance for slow-moving and obsolete inventories	3,851,993	2,127,022	-	5,979,015
From allowance for declining value of long – term investment	131,730	-	-	131,730
From reserve for employee benefits obligation	1,147,419	121,461	(626,270)	642,610
From loss carried forward	4,737,092	(4,737,092)	-	-
Total	12,769,182	(2,386,993)	(626,270)	9,755,919

(Unit : Baht)

SEPARATE F/S				
Recognized as income				
(expense)				
	1 July	Statement of	Shareholders'	30 June
	2018	income	equity	2019
Deferred income tax asset:				
From allowance for doubtful accounts of trade accounts receivable	2,871,415	(2,871,415)	-	-
From allowance for slow-moving and obsolete inventories	5,930,893	(5,930,893)	-	-
From reserve for employee benefits obligation	642,610	(630,579)	(12,031)	-
Total	9,444,918	(9,432,887)	(12,031)	-

(Unit : Baht)

SEPARATE F/S				
Recognized as income				
(expense)				
	1 July	Statement of	Shareholders'	30 June
	2017	income	equity	2018
Deferred income tax asset:				
From allowance for doubtful accounts of trade accounts receivable	2,769,800	101,615	-	2,871,415
From allowance for slow-moving and obsolete inventories	3,805,379	2,125,514	-	5,930,893
From reserve for employee benefits obligation	1,147,419	121,461	(626,270)	642,610
From loss carried forward	4,609,376	(4,609,376)	-	-
Total	12,331,974	(2,260,786)	(626,270)	9,444,918

	(Unit: Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2019	2018	2019	2018
Loss before income tax	(103,230,101)	(36,148,061)	(102,820,854)	(35,070,294)
Tax rate (%)	20	20	20	20
Loss before income tax multiplied by applicable tax rate	(20,646,020)	(7,229,612)	(20,564,171)	(7,014,059)
Adjustment for:				
Items not allowed as expenses under Revenue Code	551,507	455,650	545,040	422,862
Reversal of previously recognized deferred tax on brought forward tax losses	9,432,887	4,737,092	9,432,887	4,609,376
Current year tax losses not recognized as deferred tax assets	20,094,513	4,423,862	20,019,131	4,242,607
Income tax expense	<u>9,432,887</u>	<u>2,386,992</u>	<u>9,432,887</u>	<u>2,260,786</u>
Current income tax expense	-	-	-	-
Deferred income tax movement	9,432,887	2,386,992	9,432,887	2,260,786
Income tax expense	<u>9,432,887</u>	<u>2,386,992</u>	<u>9,432,887</u>	<u>2,260,786</u>

Deferred tax assets have not been recognised in respect of the following items:

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2019	2018	2019	2018
Deductible temporary differences				
Allowance for doubtful accounts of trade accounts receivable	2,871,415	-	2,871,415	-
Allowance for slow-moving and obsolete inventories	5,930,893	-	5,930,893	-
Allowance for impairment of investment in long-term investment	16,280,000	-	16,280,000	-
Reserve for employee benefits obligation	630,579	-	630,579	-
Tax losses carried forward not exceeding 5 years	6,565,597	9,160,955	6,257,145	8,851,983
Total	<u>32,626,484</u>	<u>9,160,955</u>	<u>31,970,032</u>	<u>8,851,983</u>

The Company has reversed deferred tax assets brought forward and have not recognized deferred tax on tax losses since they are not certain that sufficient taxable profits will be generated in the foreseeable future to utilize the timing differences and tax losses.

24. PROVIDENT FUND

The Company had established a contributory registered provident fund in accordance with the Provident Fund Act, B.E.2530. The provident fund plan was registered on 27 June 1990.

Under the plan, the employees contribute monthly amounts equivalent to 2% - 5% of their basic salaries and the Company makes contribution for the same amounts. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 B.E. 2532 issued under the Provident Fund Act. B.E. 2530.

The Company's contributions charged to expenses for the years 2019 and 2018 amounted to Baht 0.92 million and Baht 1.44 million, respectively.

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year, after adjusting the number of common shares for rights offer to existing shareholders as mentioned in Note 19(c). The results are as below.

	CONSOLIDATED F/S AND SEPARATE F/S	
	Previous	Revised
For the year period ended 30 June 2018		
Number of shares	537,906,894	502,643,299
Loss per share (Baht)	(0.14)	(0.07)

As at 30 June 2019, the diluted earnings per share has not been calculated since the exercise price is higher than the average fair value of the common shares during the year.

26. SEGMENT FINANCIAL INFORMATION

The Company and its subsidiary operate in two segments, namely the manufacturing and sale of coating products, and construction services. These businesses are operated in Thailand and are measured based on the segment revenues and gross margin. The following are the revenues and gross profit of the Company and subsidiary in the consolidated financial statements for the years ended 30 June 2019 and 2018

(Unit : Baht)

	For the year ended 30 June							
	Manufacturing and sale of coating products (paint)		Construction services		Elimination		Consolidated F/S	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	298,182,909	276,925,649	35,066,406	-	-	-	333,249,315	276,925,649
Cost	(225,203,249)	(226,678,120)	(34,731,007)	-	-	-	(259,934,256)	(226,678,120)
Segment operating gross profit	72,979,660	50,247,529	335,399	-	-	-	73,315,059	50,247,529
Depreciation and amortization expenses							(4,526,118)	(5,523,691)
Finance costs							(149,724)	(307,764)
Loss before income tax							(103,230,101)	(36,148,061)
Total Assets							333,824,898	162,244,266
Total Liabilities							95,438,296	80,186,246

Major Customer

For the year ended 30 June 2019 and 2018, the major revenues arose from distribution of coating products (paint) companies amounted to Baht 103.06 million and Baht 112.54 million, respectively.

27. COMMITMENTS

27.1 As at 30 June 2019, the Company had commitments under letters of guarantee Baht 1.27 million, and collateral for bank guarantees issued by a bank on behalf of the Company totaling Baht 1.92 million as mentioned in Note 10.

27.2 As at 30 June 2019, The Company had commitments under the program software plan and development agreement with amounting to Baht 0.26 million.

28. KNOW - HOW AND TECHNICAL ASSISTANCE AGREEMENTS

The Company and subsidiary have agreements regarding intellectual property for the manufacturing and distribution, and technical assistance with 2 foreign companies as follows:

- Agreement between the Company with Valspar Paint (Formerly Watty), incorporated in Australia, for the production and distribution of timber coating and decorative paints which will last until 30 June 2019. The Company agrees to pay fees at a percentage of net sale prices but not less than minimum amount except due to force majeure as specified in the agreement.
- Agreement entered on 28 March 2017 for an initial period of 5 years, between the Company and Carboline International Corporation, incorporated in USA, for the production and distribution of conventional coatings, immersion coatings and fireproofing paints. The Company agrees to pay royalties at a percentage of net sales but not less than minimum amount as specified in the agreement.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The amendment to TAS 7, effective 1 January 2018, require the Company and subsidiary to provide disclosures about the changes in liabilities from financing activities. The Company and subsidiary categorize those changes into changes arising from cash flows and non-cash changes with further sub-categories as required by TAS 7.

The changes in the Company and subsidiary's liabilities arising from financing activities can be classified as follows;

	(Unit : Baht)
	CONSOLIDATED AND SEPARATE F/S
	Finance lease
1 July 2018	1,026,597
Cash-flows:	
Repayment	(582,624)
30 June 2019	443,973
	(Unit : Baht)
	CONSOLIDATED AND SEPARATE F/S
	Finance lease
1 July 2017	2,392,597
Cash-flows:	
Repayment	(1,366,000)
30 June 2018	1,026,597

30. FINANCIAL INSTRUMENT

30.1 Financial risk management policies

The Company and subsidiary did not intend to engage in trading derivative instruments for speculative purposes.

30.2 Credit risk

The Company and subsidiary have exposure to credit risk. However, due to the large number and diversity of the entities comprising the Company and subsidiary's customer base, the Company and subsidiary do not anticipate material losses from their debt collection. The Company and subsidiary estimate the allowance for doubtful accounts from the ending balance of accounts receivable. The estimates were made under generally accepted principles.

30.3 Foreign currency risk

The Company and its subsidiary have some transaction in foreign currency as resulted of exposure in changing in exchange rates. However, the management believes that the foreign exchange rate risk is minimal.

As at 30 June 2019, the Company and subsidiary had the following financial assets and financial liabilities denominated in foreign currency that have not been hedged as follow:

Currency	CONSOLIDATED F/S		SEPARATE F/S	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	-	533,796	-	533,796

30.4 Fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length basis. Fair values are obtained from quoted market prices.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

- Financial assets such as cash and cash equivalents, trade and non-trade receivables - net - the carrying values approximate their fair values due to the relative short-term maturity of these financial instruments.
- Financial liabilities such as short - term loan from financial institution and trade and non-trade payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short - term maturity of these financial instruments.
- Long- term investments in shares of subsidiary and other long - term investments the carrying amounts of these financial assets approximate their fair values.

30.5 Interest rate risk

The Company and subsidiary have exposure to interest risks because they held deposits and have loan facilities with financial institutions. However, the Company and subsidiary believed that the future fluctuation on market interest rates would not significantly affect their operations and cash flows; therefore, no financial derivative hedging was executed to manage such risks.

31. EVENTS AFTER REPORTING PERIOD

At the Board of Directors Meeting No. 6/2019, held on 27 May 2019, the directors passed a resolution to approve the acquisition of 409,998 common share of IGen Energy Co., Ltd. representing 99.99% of the

total paid-up share capital, from IGen Engineering Co., Ltd. for an amount of Baht 40 million. The transaction is expected to occur within December 2019.

At the Extraordinary Shareholders Meeting No. 1/2019, held on 3 July 2019, the shareholders passed a resolution to approve the transfer of its business of manufacturing and selling coating product to its subsidiary, including related intellectual property, contracts, licenses and all personnel to Asian Corrosion Control Technology Limited (“Subsidiary”). The transfer value will be based on the book value and the Company expects the transfer to be completed with 2019 after the approval of the Extraordinary Shareholders Meeting No.1/2019. Once the business transfer is complete, the Company will also transfer the shares of Suncoat (Thailand) Co., Ltd. at its book value to subsidiary.

At the Board of Director Meeting No. 7/2019 held on 3 July 2019, the directors passed a resolution to approve the following:

- Transfer the rights of land with structure thereon to the subsidiary in exchange for 301,710 shares with a par value Baht 100 per share totaling amount of Baht 30,171,000. The subsidiary will issue new share capital to the Company.
- Transfer the right to use the land and factory and the business license in the Industrial Estate to enable the subsidiary to conduct of the transferred business.
- Transfer the right of Machinery under the Machinery Registration Act. B.E. 2514 to subsidiary.

At the subsidiary’s Extraordinary Shareholders Meeting No. 1/2019, held on 11 July 2019, the shareholders passed a resolution to approve the increase of share capital by issuing 700,000 common shares with a par value of Baht 100 per share totaling amount Baht 70,000,000. The subsidiary will receive payment by assets from the transfer business as noted above.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company’s authorized directors on 30 August 2019.



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