



*Chow Steel Industries Public Company Limited*



QUALITY STEEL



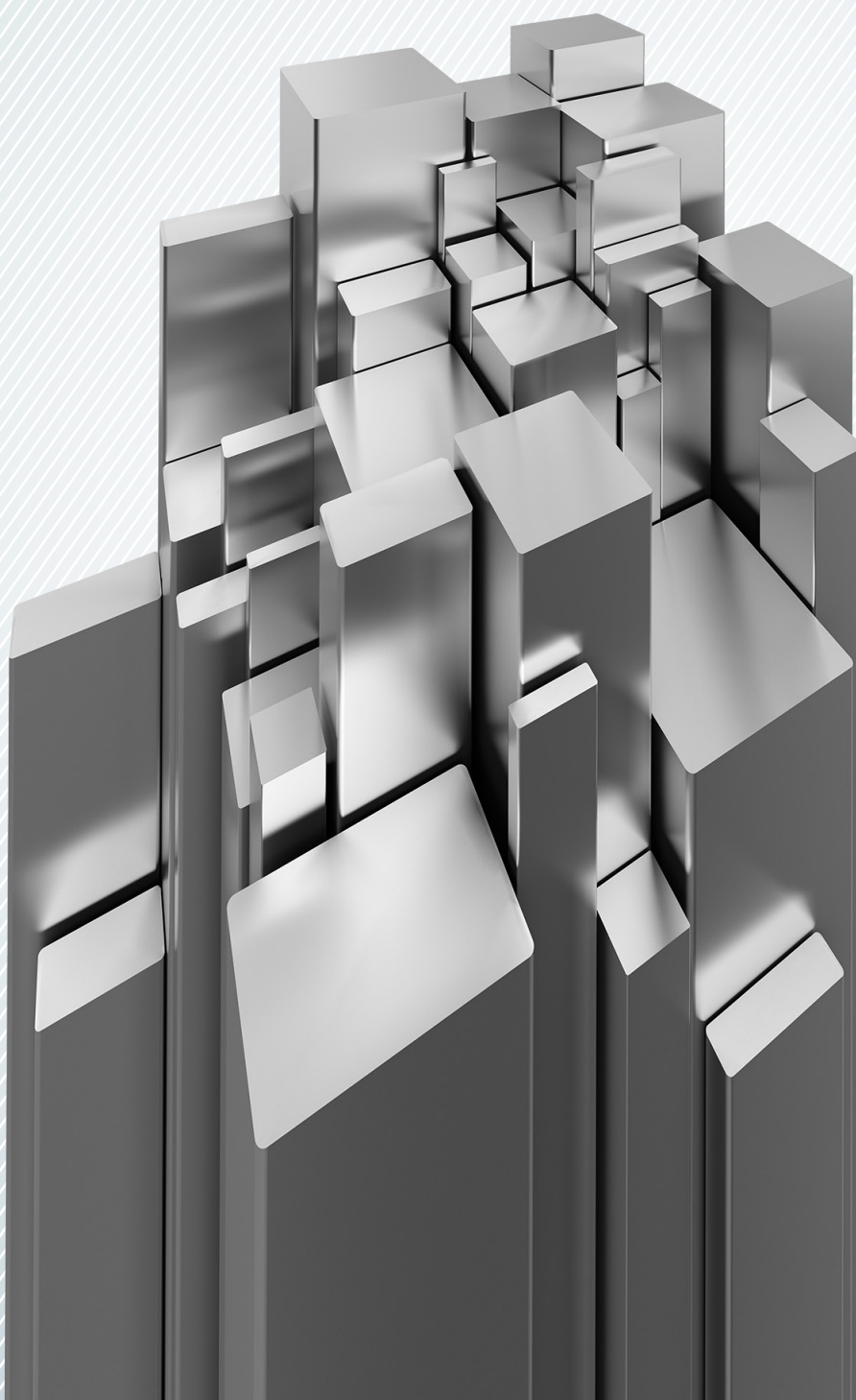
INVESTMENT



SOLAR ENERGY



LOGISTIC



ANNUAL REPORT

**2014**

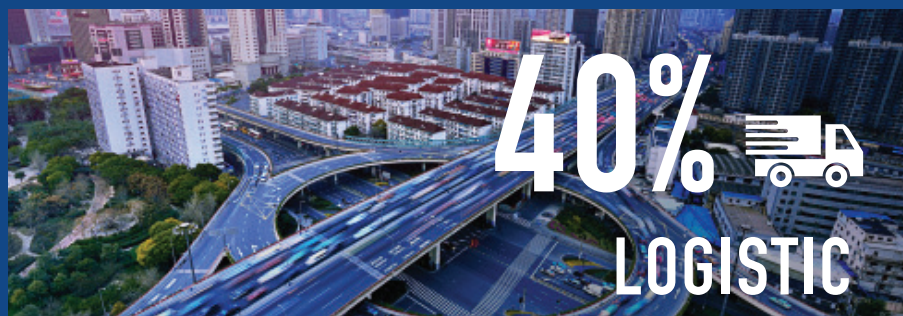
รายงานประจำปี 2557



CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED



VERTEX LOGISTIC SERVICES



CHOW ENERGY



CHOW INTERNATIONAL



PREMIER SOLUTION



\* ตัวเลขร้อยละแสดงสัดส่วนที่บริษัทถือหุ้น

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Note Investors can find more information about a company which issues securities from its Form 56-1 which is posted on [www.sec.or.th](http://www.sec.or.th) or [www.chowsteel.com](http://www.chowsteel.com)





## วิสัยทัศน์

เป็นบริษัทชั้นนำในการผลิตและจำหน่ายเหล็กแท่งยาวในประเทศไทย โดยมุ่งเน้นเป็นผู้ว่าด้านต้นทุนและคุณภาพ ภายใต้ มาตรฐานสากลด้วยจรรยาบรรณที่มุ่งเน้นความรับผิดชอบต่อลูกค้า พนักงาน คู่ค้า สภาพแวดล้อมและสังคม

## VISION

To be the leader in the manufacturing and distribution of billet in Thailand by focusing on controlling costs, maintaining quality of an international standard, and acting ethically towards our customers, employees, partners, the environment and society



## พันธกิจ

1. ผลิตภัณฑ์เหล็กที่มีคุณภาพ
2. มุ่งสู่การเจริญเติบโตด้วยการขยายกำลังการผลิตและผลิตสินค้าต้นทุนต่ำ
3. ปรับปรุงและพัฒนาผลิตภัณฑ์เพื่อตอบสนองความต้องการของลูกค้า
4. ต่อยอดธุรกิจโครงการพลังงานทดแทน
5. พัฒนาทรัพยากรบุคคล อย่างต่อเนื่องเพิ่มพูนทักษะความรู้ ความสามารถให้เหมาะสมกับงาน
6. เสริมสร้างคุณภาพชีวิต อนุรักษ์สิ่งแวดล้อมของชุมชน และมีความรับผิดชอบต่อสังคม

## MISSION

1. Quality steel products
2. Achieve growth through expanding productions while controlling costs.
3. Improve the product to match the needs of our customers.
4. Develop Renewable Energy Projects
5. Continue to develop human capital so that employees have the skills and knowledge necessary to work in the capacity assigned to them.
6. Increase quality of life, respect the community and environment and practice CSR



# มุ่งมั่นพัฒนาคุณภาพ ผลิตภัณฑ์เหล็กแท่งยาว สู่มาตรฐานสากล

WE ARE DEDICATED  
TO PROVIDING STEEL PRODUCTS  
OF THE HIGHEST INERNATION QUALITY



บริษัท เซวล์ สตีล อินดัสทรี จำกัด (มหาชน)  
CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED

ผลิตและจำหน่ายเหล็กแท่งยาว (Steel Billet) ให้แก่โรงรีดเหล็กภายในประเทศและต่างประเทศเพื่อนำไปผลิตต่อด้วยการรีดเป็นผลิตภัณฑ์เหล็กทรงยาว (Long Products) และใช้เทคโนโลยีหลอมเหล็กด้วยเตาหลอมเหล็กแบบเหนี่ยวนำกระแสไฟฟ้า (Electric Induction Furnace : EIF)

The Company operates business of producing and selling steel billet to the domestic and foreign rolling mills for further rolling into Long Products by using steel melting technology of Electric Induction Furnace: EIF.

# สรุปข้อมูลทางการเงิน

## Financial Highlights

( หน่วย : ล้านบาท / Unit : Million Bath )

งบการเงินรวม  
(Consolidated Financial Statements)

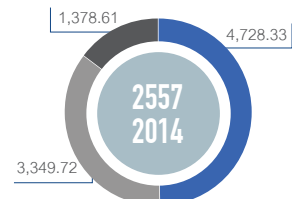
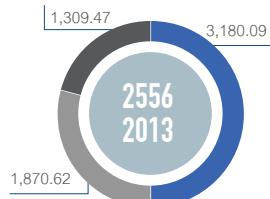
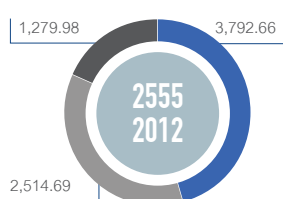
### สรุปข้อมูลทางการเงิน (FINANCIAL HIGHLIGHTS)

2555 / 2012 2556 / 2013 2557 / 2014

ผลการดำเนินงาน	Operating Performance			
• รายได้รวม	• Total Revenues	4,363.23	4,836.28	4,156.14
• กำไรขั้นต้น	• Gross Profit	231.74	298.83	236.11
• กำไรก่อนหักดอกเบี้ย ภาษี ค่าเสื่อมราคา และค่าใช้จ่ายตัดจำหน่าย (EBITDA)	• Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	243.14	304.8	245.24
• กำไร (ขาดทุน) สุทธิ ส่วนที่เป็นของบริษัท	• Net Profit (Loss) – on Company's part	25.46	105.17	47.34
ฐานะการเงิน	Financial Position			
• สินทรัพย์รวม	• Total Assets	3,792.66	3,180.09	4,728.33
• หนี้สินรวม	• Total Liabilities	2,514.69	1,870.62	3,349.72
• ส่วนของผู้ถือหุ้น	• Shareholders' Equity	1,277.98	1,309.47	1,378.61
• ส่วนของผู้ถือหุ้น ส่วนที่เป็นของบริษัท	• Shareholders' Equity – on Company's part	1,264.29	1,282.93	1,295.94
• ทุนจดทะเบียน	• Registered Capital	800.00	800.00	800.00
• ทุนจดทะเบียนชำระแล้ว	• Paid-up Capital	800.00	800.00	800.00
อัตราส่วนทางการเงิน	Financial Ratios			
• อัตรากำไรขั้นต้น	• Gross Profit Margin	5.33%	5.86%	5.74%
• อัตรากำไรสุทธิ	• Net Profit Margin	0.62%	2.26%	1.01%
• อัตราผลตอบแทนผู้ถือหุ้น	• Return on Equity	2.00%	8.29%	3.02%
• อัตราหนี้สินต่อส่วนผู้ถือหุ้น (เท่า)	• Debt/Equity Ratio (times)	1.97	1.43	2.43
ข้อมูลต่อหุ้น (บาทต่อหุ้น)	Stock Data (Baht Per Share)			
• กำไรสุทธิต่อหุ้น	• Net Earnings Per Share	0.03	0.13	0.06
• มูลค่าหุ้นที่ตราไว้	• Par Value	1.00	1.00	1.00
• มูลค่าหุ้นทางบัญชี	• Book Value	1.60	1.64	1.72

### ฐานะการเงิน FINANCIAL POSITIONS

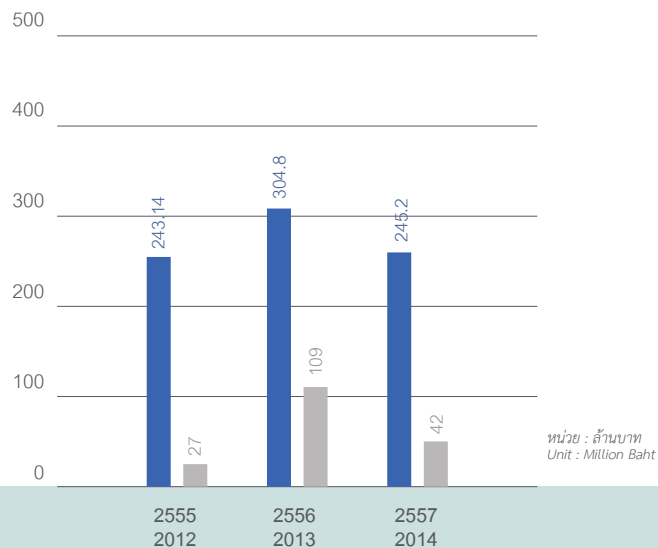
- ส่วนของผู้ถือหุ้น / Shareholders' Equity
- หนี้สิน / Total Liabilities
- สินทรัพย์ / Total Assets



## ผลการดำเนินงาน

### OPERATIONAL PERFORMANCE

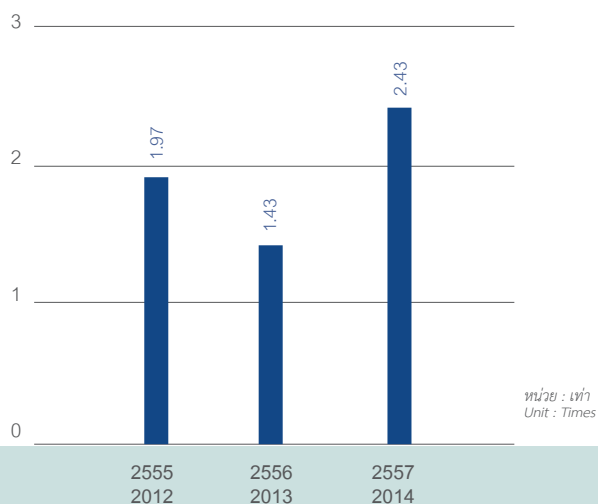
- EBITDA
- กำไร (ขาดทุน) สุทธิ / Net Profit (Loss)



## อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น

### DEBT / EQUITY RATIO

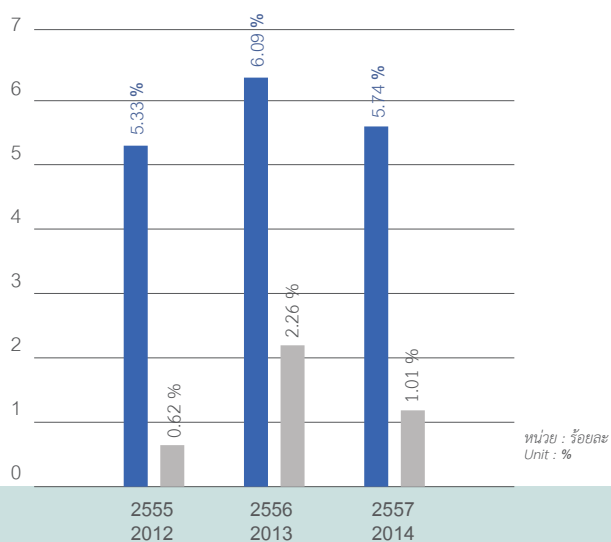
- อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น / Debt to Equity Ration



## อัตรากำไร

### PROFIT MARGIN

- อัตรากำไร ขั้นต้น / Gross Profit Margin
- อัตรากำไรสุทธิ / Net Profit Margin





“

ในปี 2557 เป็นปีแห่งการเริ่มต้น  
ขยายฐานธุรกิจไปสู่ธุรกิจใหม่ๆ  
ที่จะช่วยเสริมศักยภาพและความ  
เจริญมั่นคงในธุรกิจอย่างมั่นคง  
ในระยะยาว

2014 is the time for pacing  
forward to new business  
phases to strengthen our  
potential and stability in  
a sustainable future.

”



# สารจากประธานกรรมการ

## Messages from the Chairman

### เรียน ท่านผู้ถือหุ้น

ในปี 2557 เป็นปีแห่งการเริ่มต้นขยายฐานธุรกิจไปสู่ธุรกิจใหม่ๆ ที่ช่วยเสริมศักยภาพและความเจริญรุ่งเรืองในธุรกิจอย่างมั่นคงในระยะยาว บริษัทได้มองหาช่องทางทางเลือกในการลงทุนในธุรกิจต่างๆ ที่ช่วยเสริมสร้างความแข็งแกร่งให้กับธุรกิจ โดยเล็งเห็นถึงโอกาสในการลงทุนในธุรกิจโรงไฟฟ้าพลังงานทดแทน ซึ่งสร้างผลตอบแทนที่แน่นอนในระยะยาวอย่างยั่งยืน ตลอดจนช่วยกระจายความเสี่ยงในอุตสาหกรรมเหล็กที่มีความผันผวนอย่างมากในปัจจุบัน จึงได้เลือกลงทุนในโรงไฟฟ้าพลังงานแสงอาทิตย์ โดยเริ่มต้นลงทุนในประเทศญี่ปุ่น ซึ่งได้รับการสนับสนุนจากรัฐบาลและการส่งเสริมการลงทุนจากสถาบันการเงินต่างๆ กอปรกับบริษัทที่มีความพร้อมด้านบุคลากรที่มีประสบการณ์และเชี่ยวชาญการทำธุรกิจในประเทศญี่ปุ่น จึงได้ลงทุนในโครงการโรงไฟฟ้าพลังงานแสงอาทิตย์ในประเทศญี่ปุ่นเป็นระยะแรก โดยมีขนาดกำลังการผลิตเริ่มต้นประมาณ 18 เมกะวัตต์ นอกจากนี้ ยังได้เพิ่มกลยุทธ์ในการลงทุน โดยบรรลุข้อตกลงกับพันธมิตรทางธุรกิจ เพื่อลงทุนในโครงการโรงไฟฟ้าพลังงานแสงอาทิตย์ในประเทศญี่ปุ่นรวมอีก 33 เมกะวัตต์ เพื่อเสริมสร้างความเชื่อมั่น และความสามารถในการแข่งขันพร้อมขยายความร่วมมือโครงการอื่นๆ ในระยะต่อไป นับเป็นก้าวอย่างแห่งการเติบโตที่สำคัญอีกก้าวหนึ่งของบริษัท

ในปีที่ผ่านมา บริษัทยังคงรักษาผลประกอบการให้อยู่ในเกณฑ์ที่น่าพอใจไว้ได้จากสถานะเศรษฐกิจที่หดตัว และด้วยความทุ่มเทและศักยภาพในการบริหารงานของทีมงานอย่างมืออาชีพ ตลอดจนการเข้าไปลงทุนในธุรกิจใหม่ที่จะเป็นแรงผลักดันให้บริษัทมีความเจริญเติบโตอย่างก้าวไกลและมั่นคง รวมทั้งยังเป็นการเสริมสร้างผลประกอบการของบริษัทให้ประสบความสำเร็จและมีเสถียรภาพมากยิ่งขึ้น

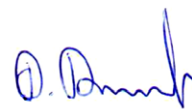
ท้ายที่สุดนี้ ข้าพเจ้าในนามคณะกรรมการ ขอขอบคุณผู้บริหารและพนักงานทุกคน ที่ร่วมแรงร่วมใจในการพัฒนาบริษัทจนเจริญก้าวหน้า และขอขอบคุณผู้ถือหุ้น พันธมิตรทางธุรกิจ ที่ให้ความไว้วางใจและสนับสนุนการดำเนินธุรกิจของบริษัทด้วยดีตลอดปีที่ผ่านมา จนทำให้บริษัทสามารถดำเนินงานบรรลุวิสัยทัศน์เป้าหมายนโยบาย และสะท้อนเป็นรูปธรรมในผลการดำเนินงานในที่สุดภายใต้หลักการกำกับดูแลกิจการที่ดีเพื่อให้เกิดประโยชน์สูงสุดต่อทุกฝ่าย

### To all shareholders

2014 is the time for pacing forward to new business phases to strengthen our potential and stability in a sustainable future. The Company after careful analysis and consideration has seen the opportunity in alternative energy business where the long term yield is definitely guaranteed. Besides, to ease the risk from highly volatile steel industry at present, the Company chosen to put its investment in solar power plan in Japan with support from government and fund from financial institutions. Another supporting factors in this new investment is the promptitude of our personnel with experience and expertise in operating business in Japan. The initial time of solar power plant operation in Japan produced 18 megawatt power. We have also implemented investment strategies by signed in mutual agreements with our business partners to join the investment in another solar power plant with production capacity of 33 megawatts in Japan, to ensure the confidence, capability and competitiveness. This can be counted as another big step we have taken toward the success.

In the previous year, the Company maintained its revenue in the satisfied level, despite the economic slowdown. With great effort, dedication and capabilities of our team spirit, as well as new investment, I do believe that these will be the major engine which will drive us toward stable growth and success.

Finally, I, on behalf of the board of directors, would like to express my gratitude to all management and employees for your devotion and collaboration which is a part of our glory and success. Also, I would like to thank all shareholders and business partners for your continual trust and support in our business operation in the past year. We have accomplished vision, mission, target and policy. The result is obviously shown in the work performance. Under good corporate governance, the Company will continue its assignments for the best benefits of all stakeholders.



ดร.ปรัชญา เปี่ยมสมบุรณ์

PRACHYA PIUMSOMBOON, PH.D., P.E.

Chairman of the Board of Directors

ประธานกรรมการ



“

ปี 2557 เป็นอีกปีที่มีความผันผวน  
ต่ออุตสาหกรรมเหล็กอย่างมาก  
การชะลอตัวทางเศรษฐกิจ อย่างไร  
ก็ตามบริษัทก็ยังคงผลประกอบการ  
มีกำไรสุทธิเป็นจำนวนเงิน 41.65  
ล้านบาท ยังคงความน่าชื่นชม  
ยินดีกับนักลงทุนด้วยดีเสมอมา

2014 was another year where  
we experienced severe  
volatility of metal industry  
as a result of economic.  
Nonetheless, forward the  
congrats to investors as the  
net profit totaled at THB  
41.65 million.

”

# สารจากประธานเจ้าหน้าที่บริหาร

## Messages from Chief Executive Officer

### เรียน ท่านผู้ถือหุ้น

บริษัทยังคงมุ่งมั่นทุ่มเทบริหารงาน หาโอกาสและช่องทางการแข่งขันและพัฒนาธุรกิจให้ทันต่อยุคสมัย เพื่อเสริมสร้างโอกาสทางธุรกิจ และการพัฒนาองค์กรอย่างต่อเนื่อง โดยในปี 2557 ที่ผ่านมา บริษัทจึงได้เพิ่มโอกาสการลงทุน เพื่อช่วยลดความเสี่ยงทางธุรกิจ โดยขยายการลงทุนไปยังธุรกิจโรงไฟฟ้าพลังงานทดแทน เพื่อช่วยเสริมสร้างให้ผลประกอบการของบริษัทมีความมั่นคงและสร้างผลตอบแทนอย่างคุ้มค่าให้กับนักลงทุนได้อย่างเต็มที่ อย่างไรก็ตาม บริษัทยังคงมองหาช่องทางและการลงทุนในธุรกิจอื่นๆ ที่ช่วยเสริมสร้างความเจริญเติบโตและมั่นคงต่อไปในอนาคต

ปี 2557 เป็นอีกปีที่มีความผันผวนต่ออุตสาหกรรมเหล็กอย่างมาก การชะลอตัวทางเศรษฐกิจ ตลอดจนทิศทางการเติบโตอย่างไม่มีประสิทธิภาพ ก่อให้เกิดความยากลำบากในการดำเนินธุรกิจอย่างยิ่ง อย่างไรก็ตามบริษัทก็ยังคงผลประกอบการมีกำไรสุทธิเป็นจำนวนเงิน 41.65 ล้านบาท ยังคงความน่าชื่นชมยินดีกับนักลงทุนด้วยดีเสมอมา และในปีนี้ บริษัทก็ยังคงคัดสรรสิ่งที่ดีแก่ผู้ถือหุ้นทุกท่าน โดยได้เพิ่มการลงทุนในธุรกิจโรงไฟฟ้าพลังงานแสงอาทิตย์ในประเทศญี่ปุ่น ที่ได้รับการส่งเสริมจากรัฐบาลญี่ปุ่น ซึ่งเป็นธุรกิจที่ให้ผลตอบแทนที่คุ้มค่าอย่างต่อเนื่องในระยะยาว บริษัทจึงหวังเป็นอย่างยิ่งที่จะสร้างผลตอบแทนที่ให้ความคุ้มค่ากับผู้ถือหุ้นทุกท่าน ตลอดจนสร้างความเชื่อมั่นต่อนักลงทุน และพันธมิตรทางธุรกิจอย่างต่อเนื่อง

สุดท้ายนี้บริษัทขอขอบคุณท่านผู้ถือหุ้นลูกค้า คู่ค้า ผู้มีอุปการคุณ พนักงาน พันธมิตรทางธุรกิจทุกท่าน ที่ให้การสนับสนุนและมอบความไว้วางใจแก่บริษัท โดยบริษัทขอให้คำมั่นว่าจะดำเนินธุรกิจด้วยแนวคิดที่จะสร้างความยั่งยืน สู่ธุรกิจ ด้วยการบริหารงานที่มีประสิทธิภาพ โปร่งใส ยึดหลักธรรมาภิบาลที่ดี และคำนึงถึงผู้มีส่วนได้เสียในทุกภาคส่วน และตระหนักถึงพันธกิจในอันที่จะนำพาบริษัทไปสู่จุดมุ่งหมายที่ตั้งปณิธานไว้ได้

### To all shareholders

The Company continued to fulfill its commitment and dedication to business operation, development as well as expanding on continual basis. In 2014, the Company has expended its investment in alternative solar power plant to lower the business risk and stabilize the income. In addition, the Company still looking for new possibilities to invest, with aim to support growth and sustainability.

2014 was another year where we experienced severe volatility of metal industry as a result of economic recession resulting in inefficient growth. Nonetheless, forward the congrats to investors as the net profit totaled at THB 41.65 million. In this year, the Company has invested in solar power plant business in Japan with support of Japanese government. As investment in energy business generates long term yield, the Company expects to return a lucrative profit to all shareholders as well as to create confidence among investors and business alliance continuously.

I would like to close the statement by expressing my appreciation to all shareholders, business partners, sponsors, employees, trading partners for all your support and trust. We promise to conduct our business focusing on sustainability, transparency, corporate governance and take into consideration the interest of all stakeholders as well as accomplishing targeted mission of success altogether.



นายอนาวิน จิรธรรมศิริ  
Mr. Anavin Jiratonsiri  
ประธานเจ้าหน้าที่บริหาร  
Chief Executive Officer



# คณะกรรมการบริษัท และผู้บริหาร

## The Board of Directors and Top Executives



### 01. ดร.ปรัชญา เปี่ยมสมบูรณ์

Pruchya Piumsomboon, Ph.D., P.E

ประธานกรรมการ

Chairman of the Board of Directors

### 02. รองศาสตราจารย์ ดร.ณรงค์ อยู่ถนอม

Associate Professor Narong Yoothanom, Ph.D.

รองประธานกรรมการ

กรรมการอิสระ

กรรมการตรวจสอบ

ประธานกรรมการสรรหาและกำหนดค่าตอบแทน

Vice Chairman,

Independent Director,

Audit Committee,

Chairman of Nomination and Remuneration

Committee Member

### 03. ผู้ช่วยศาสตราจารย์ กัลยาภรณ์ ปานมะเร็ง

Assistant Professor Kalyaporn Pan-ma-rerng

กรรมการ กรรมการอิสระ

ประธานกรรมการตรวจสอบ

กรรมการสรรหาและกำหนดค่าตอบแทน

ประธานกรรมการบริหารความเสี่ยง

Director, Independent Director,

Chairman of the Audit Committee,

Nomination and Remuneration Committee Member,

Chairman of Risk Management Committee

### 04. นายณพภูฏ เจสัน จิรสันต์

Mr. Noppadon Jason Chirasanti

กรรมการ

กรรมการอิสระ

กรรมการตรวจสอบ

Director,

Independent Director,

Audit Committee

### 05. นายณวรัตน์ อรัญ

Mr. Kanawath Aran

กรรมการ

กรรมการอิสระ

กรรมการตรวจสอบ

กรรมการบริหารความเสี่ยง

Director,

Independent Director,

Audit Committee,

Risk Management Committee Member

### 06. นายสงวนเกียรติ ลีวนโมนต์

Mr. Sanguankiat Lewmanomont

กรรมการ

กรรมการสรรหาและกำหนดค่าตอบแทน

Director,

Nomination and Remuneration Committee Member



07. นายมาร์ค ดี. เรมีจาน

Mr. Mark D. Remijan

กรรมการอิสระ

Independent Director

08. นายอนาวิต จิรธรรมศิริ

Mr. Anavin Jiratomsiri

กรรมการ

ประธานกรรมการบริหาร

ประธานเจ้าหน้าที่บริหาร

กรรมการสรรหาและกำหนดค่าตอบแทน

กรรมการบริหารความเสี่ยง

Director,

Chief Executive Director,

Chief Executive Officer,

Nomination and Remuneration Committee Member,

Risk Management Committee Member

09. นางสาว คู เมน ไว

Miss Koo Man Wai

กรรมการ

กรรมการบริหาร

รองกรรมการผู้จัดการ

ผู้อำนวยการฝ่ายจัดซื้อ

Director,

Executive Director,

Deputy Managing Director,

Vice President - Procurement

10. นางสาวศรุต จิรธรรมศิริ

Miss Sharuta Jiratomsiri

กรรมการ

กรรมการบริหาร

ผู้อำนวยการฝ่ายขายและการตลาด

Director,

Executive Director,

Vice President - Sales and Marketing

11. นายสุทธิชัย สุรพัฒน์

Mr. Suttichai Suraphat

กรรมการบริหาร

รองกรรมการผู้จัดการ

ผู้อำนวยการฝ่ายการเงินและบริหาร

Executive Director, Deputy Managing Director,

Vice President - Finance & Administration

12. นายวรวิทย์ เอื้อทรัพย์สกุล

Mr. Woravit Auesapsakul

กรรมการบริหาร

ผู้อำนวยการฝ่ายบัญชี

Executive Director,

Vice President of Accounting



# ประวัติคณะกรรมการบริษัท

## Board of Directors Profile

### ดร.ปรัชญา เปี่ยมสมบูรณ์

Pruchya Piumsomboon, Ph.D., P.E

63 ปี / years

#### ประธานกรรมการ / Chairman of the Board of Directors

##### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาเอก ด้านวิศวกรรม (Operations Research), Texas A&M University, ประเทศสหรัฐอเมริกา
- ปริญญาบัตรวิทยาลัยป้องกันราชอาณาจักร (ภาควิชาวิศวกรรม รุ่น 12)
- หลักสูตร Director Certification Program (DCP) รุ่น 12/2001 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Role of the Chairman Program (RCP) รุ่น 32/2013 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

##### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการอิสระ ประธานกรรมการตรวจสอบ กรรมการสรรหา และกำหนดค่าตอบแทน / บริษัท เอสวีไอ จำกัด (มหาชน)
- ประธานกรรมการ / บริษัท เพอร์ซิเดนซ์ ออโตโมบิล อินดัสทรีส์ จำกัด
- กรรมการผู้จัดการ / บริษัท ชิม ชีสเต็ม ประเทศไทย จำกัด
- กรรมการผู้จัดการ / บริษัท ปิณ พร็อพเพอร์ตี้ จำกัด
- กรรมการ / บริษัท คาชาวดี จำกัด
- กรรมการ / บริษัท เปี่ยมทิพย์ จำกัด
- คณะกรรมการกิจการ APEC และคณะกรรมการกิจการ องค์การระหว่างประเทศ สภาหอการค้าไทย

##### สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

0.10% (จำนวน 784,800 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

### รองศาสตราจารย์ ดร.ณรงค์ อยู่ถนอม

Associate Professor Narong Yoothanom, Ph.D. 72 ปี / years

#### รองประธานกรรมการ กรรมการอิสระ กรรมการตรวจสอบ

#### ประธานกรรมการสรรหาและกำหนดค่าตอบแทน /

Vice Chairman of the Board of Directors, Independent Director, Audit Committee, and Chairman of the Nomination and Remuneration Committee

##### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาเอก (EE) Missouri University of Science and Technology, USA
- หลักสูตร Director Accreditation Program (DAP) รุ่น 78/2009 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

##### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- รองอธิการบดี มหาวิทยาลัยศรีปทุม
- ผู้ตรวจประเมินคุณภาพภายนอกสำนักงานรับรองมาตรฐาน และประเมินคุณภาพการศึกษา (องค์การมหาชน)
- ประธานผู้ตรวจประเมินคุณภาพภายใน / สำนักงานคณะกรรมการการอุดมศึกษา
- กรรมการ / บริษัท เอสพียูนิเซอส์ จำกัด

##### สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

#### Education / training

- Ph.D. (Operations Research), Texas A&M University, USA
- Diploma, National Defense College, the Joint State-Private Sector Course Class 12
- Director Certification Program (DCP), Class 12/2001, Thai Institute of Directors
- Role of the Chairman Program (RCP), Class 32/2013, Thai Institute of Directors

#### Other Current Position(s)

- Independent Director, Chairman Audit Committee, and Nomination and Remuneration / SVI Public Company Limited
- Chairman of the Board of Directors / President Automobile Industries Co., Ltd.
- Managing Director / CIM System (Thailand) Co., Ltd.
- Managing Director / Pakin Property Co., Ltd.
- Director / Kasawadee Co., Ltd.
- Director / Piamtip Co., Ltd.
- Subcommittee of APEC and International Organization Affairs Committee The Thai Chamber of Commerce

#### Shareholding as of 31 December 2014

0.10% (total 784,800 shares)

Appointed as director in 2009

#### Education / Training

- Doctor of Philosophy in Electrical Engineering, University of Missouri of Science and Technology, USA
- Director Accreditation Program (DAP) Class 78/2009, Thai Institute of Directors

#### Other Current Position(s)

- Vice Rector / Sripatum University
- The Inspector of National Education Standards and Quality Assessment
- Chairman of Self Assessment Report / Commission on Higher Education.
- Director / SP Uni Search Co., Ltd.

#### Shareholding as of 31 December 2014

-none-

Appointed as director in 2009

**ผู้ช่วยศาสตราจารย์ กัลยากรณ์ ปานมะเร็ง**

Assistant Professor Kalyaporn Pan-ma-rerng 62 ปี / years

กรรมการ กรรมการอิสระ ประธานกรรมการตรวจสอบ กรรมการสรรหา  
และกำหนดค่าตอบแทน และประธานกรรมการบริหารความเสี่ยง /  
Director, Independent Director, Chairman of the Audit  
Committee, Nomination and Remuneration Committee, and  
Chairman of Risk Management Committee

**คุณวุฒิสูงสุดทางการศึกษา / การอบรม**

- ปริญญาโท พัฒนศาสตร์ (บริหารธุรกิจ) สถาบันบัณฑิตพัฒนบริหารศาสตร์
- ประกาศนียบัตรผู้บริหารมหาวิทยาลัยระดับสูง (รุ่นที่ 8) ทบวงมหาวิทยาลัย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 28/2004 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Audit Committee Program (ACP) รุ่น 13/2006 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

**การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน**

- ผู้ช่วยอธิการบดี มหาวิทยาลัยศรีปทุม
- ผู้ตรวจประเมินคุณภาพภายใน สำนักงานคณะกรรมการการอุดมศึกษา
- ผู้ตรวจประเมินคุณภาพภายนอก สำนักงานรับรองมาตรฐานและประเมินคุณภาพการศึกษา (องค์การมหาชน)
- ที่ปรึกษาด้านการบัญชีและการเงิน กระทรวงการคลัง
- คณะกรรมการฝ่ายการเงินและทรัพย์สิน สโมสรเอธานอล ไบโอดีเซลแห่งประเทศไทย
- กรรมการ / บริษัท เพอร์ซิเด็นท์ ออโตโมบิล อินดัสทรีส์ จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

**Education / Tanning**

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Certificate Advanced Higher Education Management (Class 8), Ministry of University Affairs
- Director Accreditation Program (DAP) Class 28/2004, Thai Institute of Directors
- Audit Committee Program (ACP) Class 13/2006, Thai Institute of Directors

**Other Currents Position(s)**

- Assistant to the Rector / Sirpatum University
- Internal Evaluator / The Commission on Higher Education
- External Quality Assessment / The Office for National Education Standards and Quality Assessment (Public Organization)
- Financial and Accounting Consultant / Ministry of Finance
- Finance and Treasurer Committee / Ethanol and Biodiesel Club of Thailand
- Director / President Automobile Industries Co., Ltd.

Shareholding as at 31 December 2014

-none-

Appointed as director in 2009

**นายณพพล เจสัน จิรสันต์**

Mr. Noppadon Jason Chirasanti

44 ปี / years

กรรมการ กรรมการอิสระ และกรรมการตรวจสอบ /  
Director, Independent Director, and Audit Committee

**คุณวุฒิสูงสุดทางการศึกษา / การอบรม**

- ปริญญาโท Business Economics, Bentley Graduate School of Business, Massachusetts, USA
- ปริญญาโท บริหารธุรกิจ St. Louis University, USA
- หลักสูตร Director Accreditation Program (DAP) รุ่น 78/2009 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

**การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน**

- กรรมการ / บริษัท เมอร์คิวรี ไนน์ จำกัด
- กรรมการ กรรมการผู้จัดการ / บริษัท พีเอ็มดี พลัส จำกัด
- กรรมการ กรรมการผู้จัดการ / บริษัท โอบายนาว จำกัด
- รองกรรมการผู้จัดการ / บริษัท คอนแทงโก จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

**Education / Training**

- Master of Science in Business Economics, Bentley Graduate School of Business, Massachusetts, USA
- Master of Business Administration, St. Louis University, USA
- Director Accreditation Program (DAP) Class 78/2009, Thai Institute of Directors

**Other Current Position(S)**

- Director / Mercury Nine Co., Ltd.
- Director / Managing Director, PMD Plus Co., Ltd.
- Director / Managing Director, IBUYNOW Co., Ltd.
- Deputy Managing Director / Contango Co., Ltd.

Shareholding as of 31 December 2014

-none-

Appointed as director in 2009

## นายกณวรรณ อธิวัตร

Mr. Kanawath Aran

48 ปี / years

กรรมการ กรรมการอิสระ กรรมการตรวจสอบ

และกรรมการบริหารความเสี่ยง /

Director, Independent Director, Audit Committee, and Risk Management Committee

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาโท นิติศาสตรมหาวิทยาลัรามาคำแหง
- ปริญญาโท บริหารธุรกิจ มหาวิทยาลัยศรีปทุม
- หลักสูตร Director Accreditation Program (DAP) รุ่น 78/2009 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- หัวหน้าสำนักงาน ทนายความและที่ปรึกษากฎหมาย / สำนักงานกฎหมาย เค แอนด์ พาร์ทเนอร์
- กรรมการ กรรมการผู้จัดการ / บริษัท เค แอนด์ พาร์ทเนอร์ จำกัด
- กรรมการ / บริษัท เพรสซิเด็นท์ ออโตโมบิล อินดัสทรีส์ จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

## นายสงวนเกียรติ ล้วนโนมนต์

Mr. Sanguankiat Lewmanomont

39 ปี / years

กรรมการ และกรรมการสรรหาและกำหนดค่าตอบแทน /

Director, and Nomination and Remuneration Committee

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- นักปริญญาเอก (บริหารธุรกิจ)
- ปริญญาโท คณิตศาสตร์การเงิน Boston University, USA
- ปริญญาโท คอมพิวเตอร์ Boston University, USA
- หลักสูตร Director Accreditation Program (DAP) รุ่น 50/2006 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ / บริษัท บริหารจัดการทรัพย์สินทางปัญญา จำกัด
- คณะกรรมการเครื่องหมายความการค้า / กระทรวงพาณิชย์
- กรรมการอิสระ และกรรมการตรวจสอบ / บริษัท เมเจอร์ ดีเวลลอปเม้นท์ จำกัด (มหาชน)
- กรรมการและกรรมการผู้จัดการ / บริษัท มโนมนต์ เรียวเอสเตท จำกัด
- กรรมการ กรรมการผู้จัดการ / บริษัท สำนักกฎหมาย ล้วนโนมนต์ อินเตอร์เนชั่นแนล จำกัด
- กรรมการ / บริษัท เซาท์ เอ็นเนอร์ยี จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

### Education / Training

- Master of Laws, Ramkhamhaeng University
- Master of Business Administration, Sripatum
- Director Accreditation Program (DAP) Class 78/2009, Thai Institute of Directors

### Other Current position(s)

- Manager, Lawyer and legal adviser / K & Partner Law Office
- Director, and Managing Director / K & Partner Co., Ltd.
- Director / President Automobile Industries Co., Ltd.

Shareholding as of 31 December 2014

-none-

Appointed as director in 2009

### Education / Training

- Ph.D. Candidate under "Intellectual Property Management"
- Master of Science in Computer Information System, Boston University, USA
- Master of Science in Actuarial Sciences Concentration in Mathematical Finance, Boston University, USA
- Bachelor of Laws, Ramkhamhaeng University
- Bachelor of Business Administration (Finance and Banking), Thammasat University
- Director Accreditation Program (DAP) class 50/2006, Thai Institute of Directors

### Other Current Position(s)

- Director / Intellectual Property Management Co., Ltd.
- Subcommittee of trademark Appeal Board / Ministry of Commerce
- Independent Director and Audit Committee / Major Development Public Company Limited
- Director, Managing Director / Manomont Real Estate Co., Ltd.
- Director, Managing Director / Lewmonomont International Law Office (LILO) Co., Ltd.
- Director / Chow Energy Co., Ltd.

Shareholding as of 31 December 2014

-none-

Appointed as director in 2009

## นายมาร์ค ดี. เรมิจาน

Mr. Mark D. Remijan

48 ปี / years

## กรรมการอิสระ / Independent Director

## คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาโท บริหารธุรกิจ (เกียรตินิยม) University of Pennsylvania, USA
- ปริญญาตรี วิศวกรรมศาสตร์ (เครื่องจักรกล) Massachusetts Institute of Technology, USA
- หลักสูตร Director Accreditation Program (DAP) รุ่น 65/2007 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

## การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- ผู้ร่วมก่อตั้งและผู้อำนวยการฝ่ายการเงิน / กลุ่มบริษัท คีรี แทรเวล
- กรรมการอิสระ และกรรมการตรวจสอบ / บริษัท บิวเดอร์สมาร์ท จำกัด (มหาชน)

## สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

0.05% (จำนวน 414,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

## นายอนาวิน จิรธรรมศิริ

Mr. Anavin Jiratomisiri

36 ปี / years

## กรรมการ ประธานกรรมการบริหาร ประธานเจ้าหน้าที่บริหาร

## กรรมการสรรหาและกำหนดค่าตอบแทน

## และกรรมการบริหารความเสี่ยง /

Director, Chief Executive Committee, Chief Executive Officer, Nomination and Remuneration Committee, and Risk Management Committee

## คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาตรี รัฐศาสตรบัณฑิต มหาวิทยาลัยรามคำแหง
- หลักสูตร Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 28/2004 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

## การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ / บริษัท เซาท์ เอ็นเนอร์ยี จำกัด
- กรรมการ / บริษัท เวทเทค โลจิสติกส์ เซอร์วิส จำกัด
- กรรมการ / สมาคมอุตสาหกรรมเหล็กไทย
- ที่ปรึกษา / สมาคมการค้าไทย-ยุโรป

## สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

51% (จำนวน 408,000,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

## Education / training

- Master of Business Administration in Finance, (Honors), University of Pennsylvania, USA
- Bachelor of Science in Mechanical Engineering, Massachusetts Institute of Technology, USA
- Director Accreditation Program (DAP) class 65/2007, Thai Institute of Directors

## Other Current Position(s)

- Partner, Chief Financial Officer / Khiri Travel Group of Company
- Independent Director, and Audit Committee / Builder Smart Public Company Limited

## Shareholding as of 31 December 2014

0.05% (total 414,000 shares)

Appointed as director in 2009

## Education / training

- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) Class 28/2004, Thai Institute of Director

## Other Current Position(s)

- Director / Chow Energy Co., Ltd.
- Director / Vertex Logistics Services Co., Ltd.
- Director / The Association of Thai Steel Industries
- Advisor / Thai-Europe Trade Association

## Shareholding as of 31 December 2014

51% (total 408,000,000 shares)

Appointed as director in 2009

## นางสาว คู แมน ไว

Miss Koo Man Wai

41 ปี / years

กรรมการ กรรมการบริหาร รองกรรมการผู้จัดการ

และผู้อำนวยการฝ่ายจัดซื้อ /

Director, Executive Committee, Deputy Managing Director,  
and Vice President of Procurement

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- Book Keeping and Accountant, London Chamber of Commerce and Industry, United Kingdom
- Trading Practice Studies, Lee Wai Lee Technical Institute
- หลักสูตร Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 28/2004 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ / บริษัท เซาท์ เอ็นเนอร์ยี จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

5.06% (จำนวน 40,500,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

## นางสาวศรุต จิรธรรมศิริ

Miss Sharuta Jiratomsiri

37 ปี / years

กรรมการ กรรมการบริหาร

และผู้อำนวยการฝ่ายขายและการตลาด /

Director, Executive Director, and Vice President of Sales and Marketing

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- Suffolk Sawyer School of Management, Suffolk University, USA
- Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 78/2009 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

-ไม่มี-

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

5.06% (จำนวน 40,500,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

### Education/ Training

- Book Keeping and Accountant, London Chamber of Commerce and Industry, United Kingdom
- Trading Practice Studies, Lee Wai Lee Technical Institute
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) class 28/2004, Thai Institute of Director

### Other Current Position(s)

- Director, Chow Energy Co., Ltd.

Shareholding as of 31 December 2013

5.06% (total 40,500,000 shares)

Appointed as director in 2009

### Education / Training

- Suffolk Sawyer School of Management, Suffolk University, USA
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) class 78/2009, Thai Institute of Director

### Other Current Position(s)

-none-

Shareholding as 31 December 2014

5.06% (total 40,500,000 shares)

Appointed as director in 2009



# คณะผู้บริหาร

## Top Executives

นายอนาวิต จิรธรรมศิริ

Mr. Anavin Jiratomsiri

36 ปี / years

กรรมการ ประธานกรรมการบริหาร ประธานเจ้าหน้าที่บริหาร  
กรรมการสรรหาและกำหนดค่าตอบแทน  
และกรรมการบริหารความเสี่ยง /  
Director, Chief Executive Committee, Chief Executive Officer,  
Nomination and Remuneration Committee, and  
Risk Management Committee

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาตรี รัฐศาสตรบัณฑิต มหาวิทยาลัยรามคำแหง
- หลักสูตร Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 28/2004 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ บริษัท เซาว์ เอ็นเนอร์ยี่ จำกัด
- กรรมการ บริษัท เวทเทค โลจิสติกส์ เซอร์วิส จำกัด
- กรรมการ สมาคมอุตสาหกรรมเหล็กไทย
- ที่ปรึกษา สมาคมการค้าไทย-ยุโรป

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

51% (จำนวน 408,000,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

### Education / training

- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) Class 28/2004, Thai Institute of Director

### Other Current Position(s)

- Director / Chow Energy Co., Ltd.
- Director / Vertex Logistics Services Co., Ltd.
- Director / The Association of Thai Steel Industries
- Advisor / Thai-Europe Trade Association

### Shareholding as of 31 December 2014

51% (total 408,000,000 shares)

Appointed as director in 2009

นายสุทธิชัย สุรพัฒน์

Mr. Suttichai Suraphat

41 ปี / years

กรรมการบริหาร รองกรรมการผู้จัดการ  
ผู้อำนวยการฝ่ายการเงินและบริหาร /  
Executive Committee  
Deputy Managing Director  
Vice President of Finance and Administration

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาโท บริหารธุรกิจ (สาขาการเงิน) มหาวิทยาลัยรามคำแหง
- ประกาศนียบัตร Strategic Financial Management: Managing for Value Creation รุ่นที่ 1 คณะพาณิชยศาสตร์และการบัญชี มหาวิทยาลัยธรรมศาสตร์
- ประกาศนียบัตร CFO รุ่นที่ 17 สภาวิชาชีพบัญชี
- หลักสูตร Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ บริษัท พรีเมียร์ โซลูชั่น จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

### Education / training

- Master of Business Administration in Finance, Ramkhamhaeng University
- Strategic Financial Management: Managing for Value Creation Class 1, Thammasat Business School
- CFO Certification Program Class 17, Federation of Accounting Profession
- Risk Management Seminar & Workshop, the Stock Exchange of Thailand

### Other Current Position(s)

- Director / Premier Solution Co., Ltd.

### Shareholding as of 31 December 2014

-none-

## นางสาว คู แมน ไว

Miss Koo Man Wai

41 ปี / years

กรรมการ กรรมการบริหาร รองกรรมการผู้จัดการ

และผู้อำนวยการฝ่ายจัดซื้อ /

Director, Executive Committee, Deputy Managing Director,  
and Vice President of Procurement

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- Book Keeping and Accountant, London Chamber of Commerce and Industry, United Kingdom
- Trading Practice Studies, Lee Wai Lee Technical Institute
- หลักสูตร Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 28/2004 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ / บริษัท เซาท์ เอ็นเนอร์ยี จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

5.06% (จำนวน 40,500,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

## นางสาวศรุต จิรธรรมศิริ

Miss Sharuta Jiratomsiri

37 ปี / years

กรรมการ กรรมการบริหาร

และผู้อำนวยการฝ่ายขายและการตลาด /

Director, Executive Director, and Vice President of Sales and  
Marketing

### คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- Suffolk Sawyer School of Management, Suffolk University, USA
- Risk Management Seminar & Workshop ตลาดหลักทรัพย์แห่งประเทศไทย
- หลักสูตร Director Accreditation Program (DAP) รุ่น 78/2009 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

### การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

-ไม่มี-

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

5.06% (จำนวน 40,500,000 หุ้น)

ปีที่ได้รับการแต่งตั้งเป็นกรรมการ พ.ศ. 2552

### Education/ Training

- Book Keeping and Accountant, London Chamber of Commerce and Industry, United Kingdom
- Trading Practice Studies, Lee Wai Lee Technical Institute
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) class 28/2004, Thai Institute of Director

### Other Current Position(s)

- Director, Chow Energy Co., Ltd.

### Shareholding as of 31 December 2013

5.06% (total 40,500,000 shares)

Appointed as director in 2009

### Education / Training

- Suffolk Sawyer School of Management, Suffolk University, USA
- Risk Management Seminar & Workshop, The Stock Exchange of Thailand
- Director Accreditation Program (DAP) class 78/2009, Thai Institute of Director

### Other Current Position(s)

-none-

### Shareholding as 31 December 2014

5.06% (total 40,500,000 shares)

Appointed as director in 2009

นายวรวิทย์ เอื้อกริพย์สกุล

Mr. Worrawit Auesapsakul

36 ปี / years

กรรมการบริหาร

ผู้อำนวยการฝ่ายบัญชี /

Executive Committee, Vice President of Accounting

คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาโท พานิชยศาสตร์และการบัญชี มหาวิทยาลัยธรรมศาสตร์

การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

- กรรมการ / บริษัท พรีเมียร์ โซลูชั่น จำกัด

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

เลขาธิการบริษัท

Company Secretary

นางสาวศิริรัตน์ คงเพ็ญ

Miss Sirirat Khongpeng

34 ปี / years

เลขาธิการบริษัท / Company Secretary

คุณวุฒิสูงสุดทางการศึกษา / การอบรม

- ปริญญาโท บริหารธุรกิจ มหาวิทยาลัยรามคำแหง
- หลักสูตร Company Secretary Program (CSP) รุ่น 10/2005 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Effective Minute Taking (EMT) รุ่น 20/2011 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Company Reporting Program (CRP) รุ่น 3/2012 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Board Reporting Program (BRP) รุ่น 11/2013 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย
- หลักสูตร Anti-Corruption : The Practical Guide (ACPG) รุ่น 12/2014 สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย

การดำรงตำแหน่งสำคัญอื่นในปัจจุบัน

-ไม่มี-

สัดส่วนการถือหุ้นในบริษัท ณ วันที่ 31 ธันวาคม 2557

-ไม่มี-

## Education / Training

- Master of Accounting, Thammasat University

## Other Current Position(s)

- Director / Premier Solution Co., Ltd.

## Shareholding as of 31 December 2014

-none-

## Education / Training

- Master of Business Administration, Ramkhamhaeng University
- Company Secretary Program (CSP) class 10/2005, Thai Institute of Director
- Effective Minute Taking (EMT) class 20/2011, Thai Institute of Director
- Company Reporting Program (CRP) class 3/2012, Thai Institute of Director
- Board Reporting Program (BRP) class 11/2013, Thai Institute of Director
- Anti-Corruption : The Practical Guide (ACPG) class 12/2014 Thai Institute of Director

## Other Current Position(s)

-none-

## Shareholding as of 31 December 2014

-none-

# Company Profile

## Details of the Company

Company name	: Chow Steel Industries Public Company Limited
Symbol	: CHOW
Registration no.	: 0107552000049
Nature of business	: Production and distribution of steel billet
Head office	: 209/1 K Tower, 18th Floor, Unit 3, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok
Telephone no.	: 0-2260-3101-8
Facsimile no.	: 0-2260-3100
Website	: <a href="http://www.chowsteel.com">www.chowsteel.com</a>
e-mail	: <a href="mailto:info@chowsteel.com">info@chowsteel.com</a>
Factory location	: 518/1 Moo 9, Nongkee Subdistrict, Kabinburi District, Prachinburi
Branch location	: 518/3 Moo 9, Nongkee Subdistrict, Kabinburi District, Prachinburi
Registered capital	: 800,000,000 Baht (divided into 800,000,000 ordinary shares each of 1 Baht par value)
Paid-up capital	: 800,000,000 Baht (divided into 800,000,000 ordinary shares each of 1 Baht par value)

## Details of Subsidiary Company

Company name	: Vertex Logistics Services Co., Ltd.
Registration No.	: 0105552098837
Nature of business	: Providing Domestic Transportation
Registered capital	: 18,000,000 Baht (divided into 18,000 ordinary shares each of 1,000 Baht par value)
Paid-up capital	: 18,000,000 Baht (divided into 18,000 ordinary shares each of 1,000 Baht par value)
Head office	: 209/1 K Tower, 18th Floor, Unit 3, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok
Branch location	: 518/1 Moo 9, Nongkee Subdistrict, Kabinburi District, Prachinburi
Telephone no.	: 0-3745-5478
Facsimile no.	: 0-3745-5479
Website	: <a href="http://www.vertexlogistics.co.th">www.vertexlogistics.co.th</a>
Shareholding by CHOW	: 40% of registered capital

Company name	: Chow Energy Co., Ltd.
Registration No.	: 0105557181252
Nature of business	: a Holding Company by holding shares in other entities engaging in business relating to investment in, production and distribution of electricity from various kinds of energy.
Registered capital	: 221,536,980 Baht (divided into 22,153,698 ordinary shares each of 10 baht per share)
Paid-up capital	: 221,536,980 Baht (divided into 22,153,698 ordinary shares each of 10 baht per share)
Head office	: 209/1 K Tower, 18th Floor, Unit 3, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok
Telephone no.	: 0-2260-3101-8
Facsimile no.	: 0-2260-3100
Website	: www.chowenergy.co.th
Shareholding by CHOW	: 76.67% of registered capital

## Details of Indirect Subsidiary Company

Company name	: Chow International Co., Ltd.
Registration No.	: 0105556101158
Nature of business	: To invest in alternative energy business at home and abroad
Registered capital	: 130,000,000 Baht (divided into 1,300,000 ordinary shares each of 100 baht per share)
Paid-up capital	: 130,000,000 Baht (divided into 1,300,000 ordinary shares each of 100 baht per share)
Head office	: 209/1 K Tower, 18th Floor, Unit 3, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok
Website	: www.chow-international.com
Shareholding	: Chow Energy Co., Ltd. Holds 100% of register capital (The company holds an indirect in Chow International Co., Ltd. With 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: Premier Solution Co., Ltd.
Registration No.	: 0105556119812
Nature of business	: An investment advisor and advisor for alternative energy project development and management on a comprehensive basic at home and abroad.
Registered capital	: 7,100,000 Baht (divided into 71,000 ordinary shares each of 100 baht per share)
Paid-up capital	: 7,100,000 Baht (divided into 71,000 ordinary shares each of 100 baht per share)
Head office	: 209/1 K Tower, 18 <sup>th</sup> Floor, Unit 3, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok
Telephone no.	: 0-2664-1798-99
Facsimile no.	: 0-2664-1808
Website	: www.ps-cl.com
Email	: info@ps-cl.com
Shareholding	: Chow Energy Co., Ltd. Holds 100% of register capital (The company holds an indirect in Premier Solution Co., Ltd. With 76.67% of registered capital holds by Chow Energy Co., Ltd.)



## Company Profile

Company name	: Premier Solution Japan Kabushiki-Kaisha
Registration No.	: 0100-01-160888
Nature of business	: Has engaged in power plant business (part of the EPC process) and OMM service provision.
Registered capital	: 100,000,000 JPY (divided into 1,000,000 ordinary shares each of 100 JPY per share)
Paid-up capital	: 100,000,000 JPY (divided into 1,000,000 ordinary shares each of 100 JPY per share)
Head office	: 12 <sup>th</sup> Floor 2-2-2 Uchisaiwai-cho Chiyoda-Ku Tokyo Japan
Shareholding	: Premier Solution Co., Ltd. Holds 100% of register capital (The company holds an indirect in Premier Solution Co., Ltd. With 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: AE Solar Godo Kaisha
Registration No.	: 0100-03-019030
Nature of business	: Operates business in procurement of power supply agreements (FIT) and procurement of land used for construction of a solar power plant, including all relevant permits (part of the development process)
Registered capital	: 10,000 JPY
Paid-up capital	: 10,000 JPY
Head office	: 12 <sup>th</sup> Floor 2-2-2 Uchisaiwai-cho Chiyoda-Ku Tokyo Japan
Shareholding	: Premier Solution Japan Kaibushiki-Kaisha Holds 100% of register capital (The company holds an indirect in Premier Solution Japan Kaibushiki-Kaisha 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: Premier Solution GmbH
Registration No.	: HRB100189
Nature of business	: Project Insurance with regard to renewable energy project
Registered capital	: 25,000 Euro
Paid-up capital	: 25,000 Euro
Head office	: Rechtsanwalt (attorney at law) Christoph Lang LL.M., Steingasse 10-89073 Ulm
Shareholding	: Premier Solution Co., Ltd. Holds 100% of register capital (The company holds an indirect in Premier Solution Co., Ltd 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: Sun Energy Goko Kaisha
Registration No.	: 0100-03-020215
Nature of business	: Has engaged in power plant business and OMM service provision.
Registered capital	: 10,000 JPY

Paid-up capital	: 10,000 JPY
Head office	: 12 <sup>th</sup> Floor 2-2-2 Uchisaiwai-cho Chiyoda-Ku Tokyo Japan
Shareholding	: Premier Solution Japan Kabushiki-Kaisha Holds 100% of register capital (The company holds an indirect in Premier Solution Japan Kabushiki-Kaisha 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: Sol Power Goko Kaisha
Registration No.	: 0100-03-020122
Nature of business	: Has engaged in power plant business and OMM service provision.
Registered capital	: 10,000 JPY
Paid-up capital	: 10,000 JPY
Head office	: 12 <sup>th</sup> Floor 2-2-2 Uchisaiwai-cho Chiyoda-Ku Tokyo Japan
Shareholding	: Premier Solution Japan Kabushiki-Kaisha Holds 100% of register capital (The company holds an indirect in Premier Solution Japan Kabushiki-Kaisha 76.67% of registered capital holds by Chow Energy Co., Ltd.)

## Details of the Company's Affiliate

Company name	: Oversea Green Energy Co., Ltd.
Registration No.	: 0125557023622
Nature of business	: To invest in a solar power project management business in Japan
Registered capital	: 1,000,000 Baht (divided into 100,000 ordinary shares each of 10 baht per share)
Paid-up capital	: 1,000,000 Baht (divided into 100,000 ordinary shares each of 10 baht per share)
Head office	: 8/8, Village No.2, Ngamwongwan Road, Bang Khen Sub-district, Mueang Nonthaburi District, Nonthaburi Province.
Shareholding	: Premier Solution Co., Ltd. holds 40% of register capital (The company holds an indirect in Premier Solution Co., Ltd. 76.67% of registered capital holds by Chow Energy Co., Ltd.)

Company name	: RIC International Investment Pte. Ltd.
Registration No.	: 201434861C
Nature of business	: To invest in solar power project in Japan
Registered capital	: 100 SGD
Paid-up capital	: 100 SGD
Head office	: 8 Marina Boulevard, #05-02, Marina Bay Financial Centre, Singapore 018981
Shareholding	: Chow International Co., Ltd. holds 40% of register capital (The company holds an indirect in Chow International Co., Ltd. 76.67% of registered capital holds by Chow Energy Co., Ltd.)

## References

Securities Registrar : Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building  
Rachadapisek Road, Klongtoey, Bangkok 10110  
Tel: 0-2229-2800 Fax: 0-2359-1259 Website: [www.tsd.co.th](http://www.tsd.co.th)

Auditor : Mr Pradit Rodloytuk  
Certified Public Accountant Registration No. 218  
AST Master Co., Ltd.  
790/12 Thong Lor Tower, Soi Thong Lor 18  
Sukhumvit 55 Road, Klongtan, Wattana, Bangkok 10110  
Tel: 0-2714-8842 Fax: 0-2185-0225 Website: [www.astmaster.co.th](http://www.astmaster.co.th)

Legal : Lewmanomont International Law Office Co., Ltd.  
256 Lewmanomont Building, Ratchadapisek Rd., Huaykwang,  
Bangkok 10320  
Tel: 0-2274-0461-4 Fax 0-2274-0465 Website: [www.lewmanomont.com](http://www.lewmanomont.com)

Company Secretary : Miss Sirirat Khongpeng  
Email: [sirirat@chowstee.com](mailto:sirirat@chowstee.com)  
Tel : 0-2260-3101-8 Ext. 121  
Fax: 0-2260-3100

Investor Relation : Mr Suttichai Suraphat  
Email: [ir@chowsteel.com](mailto:ir@chowsteel.com)  
Tel : 0-2260-3101-8 Ext. 110  
Fax: 0-2260-3100

# Natures of Business Operations

Mr. Anavin Jiratomsiri established Chow Steel Industries Co., Ltd. ("CHOW") in November 2003 to manufacture and distribute steel billets to rolling mills, both domestically and overseas, for further rolling into long products such as round bar, deformed bar, and wire rod, etc. Scrap is used as major raw material in the manufacturing process applying the electric induction furnace (EIF) technology. Its factory is located in Kabinburi Industrial Estate, Prachinburi.

## Background and Major Development of the Company

### 2003

Chow Steel Industries Co., Ltd. was established with an initial registered capital of 400 million Baht to produce and distribute steel billets.

### 2004

Started construction of the factory which is located at No. 518/1 Moo 9, Nongkee Subdistrict, Kabinburi District, Prachinburi.

### 2005

Received a Promotion Certificate no. 1337(2)/2548 from the Board of Investment (BOI) for manufacturing steel billets under phase 1, thereby the Company has been granted corporate income tax holiday for 8 years and 50% reduction of corporate income tax on net profit earned from the promoted activities for 5 years.

Started commercial production of phase 1 factory with a maximum production capacity of 250,000 tons per year.

### 2007

Received a Promotion Certificate no. 2228(2)/2550 from the BOI for manufacturing steel billets under phase 2, thereby the Company has been granted corporate income tax holiday for 8 years and 50% reduction of corporate income tax on net profit earned from the promoted activities for 5 years.

### 2008

Obtained the ISO 9001:2000 Certificate from the Bureau Veritas Certification for the Manufacturing of Steel Casting. The certificate expired on 28 December 2010.

Increased paid-up capital to 600 million Baht via rights issue to the existing shareholders, the proceeds from which would be used for construction phase 2 factory.

Started production of Phase 2 factory with a maximum production capacity of 480,000 tons per year, thus making up a total production capacity of 730,000 tons per year.

### 2009

Became a member of London Metal Exchange (LME), which is a world futures market, under the name of CHOW KABINBURI. Its SWORD Codes shall be called differently depending on the location of the warehouse: CHOWFE for Far East contracts and CHOWME for Mediterranean contracts.

Registered as a public company limited under the name "Chow Steel Industries Public Company Limited" and changed its par value from 100 Baht per share to 1 Baht per share.

### 2010

Acquired ordinary shares of Vertex Logistics Services Co., Ltd., which operates in-land goods transport business, in a total amount of 7.2 million Baht, representing 40% of paid-up capital of 18 million Baht, in order to boost the Company's logistic service potential in delivering its products to the customers.

Obtained the ISO 9001:2008 Certificate from the Bureau Veritas Certification for the Manufacturing of Steel Casting which is due to expire on 28 December 2013.

## 2011

Registered a branch located at No. 518/3 Moo 9, Nongkee Subdistrict, Kabinburi District, Prachinburi.

Increased paid-up capital to 800 million Baht by initial public offering in a total amount of 200 million shares, and listed its stock on the Market for Alternative Investment (mai) on 21 December 2011.

## 2012

Certificate of Green Industry form Ministry of Industry, 1st level (Green Commitment), committed to minimize effects to environments and applied corporate communication to create awareness.

Certificate of Green Industry from Ministry of industry, 2<sup>nd</sup> level (Green Activity), implemented activates to minimize effects to environments

Certificate of Corporate Social Responsibility-Department of industrial Works (CSR-DIW) from Ministry of Industry regarding responsibilities toward societies.

## 2013

Company established Chow International Company Limited with registered capital of 50 million Baht. The objective is to invest in renewable energy in Thailand and overseas, with capital of 41.5 million Baht or 83% of registered capital. Premier Solution Company Limited was also established with registered capital of 5 million Baht with the objective to locally and internationally provide consult related to renewable energy investment, develop renewable energy project, as well as provide operation and maintenance service to completed projects. Capital investment is 4.05 million Baht or 81% of registered capital. Company aims to invest in potential business and diversify risk to alternative fuel business that ensures sustainable revenue flow for company in the future.

## 2014



By resolution of Board of Directors meeting No. 1/2014 on 17 January 2014, the Company invested in a solar power plant in Japan, with a capacity of approximately 18 megawatts, through Chow International Co. Ltd. ("CI"), a subsidiary, and appointed Premier Solutions Company Limited ("PSCL") as the project developer.

By resolution of Board of Directors meeting no. 1/2014 on 17 January 2014, the Company set up Premier Solutions Japan Company Limited ("PSJP"). The objectives are the development of a solar energy power plant indirectly through a subsidiary in Japan, business expansion, investment in a business showing potential, and risk diversification. The Company holds 81% of the registered capital through Premier Solutions Co. Ltd., with initial registered capital of 10,000 yen.

By resolution of Board of Directors meeting no. 4/2014, on 22 April 2014, the Company approved the acquisition by Premier Solutions Japan Co. Ltd. ("PSJP") of a 100% stake in AE Solar Godo Kaisha ("AE Solar") with a value of 10,000 yen. The objective is to support investment in a solar energy power plant in Japan, with a production capacity of 18 megawatts, in accordance with the resolution of Board of Directors meeting no. 1/2014 on 17 January 2014. Since AE Solar has received approval from the Japanese Ministry of Economy, Trade and Industry (METI) to sell electricity produced from solar energy to the electric companies, the acquisition of AE Solar has had the effect of allowing the group to receive this license through indirect means.

Chow International Co. Ltd. ("CI"), a company in the group, increased its registered capital from 50,000,000 baht to 130,000,000 baht in order to support investment in the solar energy project in Japan with a capacity of 18 megawatts, in accordance with the resolution of Board of Directors meeting no. 1/2014 on 17 January 2014. This increase in capital is to support the settlement of costs incurred by CI in this project.

By the resolution of Board of Directors meeting no. 6/2014, on 7 August 2014, the Company gave approval to Premier Solutions Co. Ltd. ("PSCL"), a company in the group, to increase its registered capital from 5,000,000 baht to 7,100,000 baht by issuing 21,000 ordinary shares, at a price of 100 baht per share, to existing shareholders in proportion to their holding. The Company forgoes its right to purchase ordinary shares in PSCL.

By the resolution of Board of Directors meeting no. 6/2014, on 7 August 2014, the Company gives its approval for the issuance and offering of bills of exchange by private placement of no more than 10 bills at any one time in order to enhance the financial liquidity of the Company to an amount not to exceed 1 billion baht.

By resolution of Board of Directors meeting no. 7/2014, on 12 September 2014, the Company gave approval for Chow International Co. Ltd. ("CI") to sign a shareholders' agreement to proceed with the establishment of a joint venture company in Singapore in order to invest in the production of solar energy in Japan,



## 2014 (continue)

with a total capacity of approximately 33 megawatts. Approval was also given to Premier Solutions Co. Ltd. ("PSCL") to sign a shareholders' agreement to proceed with the establishment of a joint venture company in Thailand in order to provide management services to the solar energy electricity production project in Japan.

By resolution of Board of Directors meeting no. 8/2014, on 17 October 2014, the Company approved an increase in the registered capital of Premier Solutions Japan Co. Ltd. from 10,000 Japanese yen to 100,000,000 Japanese yen in order to support investment in the 18-megawatt solar energy project in Japan in accordance with the resolution of Board of Directors meeting no. 1/2014, on 17 January 2014.



By resolution of Board of Directors meeting no. 8/2014, on 17 October 2014, the Company approved an increase in the value of the bill of exchange offering in order to raise funds for investment in subsidiaries and the alternative fuels business from a total not to exceed 1 billion baht at any one time to a total not to exceed 2 billion baht.

The formation of Oversea Green Energy Co. Ltd. ("OGE"), a joint venture company, was completed on 20 October 2014.

The Kyotango Solar Power Plant in Japan, which has a production capacity of 4.019 megawatts (DC) started selling electricity commercially on 12 November 2014.

The allocation and sale of 21,000 ordinary shares in PSCL (29.58% of the paid-up capital of PSCL after the offering) was made to Mr. Sung Ko, Managing Director of PSCL, at a selling price of 763.21 baht (face value 100 baht per share) at a total of 16,027,410 baht. The price was mutually agreed and higher than the price calculated by net present value method of 761.38 baht per share given by Finnex Advisory Co. Ltd.

The formation of RICl Co. Ltd. ("RICl"), a joint venture company, was completed on 21 November 2014.

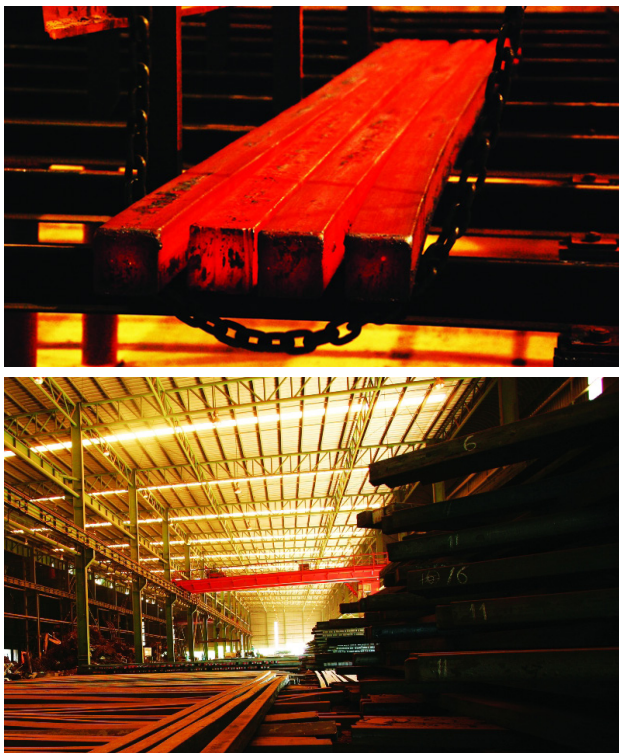
By resolution of Board of Directors meeting no. 10/2014, on 1 December 2014, the Company resolved to establish Chow Energy Co. Ltd. ("CE") with registered capital of 221,536,980 baht, through 22,153,698 ordinary shares with a face value of 10 baht per share in order to revise the shareholding in the Company's subsidiary group.

By resolution of Board of Directors meeting no. 10/2014, on 1 December 2014, the Company gave approval for Chow International Co. Ltd. ("CI") to purchase all shares in Premier Solutions Co. Ltd. ("PSCL"), a total of 71,000 shares at a price of 761.38 baht per share. The selling price is a fair value based on the net present value calculated by the Company's financial advisers.

By resolution of Board of Directors meeting no. 10/2014, on 1 December 2014, the Company approved the purchase by Chow Energy Co. Ltd. of all shares in Chow International Co. Ltd. ("CI"), a total of 1,300,000 shares at the price of 128.83 baht per share. The selling price is a fair value based on the net present value calculated by the Company's financial advisers.

The Company set up 3 new indirect subsidiaries: 1. Premier Solutions German Co. Ltd. ("PSGM") in Germany, for the purpose of project insurance and quality assurance of alternative fuels projects; 2. Sun Energy Co. Ltd. ("Sun"); and 3. Sol Power Co. Ltd. ("Sol") in Japan with initial registered capital of 10,000 Japanese yen, for the purpose of supporting investment in an 18-megawatt solar power plant in Japan, in accordance with the resolution of Board of Directors meeting No. 1/2014 on 17 January 2014.

## Business Overview



Chow Steel Industries Public Company Limited (“CHOW” or “the Company”) engages in production and distribution of steel billets using scrap as major raw material. CHOW has employed imported production technology well accepted globally. Steel billet production process encompasses three steps: First, scrap is prepared. Second, the scrap is then melted in the electric induction furnace (EIF) with required elements added to enhance the characteristics and quality of the steel according to customers’ demand. Last, the steel is cast into billet. The EIF technology will transform electricity energy into heat to melt iron and steel. The advantage of the induction furnace is a clean, energy-efficient and well-controllable melting process compared to most other means of metal melting. The Company’s customers use billet to manufacture round bar, deformed bar, and wire rod. These long products are mainly used in small and medium construction works such as

residential and commercial units as well as other general construction works, including machine tools, auto parts and other appliances and large-scale constructions that require steel products of high strength, such as bridges, dams, expressways, and structures that need to tolerate high compression, as well as tall buildings.

At present, the Company has a factory to produce steel billet and a branch located in Kabinburi Industrial Estate, Prachinburi Province, on a total land area of around 70 rai. Initially, the factory had maximum billet production capacity of 250,000 tons per year and later increased the capacity by 480,000 tons per year in the phase 2 factory, thus making up a total production capacity of 730,000 tons per year (maximum capacity as requested for permit in the Environmental Impact Assessment Report or EIA Report). However, as the Company needs to manage and control electricity costs, it has the policy to produce steel billet only during off-peak periods, in order to keep electricity costs lower than that during the peak periods. The two factories of the Company are accordingly running at maximum combined capacity of 450,000 tons per year during off-peak periods at present. Its major customers are rolling mills that have no blast furnace and rolling mills that have their own blast furnace but with inadequate production capacity and hence relying on billets from external sources. Besides, the Company has become a member of the London Metal Exchange (LME), a world leading futures market, allowing for its exports of products to the global market, such as ASEAN, and reflecting international acceptance of its product quality. This can help boost the Company’s image and reputation as well as its products in overseas markets.

The Company aims to expand its business scope to alternative power plan to become leading alternative power supplier for government agencies, private sectors, domestically and internationally. It is Company's determination to create clean energy for society and environment, to become the distribution center of alternative energy as an extra option for government and private agencies. All in all, the benefits are returned to consumers in a long run.

Considering the potential return from the investment, the Alternative Energy Power Plant was commenced in 2014, with primary development and construction performed in Japan, with total production capacity of 18 megawatts. In November, Kyotango-one of the solar power plant project has been completed and started commercial distribution with production capacity of 4.02 megawatts.

## Revenue Structure of the Company and Its Subsidiary by Type of Products

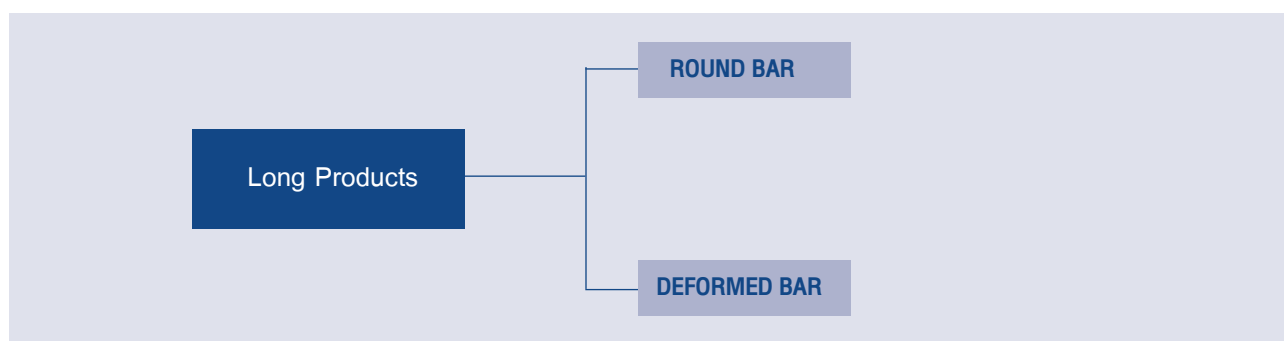
Types of Products	Operated by	Consolidated financial statement					
		2012		2013		2014	
		Million baht	%	Million baht	%	Million baht	%
Steel Products							
- steel billet SR 24	the company	1,665.85	38.18%	1,553.12	32.11%	817.25	19.66%
- steel billet SD 30	the company	2,453.65	56.23%	2,989.69	61.82%	2,765.55	66.54%
- steel billet SD 40	the company	0.01	0.00%	34.22	0.71%	-	
- steel billet 5 SP	the company	223.53	5.12%	223.85	4.63%	453.71	10.92%
Total revenues from sales		4,343.04	99.54%	4,800.88	99.27%	4,036.51	97.12%
Transport service income	subsidiary	6.13	0.14%	1.70	0.04%	1.23	0.03%
Income from distribution of electricity	subsidiary	-	-	-	-	3.51	0.08%
Income from project development	subsidiary	-	-	10.86	0.22%	67.44	1.62%
Other revenues	Company & Subsidiary	14.06	0.32%	22.84	0.47%	47.45	1.15%
Total revenues		4,363.23	100.00%	4,836.28	100.00%	4,156.14	100.00%

## Description of Product and Service

### Steel Billet

The Company is a producer and distributor of steel billet of several grades up to the customers' needs by adjusting chemical composition, such as carbon, silicon, and manganese, etc. during the melting process. The Company produces several dimensions and lengths of products by using different sizes of casting crucible and has the billet cut into different lengths by automatic cutting machine to serve the needs of both small and large rolling mills. Product specifications and production details are marked on the products for easy tracking.

The Company's billet will be distributed to rolling mills for further production of long products which are divided according to properties and application purposes into two types, as below:



#### 1. Billet for production of round bar

Billet for production of round bar, i.e. SR 24, with the sizes of 100x100 mm., 120x120 mm. and 150x150 mm., and the length of 6-12 meters. This type of billet has high strength and elasticity. Normally, round bar is used in construction industry for medium and small buildings such as house, commercial building, and general construction, etc.

#### 2. Billet for production of deformed bar

Billet for production of deformed bar, i.e. SD 30 and SD 40, with the sizes of 100x100 mm., 120x120 mm. and 150x150 mm., and the length of 6-12 meters. This type of billet has high strength due to high carbon content, but has less elasticity. Deformed bar has ridges along the surface, which makes it adhere better. Normally deformed bar is used in large construction and reinforced concrete works such as bridge, dam, expressway, and construction works that can tolerate high compression, or high building, etc. At present, steel with high carbon is widely used owing to its high strength against applied load and thus helps cut costs with less use of steel.

## Alternative energy business

The Company group are producer and distributor of electricity generated from alternative energy. The main customers are the government agencies in different countries that consider potentiality of production and distribution. Currently the Company has invested in the solar power plant projects in Japan, with production capacity of 18 megawatts. The details are as follows:

Projects	Production capacity	Status/procedure
<b>Commercially operated</b>		
1. Kyotango	4 megawatts	Commercially operated (COD) since 12 November 2014
<b>List of planned projects</b>		
1. Oita	3 megawatts	- in progress of preparing scheduled commercial operation date projects
2. Other projects	11 megawatts	- under Construction
<b>Total production capacity</b>	<b>18 megawatts</b>	

Kyotango is the first solar power plant of the company group operated under EA Solar Co., Ltd., the Company's subsidiary. Upon covenant of power producer agreement (PPA) the project commercial operation date (COD) started on 12 November 2014, at the rate 40 yen per kilowatt-hour, contract period is valid for 20 years from the COD.



Kyotango Project



Oita Project





## Competitive Advantages of the Company

กำลังการผลิตสูงสุด

**730,000**

ตันต่อปี

- The Company has maximum billet production capacity of 730,000 tons per year. Therefore, it can expand its production to serve the growing demand for billet following the government policy to promote investment and reduce dependency on imported billets in order to minimize the country's trade deficits.

- The Company's policy is to operate business that is not in competition with our customers. We focus on producing steel billet for distribution to our customers for further rolling into long products. With this policy in place, we have gained trust and confidence from our customers as evident from the continued purchasing orders placed by our customers.

- The Company is able to offer product of various grades, sections and lengths to meet the needs of diverse groups of customers.

- The Company produces quality products using modern machinery and efficient production process. We have obtained ISO 9001:2000 Certificates from the Bureau Veritas Certification since 2008. Presently, it is ISO 9001:2008.



- The Company is one of the two steel billet producers in Thailand listed as members of the London Metal Exchange (LME) which is a world leading futures market. This reflects international acceptance of our product standards that reassure the quality and image of the product, enabling the Company to expand distribution channels both at home and overseas. The Company may distribute directly to the customers and/or through the LME.

- The Company has applied a program called SAP, which is an enterprise resource planning (ERP) system, enabling the management to have access to and examine information promptly and accurately for efficient business administration and decision-making.

- The Company has invested in Vertex Logistics Services Co., Ltd. and contracted Vertex to deliver the Company's products to customers for 5 years in a bid to



improve logistic potential, thus enabling the Company to use Vertex as a distributor to deliver the products in time.

- The Company's factory is located in Kabinburi Industrial Estate, Prachinburi, which has advantages of availability of utilities and transportation system, close proximity to raw material sources, and product distribution convenience by land and sea. In addition, the Provincial Electricity Authority, Kabinburi, supports by offering 10% discount on the

Company's monthly electricity bill for five years starting from the income earning date.

- The Company's factory is located in Prachinburi which is designated as Investment Zone 3 under the



BOI promotion. The Company has been granted two promotion certificates with key privileges such as exemption from corporate income tax for eight years as from the income earning date, 50% reduction of corporate income tax for the next five years after the end of the corporate income tax holiday, allowance of deductibles two times the actual transportation, electricity and tap water expenses for 10 years as from the income earning date, etc.



# Corporate Social Responsibilities

We, as a good organization, are committed to creating values to the society by adhering to the principle of steel industrial business conduct in order to encourage and promote and be part of creating the stability of steel industrial markets, and we will operate our business with responsibility for social and environmental benefits.

## 1. Overall Policy

We are committed to producing and delivering products of quality that meets customer requirements under good governance. In our operations, we are accountable for both environmental and community impacts from our conduct of business. We base our principle of operating business on ethics, transparency, verifiability, respect for human rights, compliance with laws, and adherence to international procedural guidelines, with regard to the benefits of interested parties, including development and improvement to create a foundation of constant and sustainable social responsibility.

## 2. Operations and Reporting

### 1. Fair Business Conduct

The Company's policy is adherence to fairness in our business conduct; execution and attempted execution to in its best interests create fairness towards partners and competitors; and strict compliance with the commitments to attain common objectives. The guideline for treating partners fairly is established in the Code of Conduct as follows:

#### Procedural Guideline

- If a partner company is related to one of the directors, management members, or employees that might cause business unfairness, that person should inform his or her superior in writing before the Company's entering into the transaction.
- Management and employees must comply with partner trade conditions honestly and fairly. If unable to do so, their superiors should be informed in order to find out a solution with the business partner.
- Directors, management members, and employees are not allowed to give or offer to outside parties any property or interest that would cause business unfairness, and should avoid accepting property of interests from business partners.

### 2. Anti-Corruption Action

The Company is committed to observing and upholding its position on anti-corruption. The Company has established operational guidelines in accord with the Anti-Corruption Policy ("the Policy") to ensure appropriate operational policies, regulations and guidelines are in place to prevent corruption in all its business activities, and any decision or action on business with potential risk of corruption is made with prudence. Details are as below:

#### Operational guidelines under Anti-Corruption Policy

1. Directors, executives and employees of the Company and subsidiaries, as well as affiliated companies and contracted parties or subcontracted parties, are prohibited from committing or supporting corruption in all forms, both directly and indirectly. There shall be regular reviews of work performance in accordance with the Policy and operational guidelines in line with the relevant policies, procedures, stipulations, regulations, notifications, laws and changing business circumstances.
2. Anti-corruption measures are part of the Company's business operations, and are the responsibility of its Board of Directors, executives, supervisors and employees in all levels, as well as contractors/suppliers, or subcontractors, to take part in raising concerns or comments in relation thereto so as to achieve the anti-corruption objective under the Policy.
3. The Company shall develop anti-corruption measures in conformity with the relevant laws and moral principles, and have risk assessment made on businesses relating or exposed to risk of fraud and corruption, as well as work out written operational guidelines for use among relevant parties.
4. The Company shall not give, receive or support bribery in all forms and in all activities under its charge and control. All charitable donations, donations to political parties, business gifts and support of any activities shall be transparent and have no intention to induce or direct government officials or private-entity employees into doing inappropriate acts.
5. The Company shall establish consistent and effective internal controls to prevent inappropriate performance of employees, particularly those in the procurement, warehouse management and delivery functions.
6. The Company shall provide knowledge and training on anti-corruption to the Board of Directors, executives and employees to promote honesty, integrity and accountability in performing duties and responsibilities, and to express strong commitment of the Company.
7. The Company shall put in place financial status reporting mechanism that is accurate and transparent.
8. The Company shall promote multiple-channel communications so that employees and relevant parties can notify of any suspicious acts with assurance that they will be protected against any unfair treatment or bully punishment or removal, and shall appoint designated person(s) to monitor and examine all such suspicious acts.



### **3. Respect for Human Rights**

The Company has a policy to adhere to human rights and respect the honor and personal rights of its directors, management and employees, giving affirmative employment opportunities and disallowing discrimination, labor deterrence, harassment or threatening due to differences in nationality, race, class, sex, age, religion, creed, and social status. Management and the employees have the opportunity to get encouraged and promoted for knowledge and competency training equally and suitably as necessary for each level of job position. The Company has a policy to keep its working environment safe and hygienic to enable productive work performance. Procedures on adherence to human rights and equal work opportunities are established in the Code of Conduct as follows:

#### Procedural Guideline

- Treat colleague with respect for their honor, dignity, and personal rights.
- Treat people politely and equally with discrimination, despite differences in nationality, race, class, sex, age, religion, creed, and social status.
- Respect the good culture, customs and traditions of Thailand and other countries with which we contact for business activities; conduct activities in such a way that fits the social and economic conditions of the country.
- When any irregularity that potentially causes the workplace to be unsafe is found, management and the employees should report the person in charge for prompt rectification.

## 4. Fair Labor Treatment

### Employment and Labor Relations

The Company has formed an Establishment Welfare Committee to undertake joint discussions and provision of employee welfare and additional benefit, and has defined a policy for its employees to receive benefits and welfare fairly. As a result of attaching importance to good labor relations, benefits, and welfare, the employees have become more satisfied with the Company, with their established love and bond to the Company as reflected in the statistics of reduced resignation.

### Occupational Health and Safety

The Company has appointed a Safety Committee to consider resolving safety problems and promoting safety activities, giving operating staff the opportunity to be part of the Committee in order to obtain information from those working at the operational level. In addition to attaching importance to activities that potentially impact the employees, the Company also attaches importance to activities that potentially pose external impact. Accordingly, a Community Relations Committee has been established to jointly consider improving and resolving impacts and to promote more Company participation in communal activities.

In addition, the Company joined the CSR-DIW initiative and has been given a Green Industry Certificate Level 1: Green Commitment that indicates the Company's commitment to reducing environmental impacts, which has been communicated throughout the organization. The Company has also received a Green Industry Certificate Level 2: Green Activity that indicates the Company's successful achievement of determined, environmental impact reduction activities. In addition, the Company has also received a Certificate of Compliance with Social Responsibility Standard for Industrial Operators from the Department of Industrial Works, Ministry of Industry.



### Diversity and Equal Opportunity

The Company realizes linguistic, ethnic and educational diversities of its employees and, hence, open various communication channels through supervisors and suggestion boxes. However, there are no employee complaints about unequal treatment.

## 5. Responsibility for Consumers

The Company attaches importance to the production and delivery of products of good quality that meets customer requirements and bases its execution primarily on customers' best interests, subject, however, to applicable ordinances regulations, and/or laws. Procedures on customer treatment and product quality are established in the Code of Conduct as follows:

### Procedural Guideline

- Know and understand the manufacturing process and comply strictly with the established regulations of the Company for quality and fast goods delivery and provision of services.
- Study and understand customer requirements in order to meet customer requirements correctly.
- Treat customers with politeness, honor and generosity.
- Respect opinions and decisions of customers without abusing their personal rights.
- Keep and refrain from abusively using customer personal information for personal or concerned individuals' gain.
- Pay attention to customer complaints and execute fairly to get the customer receive a response quickly.

## 6. Environmental Care

### Sustainable Use of Resources

The Company is aware of the importance of the resources that are used as raw materials in the Company's business activities, including the energy used in the production process, especially electricity, which is the main power source in steel billet production. To this end, the Company became a designated factory, TSIC-ID: 37110-0166, in accordance with the Royal Decree on Designated Factory B.E. 2540.

The Company announced its energy efficiency policy to be practiced within the organization and set energy efficiency targets, through a comparison with specific energy consumption, and also produced a report on energy management, with a qualified person responsible for energy being appointed as required by ministry regulations. The Company submits an energy management report to Department of Alternative Energy Development and Efficiency in March of each year and received approval from the project for the introduction of cleaner technology for the metals industry implemented by the Department of Industrial Works. In addition, the Company has been approved as an industrial producer following principles of good environmental governance by the Ministry of Industry.

### Pollution Prevention and Effects

The Company uses electric induction furnace technology, which creates less air pollution than other types of furnace, to deal with occurring pollutants, specifically dust particles composed of oxide fumes from steel and other metals that are mixed in steel scrap. The Company therefore installed a pollution control system at source, using bag house filtering that was able to reduce the level of air pollution and the negative effects on the health of factory employees and in neighboring communities.

The Company followed standards in the prevention, correction and reduction of environmental impacts by submitting an environmental impact assessment which was approved by the Office of Natural Resources and Environmental Policy and Planning on 24 September 2008. The Company currently submits reports following the standards to the Office of Natural Resources and Environmental Policy and Planning every 6 months, hiring independent experts to measure environmental quality based on the reports, in accordance with environmental protection and prevention standards and the most recent environmental quality assessment, January-June 2014, which was carried out by S.P.S. Consulting Services Co. Ltd.

## 7. Community and Social Development

The Company specified target areas for community and social development, focusing on local communities within a 5-kilometer radius of the factory, and consisting of 12 villages in Nong Ki sub-district, Kabinburi District, Prachinburi, with 2 villages in Nadee sub-district, Kabinburi District, Prachinburi, making a total of 14 villages. In 2014, 17 projects were undertaken as follows:

1. The Company arranged for representatives to consult with the communities to organize activities and joint community development projects and to give particular attention to groups with special needs and selected groups, such as local disabled people. The Company specified its corporate social responsibility policy, appointed a social responsibility working committee, and worked with the community to identify their needs and plan community projects.
2. The Company gathered appropriate information from the local communities before proceeding on joint development activities by organizing consultations to identify suitable points for drawing up community development plans.
3. The Company supported activities for the development of public property and the community, working together with various local organizations on activities such as landscaping and local volunteer activities, providing materials and equipment to manage problems such as laying drainage pipes at schools and temples,

- making roof repairs to school canteens and libraries, building children's playgrounds to promote the health and health education of students, for example at Ban Khok San School, Ban Thod School and Ban Kho Khlan School.
4. The Company has supported people volunteering for community service in collaboration with Nong Ki Sub-district Administrative Organization, Kabinburi District, Prachinburi and volunteers in 12 villages who set up checkpoints for vehicles and illegal items, providing equipment such as checkpoint signs, drug-testing kits, traffic light batons. There has also been support for local volunteer groups, such as the Satcha Phutthatham Foundation, through the donation of items for public use such as lifesaving equipment and drinking water for travellers during festivals.
  5. The Company produced a working plan for community development which has been followed through and evaluated. The plan respected the rights and opinions of others while benefiting the organization through the "Chow Volunteer Teaching" project which provided local students with knowledge and skills in an ASEAN language. A meeting was held with teachers in which valuable ideas were exchanged and staff from the organization were able to share their knowledge and skills with Mathayom 2-3 students, teaching communication skills in Burmese for 1.5 hours per week during counselling or club periods.
  6. The Company gave educational support and participated in activities to develop educational quality at all levels in the local area as follows:
    - 6.1.1 Employing one teacher at Ban Thod School.
    - 6.1.2 Organizing activities in basic first aid for unexpected events in daily life for more than 150 villagers in the local area.
    - 6.1.3 Organizing an open exhibition in the Company during Safety Week 2014.
    - 6.1.4 Organizing a youth camp with local schools to provide real-life learning experiences.
    - 6.1.5 Organizing the "Chow Volunteer Teaching" project to teach Burmese to local Mathayom 2-3 students.
  7. Supporting local culture, customs and ceremonies by participating in religious ceremonies such as robe presentations, Buddhist Lent, ordinations, merit-making and organizing a youth dharma camp with the Nong Ki Subdistrict Administrative Organization; participating in traditional local events such as Songkran and the Loy Krathong parade; and involvement in landscaping improvements to communities, temples and schools.
  8. The Company disseminated knowledge of human rights through the distribution of information regarding human rights of particular relevance and value to 12 communities in the vicinity of the factory.
  9. Job creation and skills development The Company carried out an analysis of the effects of investment decisions relating to job creation in the community and made investments to reduce poverty through job creation. The Company set up projects to support and develop occupations for local people in order to reduce poverty through the creation of jobs and income in the community, for example, through the use of technology to reduce production costs and education in management and accounting.
  10. Employment and development of abilities in special needs groups, The Company employed disabled people from the community and made donations to a fund for the development of skills for the disabled.
  11. The Company supported the development of a body of knowledge, wisdom and technology for the community's economic potential and protection of community rights, such as providing knowledge of GMP standards so that local processed products follow correct hygienic practices.
  12. The Company studied methods to reduce or eliminate negative effects on health arising from the production process or services, such as reporting the results of studies into impacts on the environment and health in regular visits to the local community where, as well as receiving a variety of opinions, it was also possible to present health issues.
  13. The Company has supported health care by helping the community to receive medicines and vaccines, exercise and good nutrition, disease prevention, birth control, and by taking care of child nutrition. Help included providing financial support for a playground at Ban Khok San School, giving the children appropriate exercise for their age, and producing information for distribution in the community regarding health care and disease prevention.

### 3. Social and Environmental Activities

The Company operates with awareness of its social, community and environmental responsibilities, important duties that have been seriously and continuously since 2007 when the Company focused community development on meeting the needs of the local area under 7 categories as follows:

1. Education
2. Career
3. Environment
4. Religious
5. Sport, public health and safety
6. Social
7. CSR in house

In 2014, the Company organized community development projects that met the needs of the community, taking a cooperative approach to disseminate information and ask about various issues and views for use in writing suitable project plans. The projects organized can be summarized as follows:

#### Education

Employing one teacher for a local school lacking in important human resources and required for a subject that provides knowledge for local students. Since 2011, the Company has placed importance on the education of young people, who are the primary force for the future development of the country, whether it be in science, finance - the economy, all of which requires the fostering of their importance, understanding and a positive attitude in childhood.

Therefore the development of children and young people is highly valued. Education or development, passing on knowledge of technology, and using teaching methods that encourage young people to demonstrate the abilities they possess and enhance the skills and abilities that are used for social interaction. The Company therefore understands the importance of selecting staff with knowledge and the ability to pass on that knowledge and this has always been an integral part of the project.

The Chow volunteering to teach project Since progress and technology are now the important ingredients in social development and business efficiency, communication has become a necessity. The Company utilized the abilities of its staff, by providing the opportunity to share their knowledge of Burmese with local young people, who responded with interest. This included supplying interesting instructional materials to combine learning and fun, offering an experience of something different and giving opportunities for self-expression in appropriate ways.

#### Career

The Chow knowledge for career project and the mushrooms to wealth project are projects that have been run continuously for 2 years to enhance the livelihood of farmers in the company's vicinity. Educating farmers in the large-scale cultivation of mushrooms has provided a supplementary livelihood to the more than 20 households that have participated in the project. It brings together a group of mushroom culture wholesalers, from farmers in Village 2, Ban Khok Khi Lek, Nong Ki, Kabinburi, Prachinburi, and a group preparing the mushrooms for retail sale from farmers in Village 4, Ban Samong, Nong Ki, Kabinburi, Prachinburi. This has expanded to processed mushroom products with added value, with participating farmers receiving theoretical knowledge and practical experience together with equipment. The program is run by Suranaree University of Technology, Nakhon Ratchasima and a group has been set up to sell these products.



## Environment

The Chow sustainable development of agriculture in the community project, the approach for this project came from a survey of areas under agricultural use by local people, for whom agriculture is the main occupation, with the information gathered used as the basis for a working plan. It was found that most areas were arid and plant cultivation did not yield the expected results because of the sandy nature of the soil. Consequently, a plan was drawn up for a project to restore the condition of the soil and plant a pilot area with farmers from Village 9 and Village 5 in Nong Ki, Kabinburi, Prachinburi. The objectives are to create work and income so that farmers in the community may return to their occupation and also increase green areas and the fertility of the soil.

## Religious

The dharma camp was carried out in cooperation with the local administrative organization. The objective was to give local youngsters the opportunity to learn about a lifestyle following the 5 precepts. This is a way to maintain religion and educate the youth on religious principles and teachings.

## Sport, Public Health and Safety

Community Relations Chow Cup, since the Company recognizes that social responsibility will lead to the steady growth of the organization together with the community and the Company's stakeholders, a policy on social responsibility was declared. It is used in the administration of the organization and stresses the importance of the surrounding community living side by side with the internal community. Therefore, a sporting event was organized between the local community and staffs under the name "Community Relations Chow Cup" for the 3rd year. A football match was held to encourage members of the local community to participate in activities with staff and provide an opportunity to learn and exchange views, as well as promoting health education in Nong Ki Subdistrict, Kabinburi, Prachinburi.

## Social

The Chow social promotion and development project provided support in a variety of ways from manpower, specialized knowledge from skilled workers and financial support, through to employees volunteering for activities in communities which need help and support from the Company, such as landscaping in temples and schools, and cleaning up villages.

## CSR in-house

The Chow blue flag cost of living reduction project, the Company came together with 2 groups of stakeholders, employees and the local communities, to create the "Chow Blue Flag Cost of Living Reduction" project. The objective is to enable employees to purchase goods at reasonable prices, with the Company planning to hold the event 4 times.

Chow open educational opportunities for staff by supporting staff who wish to further their education at various levels.



# Risk Factors

## 1. Raw material risks

### 1.1 Risk from fluctuation in raw material price

Normally, key material to be used in melting process to product long steel is metal scrap which accounts for 70-80% of production cost so fluctuation of metal scrap directly affects cost of production and sales. Typically, domestic price of metal scrap will be changed based on selling price of long steel and metal scrap in global market and radical change of price is common. Therefore, profitability of company may be affected according that price of metal scrap is fluctuated and company cannot adjust selling price of product in correspond to the cost of metal price used in production, as well as sunk cost from metal scrap inventory.

To minimize effects of such risks, company planned policies to stock sufficient metal scrap for production; in normal situation, supply of metal scrap will be kept to support 1-2 times of monthly demand, and company set policy to order metal scrap only when customers order (Matching Order). This strategy helps company set selling price that corresponds to cost of goods sold and the price is flexible to respond to market situations. Company also closely monitored price fluctuation of long steel and raw materials by using experiences and relationship with metal scrap providers. This method helps company properly forecast price trend and demand of long steel in both domestic and global market and effectively plan production schedules.

### 1.2 Risk from raw material procurement and dependence on suppliers

As business of company relies much on metal scrap as raw material and top 5 suppliers account for 80-90% of purchasing value, it is very risky for company in case that demand is higher than inventory and suppliers cannot deliver as planned. Company may face scarcity for production and need to bear high cost of metal scrap compared with imported one, thus losing competitive advantage and affecting operating and financial performance.

However, company estimated that effect of material shortage is minimal because there are a few manufacturers of long steel and metal sheet who have their own melting molds so the number of metal scrap are sufficient for the demands (including irregular situation in 2008). Moreover, company has strong relationship with suppliers of metal scrap due to long-term business and company also order imported steel regularly to maintain relationship with global suppliers and maintain inventory in case that domestic supplies are not enough. Company can minimize risk of shortage by monitoring demand trends, planning supply stock, and scheduling production plan.

## 2. Marketing and distribution risks

### 2.1 Risk of long steel price fluctuation

Long steel is the key product of company to be processed by forming steel to produce long steel products such as round bar and deformed bar. Normally, demand and supply of long steel depends upon construction business that utilizes long steel as main materials. However, long steel is commodity product so its price will be changing based on demand and production capacity in both domestic and international markets.

Company has realized such risks and set policy to produce based on customers' order, thus helping company to set selling price in correspond to cost of goods sold and market situations. To minimize risks, company also set plan to monitor price of long steel by considering overall economic climates, construction business, and customer interviews in order to forecast demand of long steel and schedule production plan, distribution, and inventory of long steel based on situations and demands.

### 2.2 Government policy change risks

Steel industry in Thailand mainly serves as import substitution. It has been developed to serve demand of domestic downstream steel industry, the products from which are basic raw materials of several related industries. Thus, steel industry greatly relates with the country's economy as a whole. Therefore, the government has placed great importance and has set out measures on domestic steel industry as follows:

#### 1) ASEAN Free Trade Area (AFTA)

Association of Southeast Asian Nations or ASEAN had agreed on the reduction of tariffs under Common Effective Preferential Tariff (CEPT) scheme, thereby the six existing member countries (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) and the four new member countries (Vietnam, Laos, Myanmar and Cambodia) are required to reduce tariffs under CEPT scheme to 0% by 2010 and by 2015, respectively.

List of goods entitled under CEPT scheme covers a total of 105,123 items, including iron and steel which meet the production process criteria whereby the products have adequately been processed in home country. Steel billet, steel bar and deform bar are subject to cuts of tariffs under CEPT to 0% by 2010. At present, Thailand has set tariff rates of 2% - 5% on products from ASEAN counterparts depending on product type and size. Thus, prices of imported steel bar tend to go down in the future, while billet, which can be produced by the Company, could be imported freely without any import tariff as domestic production cannot adequately fulfill domestic demand. However, importing billets has constraints in delivery time, operating expense, and minimum volume per purchase order, end-use producers thus still prefer domestic billets to imported ones. Therefore, the Company has expected no

negative impact from such measure. On the contrary, domestic producers will have advantage and better opportunity to penetrate the ASEAN market as Malaysia, Philippines and Vietnam who have in the past charged imported steel billets from Thailand will have to lift tariff barrier against Thai billets by the set deadline.

Even if the no-tariff measure and policy be terminated in future for whatever reasons, impacts on the Company are minimal, as domestic producers of billets have for the past years been unable to fully meet domestic demand, necessitating imports of billets all along. Imported billets carry very high transport costs and take longer time of delivery as compared with domestic products.

## **2) Investment promotion policy for intermediate steel industry**

The Board of Investment (BOI) has announced guidelines to support investment in steel industry in a bid to develop high quality steel, boost competitive advantage of related industries, and promote Thailand as the hub of steel production and export of the region. BOI privileges and benefits have been granted to the intermediate steel production business according to the criteria in the BOI Notification No.1/2000 dated 1 August 2000. In this regard, as the Company's factory is located in Prachinburi Province, which is in Investment Promotion Zone 3, the Company has been granted privileges and benefits such as corporate income tax holiday for eight years, 50% reduction of corporate income tax for the next five years after the end of tax holiday, allowance of deductibles two times the actual transportation, electricity and tap water expenses for 10 years, etc. If the government terminates or changes the said privileges and/or if the privileges expire or are terminated in the future, the Company's operating performance and income generation capabilities may be affected.

Company is strongly confident that government has no plan to change and/or exempt any privilege as it may affect confidence of investment that receive subsidy and support. However, company may be affected by expiration of government promotion period/amount; 1st phase and 2nd phase earned privileges from of investment promotion such December 2005 and July 2008 respectively, in which exemption of corporate income tax will be expired 8 years since the first date. Committee of investment promotion has approved further investment for companies that register in MAI stock market within specified period that earn privileges from BOI by changing type of corporate income tax exemption from limited investment to unlimited investment, requiring applicants to submit request to BOI within December 31<sup>st</sup>, 2012. Company has applied these benefits on September 14<sup>th</sup>, 2011 to register in MAI stock market and follow BOI regulations, thus gaining tax exemption and unlimited investment. In case that company earns net profit t in privileged period more than such investment, full amount of corporate income tax is still be exempted and this is favorable for performance of company.

### 3. Financial risks

#### 3.1 Foreign exchange risk

The Company procured raw materials such as scrap, chemicals, and spare parts from abroad for its own operations accounting for 5% of total procurement value. It also exported billets around 6% of total revenue. Thus, the Company is exposed to foreign exchange risk.

The Company has a policy to prevent such risk by entering into forward contracts with a number of financial institutions, including hedging funds provided by domestic financial institutions. The Company will closely monitor and follow up foreign exchange movements and seek proper timing for the transactions to ensure maximum benefits to the Company.

### 4. Risks for investors

#### 4.1 Risks from having major shareholders who controlling the operation

Jirathammasiri family holds total 506.00 million of shares, or 63.28% of total paid-up capital which is equivalent to THB 800 million. In the event that the Jirathammasiri family vote in the same side, they will control the resolution in the shareholders' meeting in regard to appointment of directors or any resolution that require majority vote unless the matter as stipulated by law to have three fourth (3/4) vote in the shareholders' meeting. Accordingly, other shareholders will not be able to control and balance the agenda that the major shareholders may propose.

The Company is aware of such risk. To lower the risk, the Company has appointed 4 audit committee, or 40% of total directors, as an independent director. The Audit Committee must be qualified with education and skills, as well as with capability to protect minor shareholders. Furthermore, it has been formulated by the board of directors that any decision to execute or refrain from any actions must be mainly concerned to benefits of the shareholders. If it is necessary to execute transaction with the person who may have any conflict, the Company will follow all required procedures to seek for approval of connected transaction as well as follows the criteria as notified by the Securities and Exchange Commission and the Stock Exchange of Thailand strictly.

# Shareholding Structure

Name list of top 10 shareholders as appeared in share register as of 31 December 2014:

Names		No. of shares held	Shareholding proportion
1.	Jiratomsiri Group <sup>1/</sup>	506,222,400	63.28%
2.	Hansaward Group <sup>2/</sup>	33,700,000	4.21%
3.	Mr.Ukit Tantasasathien	25,278,100	3.16%
4.	Mrs.Kamolrat Jitpradabsilp	18,400,000	2.30%
5.	Miss Preeyanuch Panananda	17,126,900	2.14%
6.	Mis Warathip Charoensirawat	8,600,000	1.08%
7.	Mr. Kanit Pruekprakarn	4,000,000	0.50%
8.	Mr. Wasan Fongsmutrat	2,691,200	0.34%
9.	Miss Karittha Twinvito	2,500,000	0.31%
10.	Miss Akanong Ungkawanich	2,060,000	0.26%
Total		620,578,600	77.57%

Notes: <sup>1/</sup> Jiratomsiri Group consists of (a) Mr. Anavin Jiratomsiri holding 408,000,000 shares, (b) Ms. Sharuta Jiratomsiri holding 40,500,000 shares, (c) Ms. Koo Man Wai holding 40,500,000 shares, and (d) Ms. Kanyakorn Pongpanish holding 17,222,400 shares.

<sup>2/</sup> Hansaward Group consists of (a) Ms. Rosalind Hansaward holding 18,800,000 shares, and (b) Mr. Dome Hansaward holding 14,900,000 shares



## Dividend Policy

### The Company

The Company has a policy to pay dividend at not less than 40% of net profit after corporate income tax in the Company's company-only financial statements and after legal reserve and other reserves as determined by the Company. However, the actual dividend payment may differ from such dividend policy, depending on its operational performance, financial position, investment plan, and other rationales and factors in the future as deemed appropriate by the Board of Directors and/or the shareholders.

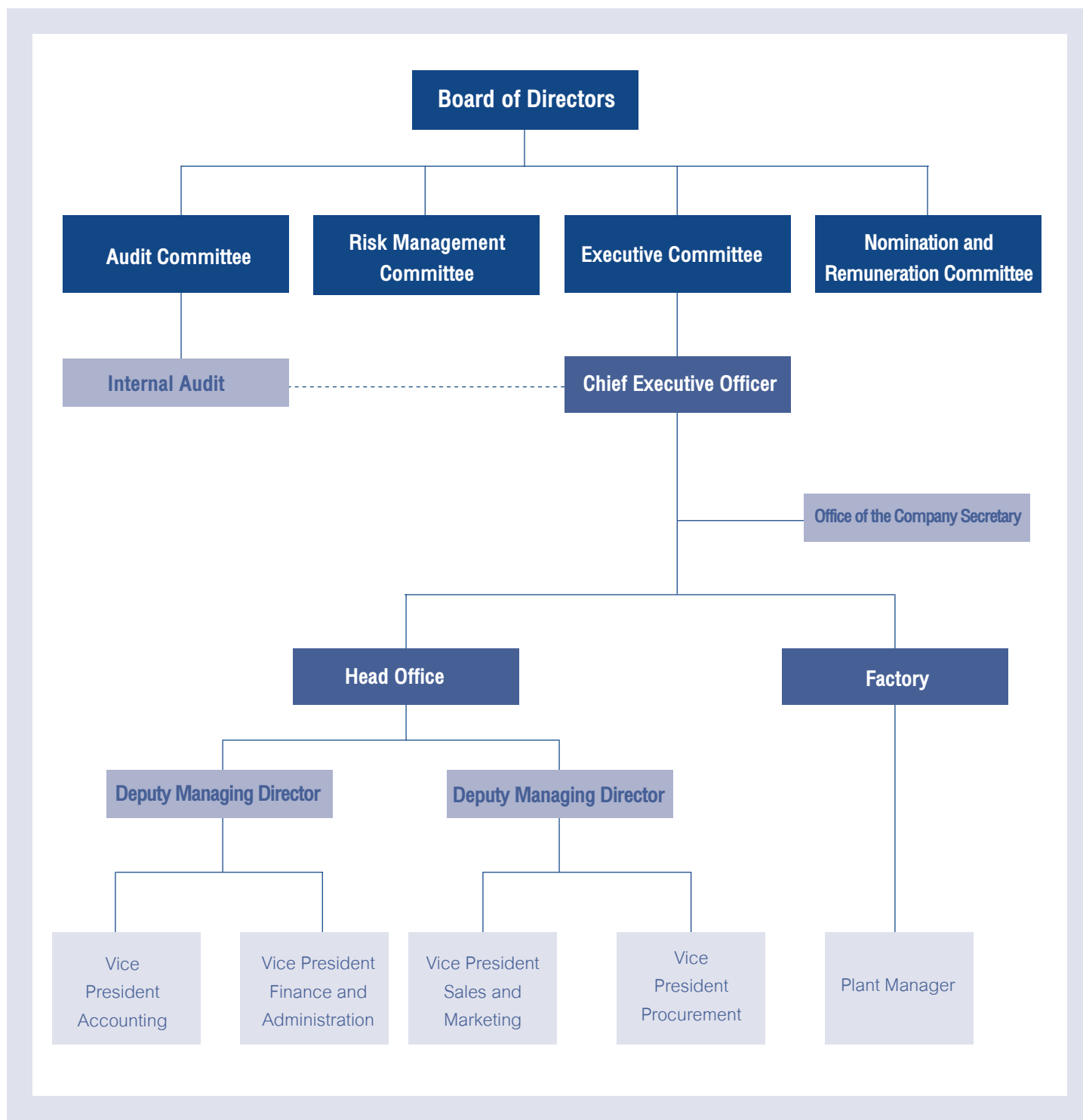
### Subsidiary Company

Subsidiary company has a policy to pay dividend at not less than 40% of net profit after corporate income tax in the subsidiary company's company-only financial statements and after legal reserve and other reserves as determined by the subsidiary company. However, the actual dividend payment may differ from such dividend policy, depending on its operational performance, financial position, investment plan, and other rationales and factors in the future as deemed appropriate by the Board of Directors and/or the shareholders of the subsidiary company.

Dividend payment records as listed below.

Operation Period	2012	2013	2014
Earnings per share (THB)	0.30	0.13	0.06
Dividend per share (THB)	0.10	0.10	-
Payout ratio	41.45%	77.59%	-
Payment date	4 May 2012	4 December 2013	-

# Organization Structure and Management



The Company has organized its management structure in accordance with the good corporate governance principles, comprising the Board of Directors, the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, and the Risk Management Committee, with the following details (as of 31 December 2014):

		Board of Directors 10 members	Audit Committee 4 members	Executive Committee 6 members	Nomination and Remuneration Committee 4 members	Risk Management Committee 3 members
Dr.Pruchya	Piumsomboon	O				
Associate Professor Dr. Narong Yoothanom		X I	/		O	
Assistant Professor Kalyapom Pan-ma-rerng		I	O *		/	O
Mr. Noppadon	Jason Chirasanti	I	/ *			
Mr. Kanawath	Aran	I	/ *			/
Mr. Sanguankiat	Lewmanomont	/			/	
Mr. Mark D. Remijan		/				
Mr. Anavin	Jiratomsiri	/		O	/	/
Miss Koo Man Wai		/		/		
Miss Sharuta	Jiratomsiri	/		/		
Mr. Suttichai	Suraphat			/		
Mr. Worravit	Auesapsakul			/		
Mr. Satit	Cheybubpha			/		

Note : O Chairman X Vice Chairman I Independent Director  
/ Director \* Audit Committee member with finance and accounting expertise

Miss Sirirat Khongpeng is the Board Secretary and Company Secretary; and Mr Suttichai Suraphat is Secretary of the Audit Committee.

## 1. Board of Directors

### Authorized Director pursuant to Certificate of Corporation

Directors authorized to sign on behalf of the Company are two of the three directors as follows: Mr.Anavin Jiratomsiri or Ms.Koo Man Wai or Ms.Sharuta Jiratomsiri, to co-sign documents with the Company seal affixed.

### Scope of duties and responsibilities of the Board of Directors

1. Organize an Annual General Meeting of Shareholders within four months from the final day of the Company's fiscal year.
2. Organize a Board meeting at least once every three months, with all Board members required to attend, and hold any special Board meeting in addition thereto as considered necessary.
3. Prepare an Annual Report and take responsibility for preparation and disclosure of duly audited financial statements to reflect the Company's financial position and operational performance in the previous year, and present them to the Annual General Meeting of Shareholders for their approval.
4. Have power and responsibility for performance according to the objectives and Articles of Association of the Company, as well as the resolutions of the shareholders' meetings, with integrity and accountability in the interests of the Company and the shareholders.
5. Determine goals, directions, policies, plans and budget of the Company; monitor and supervise the performance and administration of the Executive Committee to ensure that it is in accordance with the policies, and maximize economic value added to the Company and returns to the shareholders.
6. Have power to scrutinize and approve the policies, directions and action plans for the Company's large investment projects proposed by sub-committees and/or the management.
7. Monitor and ensure that the Company has complied with the law on securities and exchange and the rules and regulations of the Stock Exchange of Thailand (SET), such as connected transactions, acquisition and disposal of assets as per the criteria of the Capital Market Supervisory Board or the SET or other laws relevant to the Company's business.
8. Consider and have power to determine organization structure, appoint, assign or advise the sub-committee or the working group to consider or perform any tasks as the Board may deem appropriate.
9. Monitor and follow up the operational results to ensure consistency with the work plan and the budget plan, and follow up the business operations and performance of the management on a regular basis to ensure that the Company's effective operations.
10. The members of the Board shall not operate any business which has the same nature as and is in competition with the business of the Company, or not become a partner in an ordinary partnership or a partner who has unlimited liability in a limited partnership or is not board member of private company or other company operating business which has the same nature as and is in competition with the business of the Company, either for his own benefits or other person's benefits, unless the Annual General Meeting of Shareholders has been informed prior to the appointment.
11. The members of the Board shall notify the Company without delay if they have a stake, either directly or indirectly, in the Company's contract or when they decide to reduce or increase the number of shares or debentures held in the Company or its subsidiary company.
12. Be responsible for the shareholders and perform duties to protect the shareholders' optimum benefits, as well as disclose to the shareholders complete and accurate information up to standards and with transparency.
13. Put in place internal audit measures, and establish an efficient internal control system, risk management system, and reliable financial reports, with Internal Audit Office designated to monitor and fulfill the tasks in coordination with the Audit Committee.
14. Have power to approve any relevant and necessary matters relevant to the Company or as deemed appropriate for the benefits of the Company.

## 2. Audit Committee

### Scope of duties and responsibilities of Audit Committee

1. Have power to invite the management or the officers of the Company to attend the meeting in order to clarify, provide an opinion, or provide the documents as requested and as necessary.
2. Consider, select, and nominate an independent person to serve as the Company's auditor and propose remuneration for such person in order to get an approval from the Company's shareholders' meeting, as well as evaluate the performance of the auditor.
3. Acknowledge other non-audit operations and the remuneration in relation thereto to ensure independence of the auditor.
4. Consider and make decision in case the management and the auditor have contrasting opinions on the financial reports.
5. Consider the disclosure of connected transactions or transactions with possible conflict of interest to ensure conformity to the relevant laws and regulations and that the transactions are reasonable with maximum benefit to the Company.
6. Consider and approve the appointment, removal, transfer or terminate employment, and consider performance of Internal Audit Department.
7. Consider the reports from Risk Management Committee and discuss with the management on risk management and assessment policy.
8. Attend joint meeting with the auditor, without the management's presence, at least once a year.
9. Consider the financial reports as follows:
  - Review the financial reports and ensure the accuracy and adequacy of the data acknowledged and assessed by the Audit Committee as regards the appropriateness of the accounting principles applied in the annual and quarterly financial reports;
  - Review the accounting issues and important financial reports, including the complex or unusual transactions which require judgment for making decisions;
  - Enquire the management and the auditor about the audit result, the major risks relating to financial reporting and the risk mitigation plan;
  - Review the internal control system in relation to the preparation of the financial statements with the auditor and the internal auditor.
10. Consider the internal control system as follows:
  - Review and ensure that the management has determined proper internal control system, internal control of information technology system, and guidelines for communicating the importance of internal control system and risk management system organization-wide;
  - Review and ensure that the management has made remedy and improvement as recommended by the auditor and the internal auditor regarding the internal control.
11. Consider the internal audit system as follows:
  - Review and approve the Charter of Internal Audit Department, the annual audit plan, and also the personnel and resources necessary for the operations of Internal Audit Department;
  - Review the activity and the operation of the audit and compliance unit to ensure the independence of Internal Audit Department;
  - Review and ensure that the internal audit performance complies with the internal audit standard.
12. Have power to inspect and make enquiries about any of the following transactions or acts which might have a material effects on the Company's financial position and operational performance:
  - Transactions with conflict of interest;
  - Fraud or unusual practice or material deficiency in the internal control system;
  - Violation of the law on securities and exchange, regulations of the SET and the laws relevant to the Company's business.

13. Monitor compliance with rules and regulations:
  - Consider regularly laws and regulations that have changed and have impacts on the Company's business operations;
  - Review the results or findings of regulatory bodies and results of remedial actions, and report the same to the Board of Directors;
  - Review the effectiveness of the monitoring system in relation to compliance with relevant laws and regulations and the remedial actions in case of non-compliance.
14. Monitor compliance with the business ethics and code of conduct for the management and the employees:
  - Review and ensure that the business ethics and code of conducts for the management and the employees and the policy to prevent the conflict of interest have been made available in writing and acknowledged by the management and the employees;
  - Promote operations in compliance with the business ethics and code of conducts as well as the policy to prevent the conflicts of interest.
15. Other responsibilities:
  - Perform any other act as assigned by the Board of Directors and with consent of the Audit Committee;
  - Review and evaluate the Charter of Audit Committee regularly, as well as propose it for approval by the Board of Directors when there are any changes thereto;
  - Prepare report of Audit Committee, duly signed by the Chairman of Audit Committee, for disclosure in the Company's annual report, containing at least the following details:
    - a. Opinion on the accuracy, completeness and reliability of the Company's financial report;
    - b. Opinion on the adequacy of the Company's internal control system;
    - c. Opinion on the Company's compliance with the law on securities and exchange, the SET's regulations and the laws relevant to its business;
    - d. Opinion on the suitability of the auditor;
    - e. Opinion on the transaction with a possible conflict of interest;
    - f. Number of the Audit Committee meeting held and attendance by the individual Audit Committee members;
    - g. Opinion or overview of observation received by Audit Committee from its performance of duties in accordance with the Charter; and
    - h. Other transactions that should be notified to the shareholders and the general investors within the scope of duties and responsibilities designated by the Board of Directors.

### 3. Executive Committee

#### Scope of duties and responsibilities of the Executive Committee

1. Have power and duty in administering and operating the business as specified by the Board of Directors, or as approved by the Board of Directors on a case-by-case basis.
2. Have power and duty in administering the business of the Company according to the policies and work plans.
3. Have power as designated by the Board of Directors.
4. Propose the following matters for prior approval from the Board of Directors:
  - 4.1 Matters relating to the policies of the Company
  - 4.2 Matters that, if undertaken, may cause significant change to the Company's business.
  - 4.3 Matters relating to legal obligations that must be performed by the Board of Directors.
  - 4.4 Matters relating to the regulations that must be observed as required by the Company.
  - 4.5 Matters that the Executive Committee deems appropriate to seek approval case by case; or according to the criteria set out by the Board of Directors.



5. Have power and duty to run planned activities for the success of the Company and achievement of targets including:
  - 5.1 Formulate and revise strategic objectives, financial plan, and key policies of the Company, and propose them to the Board of Directors for approval.
  - 5.2 Examine and screen the annual business plan, capital expenditure budget, operational targets, as well as key initiatives, to achieve the set goals, and propose them to the Board of Directors for approval.
  - 5.3 Examine and screen projects that will have capital expenditure exceeding the amount set by the Board of Directors, and propose them to the Board of Directors for approval.
  - 5.4 Consider and approve the matters according to its delegation of authority or as authorized by the Board of Directors.
  - 5.5 Review the power to perform the tasks as listed in the delegation of authority table and propose them to the Board of Directors for approval.
  - 5.6 Manage and keep balance between short term and long term objectives.
  - 5.7 Manage human resource development in line with the human resource strategies as endorsed by the Nomination and Remuneration Committee.
  - 5.8 Monitor and report the performance and progress of work to the Board of Directors in order to accomplish the Company's objectives.
6. Consider and examine annual budget allocation before submitting to the Board of Directors for consideration and approval, including the authority to consider and approve an amendment to the annual budget, as an urgent matter, during the time no Board of Directors' meeting will be convened, which must thereafter be reported to the Board of Directors at its next meeting.
7. Approve purchase of scrap as a normal business conduct in amount not exceeding 10,000 tons per item, or not more than 200 million Baht per item, and not exceeding 60,000 tons per month, or not more than 1,200 million Baht per month.
8. Approved amount of products for common operation in no more than 20,000 metric tons per order and no more than 60,000 per month.
9. Approve an expenditure for buying assets as an investment (including machinery and equipment repairs) other than that identified in the annual budget in amount not exceeding 30 million Baht.
10. Approve key investment expenditure contained in the annual budget if assigned by the Board of Directors, or as approved in principle by the Board of Directors.
11. Allocate bonus, as endorsed by the Board of Directors, to the staff or employees of the Company or any other persons having worked for the Company.
12. Appoint or assign a person or persons to act on behalf of the Executive Committee as appropriate, of whom the Board has the authority to revoke, withdraw, change or correct.

## 4. Nomination and Remuneration Committee

### Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Provide recommendation to the Board of Directors in determination of remuneration for Chairman, directors, Chairman of the Audit Committee, members of the Audit Committee and sub-committees (if any) (for proposal to the shareholders' meeting for approval later).
2. Set up remuneration rate policy and conditions for employing the executives from the level of vice president and higher.
3. Consider and determine qualifications and suitability of person suitable for nomination as an executive from the level of vice president and higher.

4. Determine and make recommendations to the Board of Directors and monitor the operations in line with the vision and human resources strategies as well as executive development plan.
5. Select and nominate persons suitable for nomination as a director for the first time; consider performance, qualifications and suitability of the director who has completed his term of service and should be re-nominated for the Board of Directors' consideration and approval; and propose the name to the shareholders' meeting for appointment as the Company's director.

## 5. Risk Management Committee

### Scope of duties and responsibilities of the Risk Management Committee

1. Set out risk management policy and submit to the Board of Directors for consideration in relation to overall risk management, such as strategic risks, liquidity risks, credit risks, marketing risks, operational risks, or other risks that may be significant to the Company.
2. Set out strategies for the structure and resources to be used for risk management in accordance with risk management policy of the steel industrial sector so as to effectively analyze, assess, measure and monitor the risk management procedures.
3. Set out risk limits in important different dimensions for the Board of Directors' consideration.
4. Oversee, review and recommend to the Board of Directors concerning the risk management policy, standard practices, strategies and overall risk measurement to ensure that the risk management strategies are implemented adequately.
5. All members of the Risk Management Committee shall have the duty to attend the meeting. They may be present in person at the meeting or participate by teleconference.
6. The Risk Management Committee may invite outsiders to join the meeting as necessary. The persons must be related to, or in charge of the matter for consideration at the meeting.

## 6. Executives

As of 31 December 2014, the Company has five executive members:

1. Mr. Anavin	Jiratomsiri	Chief Executive Officer
2. Miss Koo Man Wai		Deputy Managing Director, VP of Procurement
3. Mr. Suttichai	Suraphat	Deputy Managing Director, VP of Finance and Administration
4. Miss Sharuta	Jiratomsiri	VP of Sales and Marketing
5. Mr. Worravit	Auesapsakul	VP of Accounting

### Scope of duties and responsibilities of the Chief Executive Officer

1. Control and oversee the business operations and/or daily administration of the Company, as well as monitor and evaluate the Company's daily performance to be prepared for and prevent any risks that may be incurred from internal and external factors.
2. Undertake or act in accordance with the policy, work plan and budget approved by the Board and/or the Executive Committee of the Company.
3. Have power to approve juristic act for the Company's normal business undertaking such as purchasing, procurement of goods, expenses for normal business undertaking, investment, acquisition or disposal of machine tools, property, and services, etc. for the benefits of the Company within the approved amount limit.

4. Approve the purchase of scrap which is deemed as the Company's normal business undertaking in an amount not more than 5,000 tons per item or not more than 100 million Baht per item, and not more than 30,000 tons per month or not more than 600 million Baht per month.
5. Approve amount of products for common operation in not more than 10,000 metric tons per order and not more 30,000 per month
6. Approve the expenditures for the purchase of property in the nature of investment (including machinery and equipment repairs) other than those contained in the annual budget in an amount not more than 15 million Baht per item.
7. Be the authorized person of the Company for managing the business in accordance with the objectives, rules, policies, regulations, requirements, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors and Executive Committee of the Company.
8. Have power to issue an order, regulation, notification, or memorandum to direct the carrying out of work in line with the policies and in the interest of the Company as well as to maintain work discipline in the organization.
9. Have power to act and represent the Company when contacting outsiders in related and necessary business which is a normal business undertaking for the Company's benefits.
10. Undertake any other duties as assigned by the Board of Directors and/or the Executive Committee of the Company, as well as delegate his power for the above tasks to enhance flexibility in the operations.

#### Qualifications of the Executives

The executives of the Company would like to assure that they will uphold their morality and will undertake their work with competence, business experience, honesty and prudence to protect the interest of the Company. They are determined to run the business with understanding and accountability to the public. They are listed on the executive directory according to the Notification of the Securities and Exchange Commission No. Kor.Jor. 5/2548 Re: Covenants in relation to the Executives of Issuing Company.

#### Selection of Directors and Executives

The Nomination and Remuneration Committee has the duty to select directors and executives. The selection of persons to be appointed as directors or executives is based on the following criteria and procedures.

#### Selection of Directors

The Nomination and Remuneration Committee will consider general qualifications and select qualified persons based on the criteria prescribed in Section 68 of the Public Company Limited Act, 1992 and relevant Notification of the Securities and Exchange Commission in accordance with the laws, as well as take into consideration other factors such as knowledge, expertise, experience related to the business and the benefits to the Company's operations, etc. The followings are criteria and procedures for the selection:

1. Directors must carry out their duties under the laws, objectives and rules of the Company as well as the shareholders' meeting resolutions.
2. The Board of Directors is composed of not less than five directors. Not less than half of the total directors shall have residence in the Kingdom. Each director shall have qualifications as stipulated by laws.
3. Of the total, at least one-third of members of the Board of Directors must be independent directors and there must be at least three independent directors. Each independent director may hold shares not more than 1% of the issued and paid-up registered capital of the Company and related companies, including the shares held by related persons thereof.
4. At each Annual General Meeting of Shareholders, one-third of the total directors are due to vacate the office. If the number of directors cannot be divided by three, the closest number to one-third shall apply. The method for vacating directors from office in the first and second year after the Company's registration is by drawing lots. On the following years, the directors who are in office the longest shall retire. The retiring directors may be re-elected as the directors for another term.

5. Prior to each Annual General Meeting of Shareholders, the Company will invite all of the Company's shareholders to propose qualified candidates for nomination as the directors in place of the directors who vacate office on completion of terms. The Nomination and Remuneration Committee then list the names of the nominees for consideration in accordance with the prescribed conditions and select suitable persons for the shareholders' consideration at its annual general meeting.
6. The Annual General Meeting of Shareholders shall appoint directors by majority vote in accordance with the following criteria and methods:
  - 6.1. One shareholder has voting right of one share per one vote.
  - 6.2. In electing a director, the meeting may either choose to vote for each director one by one, or for all directors at one time, as the meeting deems it appropriate. But in each resolution, the shareholders must cast all their votes; dividing votes to particular person or party is prohibited.
  - 6.3. Election of directors is made by majority votes. In case where the nominees received equal votes, the chairman shall have the power to cast his final vote.
7. In the case where the directors retire due to reasons other than a retirement by rotation, the Nomination and Remuneration Committee will select and propose names of qualified persons not having prohibited qualifications according to the law on public company limited and the securities and exchange law as a replacement at the next Board meeting. The Board's resolution must consist of votes made by not less than three-fourths of the existing directors, except when the remaining terms of the directors are less than two months. The person appointed as replacing director may take office for the remaining period of the director he replaces.
8. The Annual General Meeting of Shareholders has the right to terminate directorship of any director before his completion of term of service by not less than three-fourths votes of the shareholders who attend the meeting in person and have the rights to vote, and hold total shares of not less than half of the shares held by the shareholders who are present at the meeting and have the rights to vote.

### Selection of the Audit Committee Members

The Audit Committee is composed of at least three independent directors, each with a term of service of three years, as appointed by the Board of Directors or the shareholders' meeting. The Company has the policy to select members of the Audit Committee/independent directors according to the Notification of the Capital Market Supervisory Committee No. ThorJor 28/2551 Re: Application for and Permission of Offering Newly Issued Shares. The qualifications required are detailed below:

1. Not own shares exceeding 1% of paid-up capital in the Company, the parent company, the Company's subsidiaries, associated companies, or any juristic persons that may have conflicts of interest with the Company and the related parties.
2. Not get involved in management as a director, either in the past or at present, not be an employee or corporate advisor receiving a regular salary, or having controlling power of the Company, subsidiaries, associated or related companies, or any juristic persons that may have conflicts of interest with the Company, except having retired from such work for not less two years before the date of submission made to the Office of Securities and Exchange Commission (SEC) for approval or before the date of having been appointed as a member of the Audit Committee.
3. Not relate by blood or by law such as being parents, spouse, siblings and children, including children's spouse of the executives or a major shareholder of the Company, person with controlling power, or person who will be nominated as an executive or person with controlling power of the Company or its subsidiaries (if any).
4. Have no business relationship with the Company, subsidiaries, associated, or any juristic persons that may have conflicts of interest with the Company in the manner that may obstruct the exercise of independent judgment; not being, either in the past or at present, a major shareholder, a director, but not an independent director, or an executive of the person who has business relationship with the Company, subsidiaries, associated, or any juristic persons that may have conflicts of interest with the Company, except having retired from such work for not less two years before the date of submission made to the Office of the SEC for approval or before the date of having been appointed as a member of the Audit Committee. The above-mentioned relationship includes normal conduct of commercial transactions, renting or letting property, transactions

relating to assets or services, or providing or receiving financial assistance by receiving or giving loans, guarantee, mortgage, including other acts of the same nature which would oblige either the Company or its contracting party to pay debts to the other party in a proportion of 3% of the Company's net tangible assets or from 20 million baht or more, whichever amount is lower. The calculation of this debt burden must be according to the method for calculating value of connected transactions as prescribed by the Notification of the Capital Market Supervisory Board on the criteria for connected transactions mutatis mutandis. But in determining the said debt burden, the debts that have incurred during one year prior to having established business relationship with the same person must be taken into account.

5. Not be, either in the past or at present, an auditor of the Company, subsidiaries, associated, or any juristic persons that may have conflicts of interest with the Company; not being a major shareholder, a director, but not an independent director, an executive or managing partner of auditing firm to which the auditor of the Company, subsidiaries, associated, or any juristic persons that may have conflicts of interest is attached, except having retired from such work for not less than two years before the date of submission made to the Office of the SEC for approval or before the date of having been appointed as a member of the Audit Committee.
6. Not be, either in the past or at present, a provider of professional services which shall include legal advisory service or financial adviser whose service fees are more than two million Baht per year obtainable from the Company, subsidiaries, associated, or any juristic persons that may have conflicts of interest. In the case the provider of professional services is a juristic person, it shall include the major shareholder, a director, but not an independent director, an executive or managing partner of that provider of professional service, except having not involved in such manner for not less than two years before the date of submission made to the Office of the SEC for approval or before the date of having been appointed as a member of the Audit Committee.
7. Not be a director appointed to represent the director of the Company, major shareholder, or shareholders having related with the Company's major shareholders.
8. Not employ any other characteristics which make him incapable of expressing views independently concerning the Company's business operations.
9. Not be a director who has been assigned by the Board of Directors to make operational decisions in the corporate headquarters, associated companies, subsidiaries at the same level as associated companies, or juristic person that may potentially be in conflict with the Company.
10. Not be a director of corporate headquarters, associated companies, subsidiaries at the same level as associated companies, in particular a registered company.
11. Have knowledge and expertise to perform the duties of the Audit Committee. There shall be at least one member of the Audit Committee who has knowledge and experience in accounting and/or finance in order to review and judge the reliability of the financial statements.

The criteria and procedures for appointing members of the Audit Committee are according to the criteria and procedures for appointing the Board of Directors. Member of the Audit Committee who has retired on completion of terms may be re-appointed. In the case where the members retire due to reasons other than a retirement by rotation, the Board of Directors or the persons appointed by the shareholders' meeting will appoint qualified persons as members of the Audit Committee to fulfill the membership as prescribed by the Board of Directors. The person appointed as replacing member may take office for the remaining period of the director he replaces. The Company has the duty to inform the SET as and when the members of the Audit Committee resign or have been dismissed.

### Selection of the Executive Directors

The Board of Directors appoints Executive Director<sup>๓</sup> by selecting from the directors or the Company's executives competent in daily operations and management of the Company. The Executive Directors must be able to set out policies, business plan, budget plan, management structure, including inspection and monitoring of the performance of the Company in line with the policies laid down by the Board of Directors.

### Selection of the Members of the Nomination and Remuneration Committee

The Board of Directors appoints members of the Nomination and Remuneration Committee by selecting from the Company's directors. There shall be at least three members, each of whom will have a term of service for three years. The members are responsible for selecting and proposing qualified persons to be the directors for the first time. The members also are tasked to examine the performance, qualifications and suitability of the retired members who should be re-elected, and propose to the Board of Directors for its approval, followed by seeking endorsement from the shareholders' meeting for an appointment of the Company's directors. The members have the duties to recommend to the Board of Directors concerning remuneration rates for the Chairman and the Company's directors before proposing to the shareholders' meeting for approval. The members also set out remuneration rate policy and conditions for employing the executives from the level of vice president and higher.

### Selection of the Members of the Risk Management Committee

The Board of Directors is tasked to appoint members of the Risk Management Committee by selecting from the Company's directors. There shall be at least three members, each of whom will have a term of service for three years. The members are responsible for setting out risk management policies and proposing them to the Board of Directors for consideration in regards to overall risk management such as strategic risks, liquidity risks, credit risks, marketing risks, operational risks, or other risks that may be significant to the Company. The members will supervise, revise and recommend to the Board of Directors concerning the risk management policy, standard practices, strategies and overall risk measurement to ensure that the risk management strategies are implemented adequately.

### Selection of the Executives

The Nomination and Remuneration Committee is tasked to examine qualifications and suitability of the personnel who have experience and capability in management in the related fields to be appointed as vice president and higher. It will propose to the Board of Directors and/or the persons assigned by the Board of Directors for the appointment.

### Directors' and Executives' Remuneration

#### Monetary Remuneration

#### Directors' remuneration

By the resolution of the 2014 Annual General Meeting of Shareholders on 25 April 2014, the meeting set out remuneration rates for the directors of the Company for the year 2014 which includes but not limited to salaries, bonus, meeting allowance, insurance, special remuneration and other benefits in amount not exceeding 5,000,000 Baht as summarized below.

(unit : baht)

Committees/Remuneration components	Monthly allowance (Baht/person/month)	Meeting allowance (Baht/person/session)
(1) Remuneration of Board members		
- Chairman	20,000	30,000
- Director	15,000	20,000
(2) Remuneration of three board committees		
1. Audit Committee		
- Chairman	-None-	15,000
- Committee member		10,000
2. Risk Management Committee		
- Chairman	-None-	15,000
- Committee member		10,000
3. Nomination and Remuneration Committee		
- Chairman	-None-	15,000
- Committee member		10,000
(3) Other benefits		
1. Directors & officers liability insurance	Insured amount up to 100 million Baht Insurance premium up to 400,000 Baht	
(4) Bonus, business insurance premium, special compensation, and other remuneration	The Board shall be authorized to allocate payment of bonus, business insurance premium, special compensation, and other remuneration, provided that the total amount of director remuneration of all types shall not exceed 5 million Baht.	



Directors who are the executive management of the Company are not entitled to receive the above monthly and meeting allowances. Meeting allowance is only payable per attendance of each director/committee member.

Summary of 2014 Monetary Remuneration for the Directors of the Company which includes meeting allowance and salaries

Name		Title	2014 (Baht)
Dr.Pruchya	Piumsomboon	Chairman	520,000
Associate Professor Dr. Narong Yoothanom		Vice Chairman, Independent Director, Audit Committee Member, Chairman of the Nomination and Remuneration Committee	405,000
Assistant Professor Kalyaporn Pan-ma-rerng		Director, Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Chairman of the Risk Management Committee	575,000
Mr. Noppadon Jason Chirasanti		Director, Independent Director, Audit Committee Member	360,000
Mr.Kanawath	Aran	Director, Independent Director, Audit Committee Member, Member of the Risk Management Committee	490,000
Mr. Sanguankiat	Lewmanomont	Director, Member of the Nomination and Remuneration Committee	360,000
Mr. Mark D Remijan		Independent Director	320,000
Mr. Anavin	Jiratomsiri	Director, Executive Director, CEO, Member of the Nomination and Remuneration Committee, Member of the Risk Management Committee	-
Miss Koo Man Wai		Director, Duputy Managing Director, Executive Vice President, VP - Procurement	-
Miss Sharuta	Jiratomsiri	Director, Executive Director, VP - Sales and Marketing	-
Total			3,030,000

- Remuneration for the Executive Director and the Management

Remuneration	No. of Persons	Remuneration (million Baht)
Salaries, bonus and other welfare	5	10.41

- Other remuneration

Provident fund

The company has the provident fund for the employees that began May 30, 2011 wherein employees pay 3% of their salary and the company will match an additional 3% each month into the provident fund. In June 2013, company adjusted scheme of fund by allowing employees to select payment rate based on service years and company is subject to pay at the same rate accordingly as follows;

Service Years	Provident fund (percentage of salary)
Less than 3 years	3
3 years but less than 5 years	3 or 5
5 years or more	3 or 5 or 7

In 2014, company paid 442,476 Baht for provident fund of Management team.

# Good Corporate Governance

The Company has the policy to comply with the code of best practice to enhance transparency and for the benefits of the Company's business operations, as well as to build trust among the shareholders, investors and all parties. The Board of Directors has thus formulated the corporate governance principles which shall be used as a guideline for the conduct of good governance as stipulated by the SET. The Company's corporate governance principles consist of five chapters as follows:

## Chapter 1 The Rights of Shareholders

The Company realizes the importance of fundamental rights of its shareholders as company owners and investors, such as right to buy, sell or transfer their held securities, right to receive sufficient Company's information, right to profit sharing from the Company, rights at a shareholders' meeting, right to express opinions, and right to make joint decisions for such critical matters as dividend distribution, director appointment and removal, auditor appointment, approval of transactions critically affecting the direction of the course of its business operation, etc.

In addition to the fundamental rights above, the Company has carried out several matters to facilitate the right exercise by shareholders as follows:

1. An annual general meeting will be held every year within four months from the end of each fiscal year, with a notice of meeting and agenda supporting documents sent to the shareholders seven days prior to the date of meeting and put on a newspaper informing the date of meeting for three consecutive days in advance of the date of meeting, and each agenda accompanied with the Board's opinion.
2. The agenda supporting information will be posted in advance on Company website, with clarification about shareholders' rights to attendance and voting.
3. If a shareholder is unable to attend the meeting, he/she may delegate one of the independent directors or any other person to attend on his/her behalf using any one of the forms delivered together with the notice of meeting.
4. Prior to the meeting, shareholders are given an opportunity to submit their opinions, suggestions and questions through the Board Secretary to the Company.
5. At the meeting, shareholders are given opportunities to pose questions, give suggestions, or express their opinions to the meeting on various issues independently and equally. A shareholder meeting will be attended by relevant directors and executives to provide answers and detailed information.

## Chapter 2 The Equitable Treatment of Shareholders

Every shareholder is given equal opportunity. Voting rights at a meeting are determined based on the number of shares. One share is associated with one vote. No action is taken to restrict or violate or deprive of the rights of major, small, institutional and foreign shareholders. The independent directors are assigned to take care of small investors who can pass their suggestions and opinions or complaints to the directors for their appropriate actions taken. For complaint, as an example, the directors will carry out to verify the facts and find out an appropriate corrective action. For suggestion essentially affecting stakeholders as a whole or the Company's business conduct, it will be proposed to the shareholder meeting for its consideration of inclusion thereof as agenda therein.

The meeting is conducted in conformity with the Company's Articles of Associations and based on the order of the agenda, each of which is accompanied by complete details. No additional matters are submitted to the meeting without informing the shareholders in advance, in particular the agenda that requires time for consideration and decisions. In the case where a shareholder is unable to attend the meeting, he/she is given an opportunity to authorize one of the independent directors or any other person to attend on his/her behalf using one of the proxy forms delivered together with the notice of meeting. Voting will be conducted transparently based on the specified order of agenda. In the appointment of directors, shareholders are entitled to vote for each director individually.

In addition, an insider trading protection measure has been established for such concerned individuals as directors, executives, and employees in those departments related to inside information (including their spouses and minors) to be prohibited from trading Company securities for the period of at least one month prior to disclosure of quarterly and annual financial statements and to wait for at least 24 hours after such disclosure to the public and to be prohibited from disclosure to others.

Directors and executives are informed of their obligation to report their securities holding in the Company and of the penal clause pursuant to the Securities and Exchange Act B.E. 2535 (1992) and to the SET's requirement. In the event of Company securities trading by directors or executives, they are required to report to the SEC for dissemination to the public within three business days in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) their shareholding in the Company, including those of their spouses and minors.

## Chapter 3 The Role of Stakeholders

Importance is given to the rights of all groups of stakeholders, consisting of such internal ones as Company employees and executives and such external ones as competitors, partners, customers, etc. Realizing that supports and comments from all groups of stakeholders benefit the Company's operation and business development, the Company will comply with the applicable laws and requirements to ensure that the rights of such people are well maintained. Besides, the Company has promoted cooperation with each stakeholder group in order to strengthen its status based on the following directions:

(a) Shareholder	: The Company has focused on development for consistent growth, which will accordingly boost its income and profit, hence higher value and maximum yields to its shareholders.
(b) Customer	: The Company has taken into account product quality and standards, and taken good care of and been responsible for customers with honesty and fairness.
(c) Trade Partner	: Trade partners have been treated fairly in conformity to the Company policy and trade conditions and/or mutual agreements to create good business relationships that will benefit all parties.
(d) Competitor	: The Company has promoted free and fair competition, and been adhered to good competition rule and framework.
(e) Employee	: The Company has a policy to treat every employee equally and fairly, with appropriate remuneration and welfare, and knowledge and competency development.
(f) Community & Society	: The Company has given importance to responsibility toward communities and the society. It has operated its business with code of ethics and supported appropriate activities that will contribute, and be constructive to, the society.
(g) Environment	: The Company has complied strictly with environmental laws and ordinances and put in place a continual environmental impact control guideline.

The Company will comply with the provisions of applicable laws, rules and ordinances to ensure that the stakeholders' rights are well maintained.

## Chapter 4 Disclosure and Transparency

The Company is fully aware of the importance of proper, complete and transparent disclosure of both financial and general information in accordance with the rules of the SEC and the SET, as well as such other information as essentially affecting Company securities price, all of which can influence the decision process of the investors and stakeholders. Accordingly, company information is disseminated to its shareholders, investors and the public through several channels including information channels of the SEC and the SET, and the Company's website [www.chowsteel.com](http://www.chowsteel.com).

With respect to investor relations task, an Investor Relations Department was established for the purpose of communicating with investors, shareholders, analysts and public sector concerned. The Board of Directors is responsible for financial statements and financial information appearing in the Annual Report. The financial statements have been produced pursuant to the generally accepted accounting standards for Thailand, with accounting policy appropriately selected and regularly used throughout the operations, including adequate disclosures in the financial statements. In this regard, the quality of the financial statements and internal control, including adequate disclosures in the notes to financial statements, will be reviewed by the Audit Committee.

## Chapter 5 Responsibilities of the Board of Directors

### 1. Structure of Board of Directors

The Board of Directors is composed of knowledgeable and capable persons who play an important role in defining policies and overall directions of the organization, and play an important role in independently supervising, inspecting and evaluating the results of operations of the Company in compliance with the set plan.

Currently, there are 10 Board members comprising three managerial directors and seven non-management directors. Four of the said seven members are independent directors with the purpose of balancing the voting in matters for consideration. There is an Audit Committee consisting of four independent directors whose duty is representing the shareholders in supervising the course of operation of the Company for appropriateness and transparency.

According to the Articles of Association, at an annual general meeting one-third of the directors shall retire by rotation. If the number of directors is indivisible by three, the one nearest to one-third shall apply. Directors due to retire by rotation in the first and second anniversary of Company registration shall be determined by drawing lots. For subsequent years, those directors being in office the longest shall vacate his office. However, the directors who retire by rotation may be re-elected to resume their directorship.

Besides, the Board of Directors formed four sub-committees comprising the Audit Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee to perform specific duties and propose matters to the Board of Directors for consideration and acknowledgment. Each sub-committee has its own rights and duties as designated.

The duties and responsibilities between the Board of Directors and executives are clearly separated. The Board of Directors has the duty to define policies and supervise the operation of policy level executives, while executives have the duty to manage the Company's work in compliance with the set policy. Accordingly, the Chairmen of the Board and executives are different persons and both types of positions are subject to selection by the Board of Directors to ensure most suitable persons.

The Company has a Board Secretary to provide the Board with recommendations about rules and regulations that need to be known, to oversee Board activities, and to coordinate compliance with Board resolutions.

## 2. Role, Duty and Obligation of the Board of Directors

The Board of Directors is composed of knowledgeable persons having skills, expertise and leadership from diversified areas. The Board of Directors takes part in defining vision, mission, strategies, policies and guidelines for business conduct and supervising the Company's operations in compliance with the laws, objectives, Articles of Association, and shareholder meeting resolutions. In order to enable close monitoring and supervision, several committees have been established to carry out the tasks.

### 2.1 Corporate Governance Policy

A corporate governance policy has been defined in writing and agreed to by the Board meeting, with the policy and its compliance reviewed on a regular basis. In addition, after the Company's common stocks are listed on the SET, the Company will comply in every respect with the rules and regulations prescribed by the SEC, the SET and Market for Alternative Investment (MAI), with its corporate governance report disclosed in its Annual Report (Form 56-2) and Annual Information Disclosure Report Form (Form 56-1).

### 2.2 Code of Conduct

The Code of Conduct has been established for adherence by the Board of Directors, executives and employees in performing their duties with honesty, integrity and impartiality toward the Company, all groups of stakeholders, the public and society, with their compliance therewith monitored on a regular basis.

To that end, all employees have been informed of the Code, including their compliance therewith.

### 2.3 Conflicts of Interest

A conflict of interest policy has been defined on the basis that any decision made in the course of business activity should inure to the best interests of the Company. To avoid any action leading to conflicts of interest, the person relating or linked to the transaction being considered must inform the Company of his/her relationship or linkage to such transaction, and not participate in the consideration and decision thereon, as well as not authorized to approve such transaction.

Connected transactions and transactions with conflicts of interest carefully considered by the Audit Committee in terms of appropriateness and in accordance with the rules of the SET and/or the Office of the SEC will be proposed to the Board of Directors and disclosed in the Annual Report and Annual Information Disclosure Report Form.



## 2.4 Internal Control

The Company gives importance to internal control at both executive and operational levels. In order to enhance work efficiency, obligations, duties and authority for operatives and executives have been clearly defined in writing. The use of Company assets in meaningful ways is put under control. Duties of staff, supervisors and evaluators are clearly separated, with the Audit Committee appointed to have the duty in reviewing the internal control and internal audit system to ensure appropriateness and effectiveness. The Company has also hired external expert to monitor and examine the internal control system, and report to the Audit Committee to ensure that the core business has been conducted in accordance with the set directions and in an efficient manner.

## 2.5 Risk Management

The Company has assessed sufficiency of the existing internal control system in order to remedy and improve its operations to ensure more efficiency.

## 2.6 Report of the Board of Directors

The Audit Committee is responsible for reviewing the financial report with participation by the Accounting Department and the auditor. The Committee will then propose it to the Board of Directors on a quarterly basis. The Board of Directors is responsible for Company consolidated financial statements and financial information (Report on the Responsibility of the Board of Directors for the Financial Report) as appeared in the Annual Report. The financial statements are produced based on the generally-accepted accounting standards and audited by the auditor. Complete and regular disclosure of essential information, including financial and non-financial information, shall be made on the factual basis.

## 3. Board Meeting

According to the Articles of Association, a Board meeting shall be convened at least every 3 months and additional special meetings may be held as necessary, with a notice of meeting sent out seven days prior to the date of meeting, except in urgent, necessary case to protect the Company's interests. For each meeting, agenda and complete meeting documents must be made available and forwarded to the Board of Directors in advance for their preparation before the date of the meeting.

The Company Chairman and Chief Executive Officer will jointly define meeting agenda and consider which matters should be included as agenda items at each Board meeting. Each director is given an opportunity to suggest matters for such inclusion. All directors can discuss and express their opinions openly and the meeting chairman will then compile them and draw a conclusion from the meeting. In voting at a meeting, the Board of Directors adheres to majority of votes. One director has one vote. The director having conflicts of interest should not join the meeting and/or vote for the matter thereof. In the event of tie, the meeting chairman should have another casting vote. The minutes of meeting will be made in writing after the meeting session and kept after passing Board approval and ready for verification by the Board and people concerned.

In 2014, the Company arranged Ten Board meetings, Seven Audit Committee Meetings, ten Executive Committee meetings, six Risk Management Committee meetings, one Nomination and Remuneration Committee meeting, and one the Audit Committee has a meeting with the external auditors without the person of the management. Details of each director's attendance are shown below:

		Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Risk Management Committee
		10 meetings	7 meetings	10 meetings	1 meeting	6 meetings
Dr.Pruchya	Piumsomboon	10/10	-	-	-	-
Associate Professor Dr.Narong Yoothanom		10/10	7/7	-	1/1	-
Assistant Professor Kalyaporn Pan-ma-rerng		10/10	7/7	-	1/1	6/6
Mr. Noppadon Jason Chirasanti		8/10	5/7	-	-	-
Mr.Kanawath	Aran	10/10	7/7	-	-	6/6
Mr. Sanguankiat Lewmanomont		9/10	-	-	1/1	-
Mr. Mark D Remijan		8/10	-	-	-	-
Mr. Anavin	Jiratomsiri	9/10	-	10/10	1/1	6/6
Miss Koo Man Wai		6/10	-	10/10	-	-
Miss Sharuta	Jiratomsiri	8/10	-	10/10	-	-
Mr. Suttichai	Suraphat	-	-	10/10	-	-
Mr. Worraivit	Auesapsakul	-	-	10/10	-	-
Mr. Satit	Cheybubpha	-	-	10/10	-	-

#### 4. Remuneration for Directors and Executives

The Company has appointed Nomination and Remuneration Committee, and clearly and transparently set out Remuneration Policy. Remuneration is set at the level commensurate with directors' duties and responsibilities and sufficient for retaining knowledgeable and capable directors, subject to the approval of the Annual General Meeting of Shareholders.

Disclosure of remuneration paid to directors and executives will be made available using the form designated by the Office of the SEC.

## 5. Director and Executive Development

The Board of Directors has a policy to provide training and knowledge to the directors involved in the Company's corporate governance system, consisting of Board members, Audit Committee members and Executive Committee members in order for continued development in their performance of duties. In the event of new director, business operation guideline and information beneficial to his/her performance will be introduced to ensure consistently effective performance under the good corporate governance framework.

In addition, the Company has realized the importance of human resources development to enhance optimum efficiency and effectiveness. The Company has thus set out the training and human resources development policy targeting all personnel levels on a regular basis. The Company also has work performance assessment system and key performance indicators in place to assess effectiveness at both the organization and work unit levels. Moreover, the nature of business has been reviewed and adjusted in accordance with the business work plan that should lead to staff development system. To this end, training and staff development work plan has been formulated in line with the organizational development plan. This training and staff development plan is drawn from survey of needs of all work units to ensure appropriateness and enhance work efficiency of respective units.

## Supervision on the Use of Internal Information

The Company has set the policy and measure to oversee the directors and the executives in their use of internal information which has not yet been disclosed to the public for their own benefits, including for stock trading, as follows:

- Disseminate knowledge to directors and executives about the reporting obligations concerning their shareholding including that by their spouse and minors to the Office of the SEC and the SET in accordance with Section 59 and penalties under Section 59 and Section 275 of the Securities and Exchange Act, 1992.
- Require that directors and executives have the duty to report on any change to their shareholding to the Office of the SEC in accordance with Section 59 of the Securities and Exchange Act, 1992 within three working days following the date of having the transactions changed and submit a copy of this report to the Company on the same date of submitting the report to the Office of the SEC.
- Require that the directors, executives, and employees who have known about significant internal information that could effect the change in stock prices refrain from buying and selling the Company's stocks for at least one month before disclosing the financial statements or internal information to the public, and at least 24 hours after disclosure to the public, and not to disclose the significant information to other persons.

The Company has set penalty in case of violation of using internal information for personal benefits, beginning from written warning, wage cut, temporary suspension without pay, or dismissal. The degree of penalty is subject to the intent of the act and its seriousness.

## Report on the Alteration to Shareholding of the Board of Directors and the Executives in 2014

Name		No. of shares (shares)		No. of shares increased (decreased) during the year (shares)
		31 December 2013	31 December 2014	
Pruchya	Piumsomboon, Ph.D. P.E.	888,400	784,800	(103,600)
	Associate Professor Narong Yoothanom, Ph.D.	-	-	-
	Assistant Professor Kalyaporn Pan-ma-rerng	-	-	-
	Mr. Noppadon Jason Chirasanti	-	-	-
Mr. Kanawath	Aran	-	-	-
Mr. Sanguankiat	Lewmanomont	-	-	-
	Mr. Mark D Remijan	78,400	414,000	335,600
Mr. Anavin	Jiratomsiri	408,000,000	408,000,000	
Miss Koo Man Wai		40,500,000	40,500,000	-
Miss Sharuta	Jiratomsiri	40,500,000	40,500,000	-
Mr. Suttichai	Suraphat	-	-	-
Mr. Worraivit	Auesapsakul	-	-	-

*Note: Including shareholding of spouses and minors (unless individual disclosure has been made)*

# Report of the Audit Committee

## Dear Shareholders,

The Audit Committee of the Company is composed of four independent directors, namely Assistant Professor Kalyaporn Pan-ma-rerng, Associate Professor Dr. Narong Yoothanom, Mr. Noppadon Jason Chirasanti and Mr. Kanawath Aran, who are Audit Committee members. All the Audit Committee members have qualifications as prescribed in the Charter of the Audit Committee and in accordance with the requirements and best practices of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has independently performed its duties and responsibilities delegated by the Board of Directors under the scope of the Charter of the Audit Committee in order to ensure that the Company's operations are conducted without any conflicts of interest, supported by adequate internal control system, and with the executives carrying out their work with honesty and in line with the Company's policy.

In 2014, the Audit Committee held altogether seven meetings, attendance of which by the members is shown here:

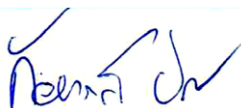
1. Assistant Professor Kalyaporn	Pan-ma-rerng	7
2. Associate Professor Narong	Yoothanom, Ph.D.	7
3. Mr. Noppadon Jason	Chirasanti	5
4. Mr. Kanawath	Aran	7

The results of the performance of duties are summarized as follows:

1. Reviewed the company-only and consolidated financial statements of the Company and its subsidiary company, both quarterly and annual, which had been reviewed and audited by the auditor, and submitted to the Board of Directors. The Audit Committee together with the internal auditor of the Company agreed to the auditor that the 2014 financial statements were prepared in accordance with the generally accepted accounting standards. Important information is sufficiently disclosed in the notes to financial statements.
2. Reviewed the performance of the Internal Audit Department, including approved the annual auditing plan, acknowledged internal audit reports, and reporting and monitoring thereof. The Audit Committee made observations and recommendations to improve efficiency and effectiveness of the internal auditing.
3. Reviewed adequacy of the Company's internal control system together with the Company's auditor, independent auditor, and the Internal Audit Department. The Audit Committee also assessed the internal control system to ensure efficiency and effectiveness of the Company operations and that the Company is able to achieve its goals. The Committee examined the internal audit report and the results of the internal control evaluation and risk management in accordance with the international standards: COSO-ERM (The Committee of Sponsoring Organizations of the Tread way Commission – Enterprise Risk Management). No significant errors have been found. The Audit Committee considers the Company's internal control system appropriate, adequate and effective.

4. Provided opinion to the Board of Directors for the appointment of external auditor for the year 2014. We proposed Mr. Pradit Rodroytook from AST Master Co., Ltd. and/or Mrs. Suvimol Krittayakiern and/or Ms. Somjintana Pholhirunrat from DIA International Auditing Co., Ltd., as the Company's external auditor for the year 2014 and considered remuneration for the auditing work before proposing to the Annual General Meeting of Shareholders.
5. Participated in the meeting to discuss and exchange opinions with the Company's executives and the auditor from time to time in order to acknowledge some observations and share opinions.
6. Examined the connected transactions or transactions with possible conflicts of interest to ensure compliance with the laws and regulations prescribed by the Capital Market Supervisory Board and other relevant agencies, as well as to disclose complete and accurate information.

The Audit Committee is of the opinion that the annual financial statements and disclosure of information of the Company in 2014 are adequate, correct and complete in accordance with the generally accepted accounting principles. The Company has suitable and efficient risk management and internal control systems, internal audit systems, as well as corporate governance procedures. The Audit Committee is able to perform its functions independently and transparently based on the good governance principle and best practices of the Audit Committee. We have also offered suggestions and recommendations useful for the Company's business operations.



Assistant Professor Kalyaporn Pan-ma-rerng  
Chairman of Audit Committee



Associate Professor Narong Yoothanom, Ph.D.  
Audit Committee



Mr. Noppadon Jason Chirasanti  
Audit Committee



Mr. Kanawath Aran  
Audit Committee



# Internal Controls and Risk Management

The Board of Director meeting no. 3/2014 held on March 4th, 2014, 4 audit committees had attended the meeting. Company committee evaluated internal control process of company based on reports of management team and audit committees in 5 factors which are (1) internal control, (2) risk assessment, (3) operation control, (4) information technology and data communication, and (5) follow up process. Committees shared that internal control of company is appropriate and sufficient as company allocates resources to efficiently operate based on system. Furthermore, company is able to monitor operation of affiliates to prevent misuse of assets by unauthorized committees or management. Regarding other aspects of internal control, committees agreed that the processes are suitable and sufficient.

## The Chief of an internal audit unit

The audit committee meeting no.3/2014 held on March 4<sup>th</sup>, 2014, company appointed Pattarakiat Audit & Consulting Company Limited to handle internal audit, effective during January 1<sup>st</sup>, 2014 – December 31<sup>st</sup>, 2014 and Mr. Chairoj Pattharakietthipong, Head of Internal Control Consultant, is in charge of internal control process.

Committee has verified qualifications of Pattarakiat Audit & Consulting Co., Ltd. and Mr. Chairoj Pattharakietthipong and approved the competency for this responsibility according to company's independency and experiences in internal control process for similar business/industries for two years. Moreover, Mr. Chairoj has passed various internal control training which are CERTIFIED PUBLIC ACCOUNTANT: CPA, CERTIFIED INTERNAL AUDITOR: CIA, and THE INSTITUTE OF INTERNAL AUDITORS (IIA) – USA, Class 1 of 1998, with top 5 ranking of Thailand. Company also set up internal control department to coordinate with external auditors.

All aspects regarding appointment, removal, rotation or terminate of internal audit chief must be approved by audit committees.

# Related Party Transactions

Conflicts of interest may arise during the course of transactions between the Company and other persons. The connected transactions may be the transactions with the shareholders and/or the executives, including the transactions with related companies of which the shareholders and/or executives may have conflict of interest. The nature of relationships is described below:

Person with possible conflicts	Relationship
<b>Subsidiaries</b>	
Chow Energy Co., Ltd.	76.67% Shareholding and Directorship
Vertex Logistics Service Co., Ltd.	40% Shareholding and Directorship
Chow International Co., Ltd.	Shareholding by the subsidiary and directorship
Premier Solution Co., Ltd.	Shareholding by the subsidiary and directorship
AE Solar Goudou Kaisha	Shareholding by the subsidiary and directorship
Premier Solution Japan K.K.	Shareholding by the subsidiary and directorship
Premier Solution GmbH	Shareholding by the subsidiary and directorship
Sun Goudou Kaisha	Shareholding by the subsidiary and directorship
Sol Goudou Kaisha	Shareholding by the subsidiary and directorship
<b>Associated company</b>	
Overseas Green Energy Co., Ltd.	Shareholding by the subsidiary and directorship
RICI International Investment Pte. Ltd.	Shareholding by the subsidiary and directorship
<b>Related Company</b>	
Lewmanomont International Law Office	Directorship
Sritanathep Co., Ltd.	Directorship
<b>Related Persons</b>	
Mr. Anavin Jiratomsiri	Shareholder and Director
Mr. Tanachart Poudpongpaiboon	Shareholder and Director of subsidiary

## Product/service use or asset acquisition/disposal transactions of the Company

Nature of transactions made by Company	Person with possible conflicts	Value (million Baht)	Necessity and rationale
office space rental fees	Premier Solution Co., Ltd. Vertex Logistics Services Co., Ltd.	0.71 0.26	The Company leased to office space and factory space for its business operations based on mutually agreed prices.
Interest income	Chow Energy Co., Ltd. Chow International Co., Ltd. Premier Solution Co., Ltd.	0.01 0.69 34.21	The company provides loans to its subsidiaries to invest in solar power and working capital. The interest rate based on mutually agreed prices.
Transport service	Vertex Logistics Services, Co., Ltd.	61.95	The Company used its services to transport products to the customers and within the Company based on market prices.
Legal advisory service	Lewmanomont International Law Firm, Ltd.	0.50	The Company used its legal advisory service for general business operations based on mutually agreed prices.

## Guarantee of bank loan and lease contract of the Company

Person with possible conflicts	Nature of transactions	Outstanding balance (million Baht)	Necessity and rationale
Mr. Anavin Jiratomsiri	Guarantee of total loan facilities of the Company in the amount of 1,530 million Baht, divided into: 1.1 Overdrafts and short- term loans 1.2 Bank guarantee 1.3 Letter of credit	 800.00 40.00 -	For use in the Company's business operations; without guarantee fee charged

## Guarantee of bank loan and lease contract of Vertex Logistics Services, Co., Ltd.

Person with possible conflicts	Nature of transactions	Outstanding balance (million Baht)	Necessity and rationale
Mr. Thanachat Paopongpaiboon	Guarantee of lease contract and letter of guarantee issued by financial institution to Vertex . Overdrafts	17.03 8.92	For use in Vertex's business operations; without guarantee fee charged
Mr. Thanachat Paopongpaiboon	Use of a portion of loan facilities of Srithanathep Company Limited approved from the financial institution to guarantee the letter of guarantee issued by the financial institution for gasoline cards	0.80	For use to guarantee the letter of guarantee issued by the financial institution for gasoline cards

## Related Party Transaction Measure or Procedure

The Company has set out procedures for approving related party transactions in compliance with the law on securities and exchange, and rules, notifications, ordinance or requirements of the SET and the mai. Directors or persons with possible conflict that have beneficial interest or possible conflicts of interest with the Company are not entitled to approve these related party transactions.

## Policy and Trends of Related Party Transactions

The Company has determined policy on related party transactions as classified by type of transactions as follows:

- For normal business transactions and normal business support transactions based on general trade conditions, such as purchase or sale of goods and services, etc., the Company has set the policy for related party transactions to be made under general business terms and conditions at the market prices which are comparable to those applicable to outside parties, and shall strictly adhere to the contracts mutually agreed upon. In addition, the prices and conditions shall be set clearly, fairly and shall not lead to a siphoning of benefits. The Internal Audit Department is responsible for examining the relevant information and report to the Audit Committee for consideration and opinion on the justification of the prices and transactions on a quarterly basis.
- For normal business transactions and normal business support transactions without general trade conditions, and other related party transactions such as acquisition or disposal of assets, and receipt or provision of financial assistance, e.g. loan borrowing, guarantee, and use of assets as collateral, etc., the Company has set the policy that the transactions shall be determined by the Audit Committee whether it is necessary and reasonable prior to making the transactions and that the transaction has to comply with the securities and exchange laws, rules, notifications or provisions of the Capital Market Supervisory Board, as well as the provisions of disclosure of connected transaction and acquisition or disposal of core assets of the Company and subsidiaries (if any). Director is not entitled to vote for any transaction in which he/she or person with possible conflict may have beneficial interest. He/She has to disclose nature of relationship and details of the transaction to the Board of Directors for consideration. In case the Audit Committee has no experience in examining the related party transaction, an independent expert may be engaged to give opinion on such transaction to support the decision of the Board of Directors or the shareholders, as the case may be.

# Management Discussion and Analysis

## Revenue

In 2014 the total revenue of the Company accounted at THB 4,156 million, decreased from 2013 by THB 680 million or 14. As the economic slowdown, the price of steel bar were inevitably reduced following the market mechanism, consequently, total revenue has decreased.

## Cost and expenses

- **Cost of sales and service**

In 2014, cost of sale and service totaled at THB 3,877 million, the ratio of cost of sale and sale volume stood at 94%, comparing to 2013 which was at 94 as well. The similar rate was because of accurate and proper management of inventory, matching order as well as procurement of raw materials.

- **Distribution expense**

In 2014 the distribution expenses of the Company reached THB 59 million, THB 7 million reduction, or 10.7% in comparison to 2013 as cost of transportation reduce, following reduction of sale volume.

- **Administrative expenses**

In 2014 the administrative expense of the Company reached THB 103 million, THB 27 million increase, or 36%, as a result of business expansion on alternative energy power plant and adjustment of employees' salary.

- **Financial cost**

The Company financial cost incurred from loan interest from financial institutions and leasing credit. In 2014 the cost totaled of THB 76 million, increased by THB 5.57 million, as the Company acquired more loan from the financial institution to invest in the solar power plant in Japan.

## Net profit

In 2014 the net profit of the Company accounted at THB 47.34 million, or 1.15%, rate of return to shareholders' equity was 3.65% comparing to 2013 where the net profit accounted at THB 105 million, or 2.18%, rate of return to shareholders' equity was 8.20%. The reduction in net profit and profit rate is a result of declination in quantity and price of steel bar following the economic recession.

## Financial analysis

### Assets

As of 31 December 2014, the Company had total asset value equivalent to THB 4,728 million, increase by THB 1,578 million or 49%. The significant increase of asset incurred from cash, cash equivalent, account receivable, inventory, cost of project development, including property, plant and equipment. Since the metal demand was declined while the Company still carried on the production, subsequently, the number of inventory was increased. In addition, during the year, the company group has invested in the solar power plant in Japan, and this caused highly increase of total assets. Our source of fund are acquired through loan.

### Liquidity

In 2014 has paid for net cash flow in operating activities at the amount of THB 794 million, investment activities at THB 835 million. The financial support acquired from operation that generate profit and long term, short term loans from the financial institutions were spent in goods investment at the amount of THB 534 million, investment in solar power plant at the amount of THB 1,046 million. All in all the Company held more THB 45 million cash flow.

### Source of fund

#### Liabilities

Total liabilities of the Company accounted THB 3,350 million, THB 1,479 million increase, as a result of additional loan acquired from the financial institutions to invest in the solar power plant.

#### Shareholders' equity

The shareholders' equity accounted at THB 1,296 million, increased by THB 13 million, as a result of operation profit of THB 47 million.

#### Structure of fund

The ratio of debt per shareholders' equity (D/E) as of 31 December 2014 remained at 2.47, comparing to the ratio as of 31 December 2013 at 1.43, as a result of loan acquired from the financial institution.

### Auditors' compensation of year 2014

#### Audit fee

The Company paid audit fee to AST Master Co., Ltd., the Company's auditor for the accounting year 2014, at the amount of THB 0.93 million, including the audit fee for its subsidiaries at THB 0.59 million. In 2014, the Company has established one new subsidiary the audit fee of THB 0.13 million. The Company and its subsidiaries did not use additional service from other auditors.

#### Other expenses

-None-



# Report on the responsibility of the Board of Directors for the Financial Report

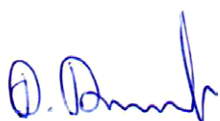
The Board of Directors is directly responsible for the company-only financial statements of Chow Steel Industries Public Company Limited, and the consolidated financial statements of Chow Steel Industries Public Company Limited and its subsidiary company, as well as other financial information contained in Annual Report 2014. The financial statements are presented in accordance with generally accepted accounting principles, with regular adoption of appropriate accounting policies and with discretion and reasonable estimation. Important information is sufficiently disclosed in the notes to financial statements for the benefits of the shareholders and general investors.

The Board of Directors has put in place and maintained risk management system and internal control system that are efficient and effective to provide reasonable assurance that the accounting data presented is correct, complete and adequate to maintain the Company's assets and to prevent fraud or significant irregularities.

The Board of Directors has appointed the Audit Committee consisting of four independent directors to review the accounting policy and quality of the financial report, examine internal control system and auditing system, as well as disclosure of information on related party transactions. The Audit Committee's opinions regarding this matter are as presented in the Report of the Audit Committee in this Annual Report.

The company-only financial statements and the consolidated financial statements of the Company and its subsidiary have been examined and verified by the Company's auditor, namely AST Master, Co., Ltd. The auditor's opinions are as presented in the Auditor's Report in this Annual Report.

The Board of Directors is of the view that the Company's overall internal control system is well conducted and satisfactory, and able to reasonably assure that the company-only financial statements and the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2014 expressed accurate financial position and performance in accordance with generally accepted accounting principles, laws and other relevant rules and regulations.



Pruchya Piumsomboon, Ph.D., P.E.  
Chairman



Anavin Jiratomsiri  
Chief Executive Officer

# Independent Auditor's Report

To the Board of Directors and Shareholders of

## **Chow Steel Industries Public Company Limited**

I have audited the accompanying consolidated financial statements of **Chow Steel Industries Public Company Limited and its subsidiaries**, which comprise the consolidated statements of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of **Chow Steel Industries Public Company Limited** for the same period.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chow Steel Industries Public Company Limited and its subsidiaries and of Chow Steel Industries Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



PRADIT RODLOYTUK  
Certified Public Accountant  
Registration No. 218

Ast Master Co., Ltd.  
17 February 2015

# Financial Statements

Chow Steel Industries Public Company Limited and its Subsidiaries

Statement of Financial Position

As at 31 December 2014

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2014	2013	2014	2013
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	83,433,808	38,796,378	28,831,781	35,113,913
Short-term investment	8	-	34,000,000	-	-
Trade accounts receivable	9	879,313,478	829,928,558	821,519,762	819,071,033
Other receivables	10	98,899,876	79,361,469	61,319,706	23,147,679
Short-term loan to subsidiaries	6.2	-	-	1,021,026,683	37,225,800
Inventories	11	1,158,460,753	648,371,875	1,158,314,439	648,371,875
Project costs under development		143,692,755	-	-	-
Account receivable - Revenue Department		70,025,039	8,846,261	42,291,143	8,815,430
Other current assets		4,052,431	5,420,049	3,050,233	5,085,428
Total current assets		2,437,878,140	1,644,724,590	3,136,353,747	1,576,831,158
<b>NON-CURRENT ASSETS</b>					
Deposits pledged as collateral	12	146,529,866	146,278,546	144,000,000	145,027,545
Available-for-sale investment	13	-	19,440,000	-	19,440,000
Investment in subsidiaries	14	-	-	119,150,000	52,750,000
Investment in associated company	15	390,420	-	-	-
Property, plant and equipment	16	2,103,025,124	1,368,705,096	1,220,245,069	1,310,733,647
Intangible assets	17	39,245,502	1	1	1
Deferred tax assets	27	231,837	-	-	-
Other non-current assets		1,030,967	942,912	1,030,967	942,912
Total non-current assets		2,290,453,716	1,535,366,555	1,484,426,037	1,528,894,105
<b>TOTAL ASSETS</b>		<b>4,728,331,856</b>	<b>3,180,091,145</b>	<b>4,620,779,784</b>	<b>3,105,725,263</b>

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

## Chow Steel Industries Public Company Limited and its Subsidiaries

## Statement of Financial Position (Continued)

As at 31 December 2014

LIABILITIES AND	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
<b>SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans from financial institutions	18	3,032,611,000	1,299,636,292	3,023,687,582	1,299,636,292
Trade accounts payable		151,721,465	296,826,403	126,679,790	293,947,159
Other payables	19	55,563,327	88,324,875	57,652,413	87,442,320
Current portion of long-term loan	20	66,380,000	66,000,000	66,380,000	66,000,000
Long-term loan - classified as current liability	20	-	66,380,000	-	66,380,000
Current portion of liabilities under					
finance lease agreements	21	17,062,597	20,413,998	-	-
Short-term loan from related parties	6.2	10,000,000	350,000	-	-
Other current liabilities		812,044	2,033,720	404,016	750,743
Total current liabilities		3,334,150,433	1,839,965,288	3,274,803,801	1,814,156,514
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements	21	91,350	17,673,291	-	-
Deferred tax liabilities	27	9,477,831	9,477,831	9,477,831	9,477,831
Employee benefit obligations	22	6,005,196	3,506,208	4,846,013	3,132,961
Total non-current liabilities		15,574,377	30,657,330	14,323,844	12,610,792
Total liabilities		3,349,724,810	1,870,622,618	3,289,127,645	1,826,767,306

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

## Chow Steel Industries Public Company Limited and its Subsidiaries

## Statement of Financial Position (Continued)

As at 31 December 2014

LIABILITIES AND	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
<b>SHAREHOLDERS' EQUITY (CONTINUED)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - Common shares, Baht 1 par value	23				
Authorized share capital					
800,000,000 common shares		800,000,000	800,000,000	800,000,000	800,000,000
Issued and paid-up share capital					
800,000,000 common shares		800,000,000	800,000,000	800,000,000	800,000,000
Premium on share capital		380,845,258	380,845,258	380,845,258	380,845,258
Difference from change in					
investment in subsidiaries	14	(38,585,104)	-	-	-
Retained earnings					
Appropriated for legal reserve	24	13,788,260	11,628,533	13,788,260	11,628,533
Unappropriated		107,225,354	62,043,785	99,107,295	58,072,468
Other components of equity		32,665,724	28,411,698	37,911,326	28,411,698
Total equity attributable to the parent company		1,295,939,491	1,282,929,274	1,331,652,139	1,278,957,957
Non-controlling interests	26	82,667,555	26,539,253	-	-
Total Shareholders' equity		1,378,607,046	1,309,468,527	1,331,652,139	1,278,957,957
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,728,331,856</b>	<b>3,180,091,145</b>	<b>4,620,779,784</b>	<b>3,105,725,263</b>

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

## Chow Steel Industries Public Company Limited and its Subsidiaries

## Statement of Comprehensive Income

For the year Ended 31 December 2014

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2014	2013	2014	2013
<b>Revenues</b>					
	Revenues from sales and services	4,112,983,576	4,813,437,482	4,040,806,250	4,800,879,392
	Other income	43,161,189	22,838,597	69,804,891	22,580,642
	Total revenues	4,156,144,765	4,836,276,079	4,110,611,141	4,823,460,034
<b>Expenses</b>					
	Cost of sales and services	3,876,876,238	4,514,607,603	3,870,309,335	4,513,215,395
	Selling expenses	58,703,812	65,711,012	66,619,491	79,545,717
	Administrative expenses	103,069,800	75,726,505	57,771,848	61,322,116
	Total expenses	4,038,649,850	4,656,045,120	3,994,700,674	4,654,083,228
<b>Profit before share of loss from investment in associated company and financial costs and income tax</b>					
		117,494,915	180,230,959	115,910,467	169,376,806
	Share of loss from investment in associated company	15	(9,580)	-	-
<b>Profit before financial costs and income tax</b>					
		117,485,335	180,230,959	115,910,467	169,376,806
	Financial costs	(75,509,108)	(69,942,395)	(72,715,913)	(66,270,912)
<b>Profit before income tax</b>					
		41,976,227	110,288,564	43,194,554	103,105,894
	Income tax	(322,954)	(1,717,020)	-	-
<b>Profit for the year</b>					
		41,653,273	108,571,544	43,194,554	103,105,894
<b>Other comprehensive income (expense) for the year</b>					
	Gain (loss) on change in value of available-for-sale investment	9,499,628	(4,880,788)	9,499,628	(4,880,788)
	Actuarial loss	22	-	(1,649,691)	(1,637,787)
	Exchange differences on translating financial statements	(6,841,792)	-	-	-
<b>Total other comprehensive income (expense) for the year</b>					
		2,657,836	(6,530,479)	9,499,628	(6,518,575)
<b>Total comprehensive income for the year</b>					
		44,311,109	102,041,065	52,694,182	96,587,319
<b>Profit (loss) attributable to:</b>					
	Equity holders of the parent	47,341,296	105,166,386	43,194,554	103,105,894
	Non-controlling interests	(5,688,023)	3,405,158	-	-
		41,653,273	108,571,544	43,194,554	103,105,894
<b>Total comprehensive income attributable to:</b>					
	Equity holders of the parent	51,595,322	98,635,907	52,694,182	96,587,319
	Non-controlling interests	(7,284,213)	3,405,158	-	-
		44,311,109	102,041,065	52,694,182	96,587,319
<b>Basic earnings per share</b>					
	Profit attributable to equity holders of the parent	0.06	0.13	0.05	0.13

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



Chow Steel Industries Public Company Limited and its Subsidiaries  
Consolidated Statement of Changes in Shareholders' Equity  
For the year Ended 31 December 2014

	Issued and paid-up share capital	Premium on share capital	Difference from change in investment in subsidiaries	Retained earnings		Other components of equity					Total
				Appropriated for legal reserve	Unappropriated	Change in fair value of available-for-sale investment	Revaluation surplus on land - net of tax	Exchange differences on translating financial statements	components of shareholders' equity	Total equity of the parent	
<b>Balance as at 1 January 2013</b>	800,000,000	380,845,258	-	6,328,363	43,827,260	(4,618,840)	37,911,326	-	33,292,486	1,264,293,367	1,277,977,462
Addition investment in subsidiaries											
by non-controlling interests	-	-	-	-	-	-	-	-	-	-	9,450,000
Appropriated for legal reserve (Note 24)	-	-	-	5,300,170	(5,300,170)	-	-	-	-	-	-
Dividend paid (Note 25)	-	-	-	-	(80,000,000)	-	-	-	-	(80,000,000)	(80,000,000)
Total comprehensive income for the year	-	-	-	-	103,516,695	(4,880,788)	-	-	(4,880,788)	98,635,907	102,041,065
<b>Balance as at 31 December 2013</b>	800,000,000	380,845,258	-	11,628,533	62,043,785	(9,499,628)	37,911,326	-	28,411,698	1,282,929,274	1,309,468,527
<b>Balance as at 1 January 2014</b>	800,000,000	380,845,258	-	11,628,533	62,043,785	(9,499,628)	37,911,326	-	28,411,698	1,282,929,274	1,309,468,527
Addition investment in subsidiaries											
by non-controlling interests	-	-	-	-	-	-	-	-	-	-	29,627,410
Appropriated for legal reserve (Note 24)	-	-	-	2,159,727	(2,159,727)	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,800,000)
Difference from change in investment in subsidiaries	-	-	(38,585,104)	-	-	-	-	-	-	(38,585,104)	-
Total comprehensive income for the year	-	-	-	-	47,341,296	9,499,628	-	(5,245,602)	4,254,026	51,595,322	44,311,109
<b>Balance as at 31 December 2014</b>	800,000,000	380,845,258	(38,585,104)	13,788,260	107,225,354	-	37,911,326	(5,245,602)	32,665,724	1,295,939,491	1,378,607,046

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

Chow Steel Industries Public Company Limited and its Subsidiaries  
Separate Statement of Changes in Shareholders' Equity  
For the year Ended 31 December 2014

	Notes	In Baht						
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		
				Appropriated for legal reserve	Unappropriated	Change in fair value of available-for-sale investment	Revaluation surplus on land - net of tax	Total other components of shareholders' equity
Balance as at 1 January 2013		800,000,000	380,845,258	6,328,363	41,904,531	(4,618,840)	37,911,326	33,292,486
Appropriated for legal reserve	24	-	-	5,300,170	(5,300,170)	-	-	-
Dividend paid	25	-	-	-	(80,000,000)	-	-	-
Total comprehensive income for the year		-	-	-	101,468,107	(4,880,788)	-	(4,880,788)
Balance as at 31 December 2013		800,000,000	380,845,258	11,628,533	58,072,468	(9,499,628)	37,911,326	28,411,698
Balance as at 1 January 2014		800,000,000	380,845,258	11,628,533	58,072,468	(9,499,628)	37,911,326	28,411,698
Appropriated for legal reserve	24	-	-	2,159,727	(2,159,727)	-	-	-
Total comprehensive income for the year		-	-	-	43,194,554	9,499,628	-	9,499,628
Balance as at 31 December 2014		800,000,000	380,845,258	13,788,260	99,107,295	-	37,911,326	37,911,326
								1,262,370,638
								(80,000,000)
								96,587,319
								1,278,957,957
								1,278,957,957
								52,694,182
								1,331,652,139

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

## Chow Steel Industries Public Company Limited and its Subsidiaries

## Statement of Cash Flows

For the year Ended 31 December 2014

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	41,976,227	110,288,564	43,194,554	103,105,894
Adjustment to reconcile profit to net cash provided by operating activities				
Doubtful accounts	-	28,000	-	-
Loss on diminution in value of inventories	24,000,652	(10,968,983)	24,000,652	(10,968,983)
Depreciation	127,757,767	124,578,974	108,627,336	108,317,429
Amortization	267,189.00	1,613,284	-	1,613,284
Gain on disposal of equipment	(1,722,427)	(804,246)	(1,722,428)	(804,246)
Loss from write-off of assets	-	1,738,904	-	-
Gain on disposal of available-for-sale investment	(2,874,572)	256,418	(2,874,572)	256,418
Share of loss from investment in associated company	9,580	855,391	-	494,048
Employee benefit obligations	2,498,988	-	1,713,052	-
Dividend income	-	-	(3,200,000)	-
Interest expenses	75,509,108	69,942,395	72,715,913	66,270,912
Profit from operating activities before change in operating assets and liabilities	267,422,512	297,528,701	242,454,507	268,284,756
Decrease (increase) in operating assets				
Trade accounts receivable	(49,384,920)	70,247,731	(2,448,729)	80,572,960
Other receivables	(20,989,961)	(17,610,102)	(39,623,581)	35,893,541
Inventories	(534,089,530)	135,615,671	(533,943,216)	135,615,671
Project costs under development	(143,692,755)	-	-	-
Account receivable - Revenue Department	(61,178,778)	15,567,220	(33,475,713)	15,598,051
Other current assets	1,367,618	(207,479)	2,035,195	150,702
Other non-current assets	988,878	44,220	94,811	44,220
Increase (decrease) in operating liabilities				
Trade accounts payable	(145,104,938)	(72,969,886)	(167,267,369)	(73,579,220)
Other payables	(29,987,128)	26,709,940	(27,015,489)	23,203,225
Other current liabilities	(1,008,782)	597,343	(346,726)	99,695
Employee benefit obligations	-	(104,000)	-	(104,000)
Cash received (paid) from operating activities	(715,657,784)	455,419,359	(559,536,310)	485,779,601
Interest paid	(76,706,894)	(70,887,198)	(73,888,778)	(67,215,715)
Income tax paid	(1,669,699)	(1,167,046)	(182,866)	(91,412)
Net cash provided by (used in) operating activities	(794,034,377)	383,365,115	(633,607,954)	418,472,474

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

## Financial Statements

Chow Steel Industries Public Company Limited and its Subsidiaries

Statement of Cash Flows (Continued)

For the year Ended 31 December 2014

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceed (paid) from short-term investment	34,000,000	(34,000,000)	-	-
Proceed from disposal of available-for-sale investment	31,814,200	215,254	31,814,200	215,254
Cash paid for investment in subsidiaries	-	-	(66,400,000)	(45,550,000)
Cash paid for investment in associated company	(400,000)	-	-	-
(Increase) decrease in deposits pledged as collateral	(251,320)	(41,909,573)	1,027,545	(40,658,572)
Increase in short-term loans to a subsidiary	-	-	(983,800,883)	37,225,800
Cash paid for acquisition of plant and equipment				
(cash flows information)	(863,122,189)	(42,442,002)	(19,183,152)	(42,214,043)
Cash paid for intangible assets	(39,512,690)	-	-	-
Proceed from disposal of equipment	2,616,822	1,418,581	2,616,822	1,418,581
Dividend received from a subsidiary	-	-	3,200,000	-
Net cash used in investing activities	(834,855,177)	(116,717,740)	(1,030,725,468)	(164,014,580)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in short-term loans from financial institutions	1,732,974,708	(475,356,450)	1,724,051,290	(475,356,450)
Cash paid for long-term loans	(66,000,000)	(97,086,188)	(66,000,000)	(97,086,188)
Cash paid for liabilities under finance lease agreements	(21,083,342)	(20,636,928)	-	(71,030)
Increase in short-term loans from related parties	9,650,000	350,000	-	-
Dividend paid	-	(80,000,000)	-	(80,000,000)
Dividend paid to non-controlling interests	(4,800,000)	-	-	-
Cash received from addition investment				
in subsidiaries by non-controlling interests	29,627,410	9,450,000	-	-
Net cash provided by financing activities	1,680,368,776	(663,279,566)	1,658,051,290	(652,513,668)
Exchange differences on translating financial statements	(6,841,792)	-	-	-
Net increase (decrease) in cash and cash equivalents	44,637,430	(396,632,191)	(6,282,132)	(398,055,774)
Cash and cash equivalents, beginning of year	38,796,378	435,428,569	35,113,913	433,169,687
Cash and cash equivalents, end of year	83,433,808	38,796,378	28,831,781	35,113,913
<b>SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION</b>				
<u>Cash paid for acquisition of plant and equipment</u>				
Acquisition of plant and equipment during the year	(862,972,189)	(32,155,149)	(19,033,152)	(32,025,300)
Adjust Decrease in accounts payable from acquisition of assets	(150,000)	(9,220,531)	(150,000)	(9,220,531)
Cash paid for acquisition of plant and equipment	(863,122,189)	(41,375,680)	(19,183,152)	(41,245,831)

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

# Notes to the Financial Statements

Chow Steel Industries Public Company Limited and its Subsidiaries

Notes to the Financial Statements

For the year Ended 31 December 2014

## 1. GENERAL INFORMATION

Chow Steel Industries Public Company Limited was incorporated in Thailand. The principal business operation of the Company is to produce and sell of steel billet. Its major shareholders are Jiratonsiri's Group (owned 64%). The address of its registered office is located at as follows:

- Head Office is located at 209/1 K.Tower, 18<sup>th</sup> Fl, Unit 3, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok.
- Factory branch1 is located at 518/1 Moo 9 Nongki District, Kabinburi, Prachinburi.
- Factory branch 2 is located at 518/3 Moo 9 Nongki District, Kabinburi, Prachinburi.

The Company was listed on the Stock Exchange of Thailand on 21 December 2011 and the Company's stocks were traded on the MAI (Market of Alternative Investment).

## 2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PREPARATION

The consolidated and separate financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The consolidated financial statements relate to Chow Steel Industries Public Company Limited and subsidiaries and associated company (together referred to as the "the Group"). Details of the Company's subsidiaries and associated company are as follows:

	Percentage of Holding		Nature of Business
	2014	2013	
<u>Subsidiaries directly owned by the Company</u>			
Vertex Logistics Service Co., Ltd.	40.0	40.0	
Chow Energy Co., Ltd. (“CE”)	76.67	-	Holding company invests in Power Supply
Chow International Co., Ltd. (“CI”)	-	83.0	Holding company
Premier Solution Co., Ltd. (“PSCL”)	-	81.0	Consulting to international investment

	Percentage of Holding		Nature of Business
	2014	2013	
<u>Subsidiaries indirectly owned by the Company</u>			
<u>Holding by CE</u>			
Chow International Co., Ltd. ("CI")	100	-	Holding company
Premier Solution Co., Ltd. ("PSCL")	100	-	Consulting to international investment
<u>Holding by PSCL</u>			
AE Solar Goudou Kaisha ("AE")	100	-	Power generation and distribution
Premier Solution Japan K.K. ("PSJP")	100	-	Construction of Power generation
Premier Solution GmbH. ("PSGM")	100	-	Project Insurance with regard to renewable energy project
<u>Holding by PSJP</u>			
Sun Goudou Kaisha ("SUN")	100	-	Support solar project investment in Japan
Sol Goudou Kaisha ("SOL")	100	-	Support solar project investment in Japan
<u>Holding by CI</u>			
RICI International Investment Pte. Ltd ("RICI")	40	-	Investment in Power generation
<u>Holding by PSCL</u>			
Overseas Green Energy Co., Ltd. ("OGE")	40	-	Management in Power generation

The significant transactions between the Company and the subsidiaries have been eliminated in the consolidated financial statements.

For the convenience of the user, an English translation of the financial statements has been prepared from the statutory financial statements that are issued in the Thai language.

### 3. FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal year beginning on or after 1 January 2014.

		<u>Effective Date</u>
<u>Accounting Standard</u>		
TAS 1 (Revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 12 (Revised 2012)	Income Taxes	1 January 2014
TAS 17 (Revised 2012)	Leases	1 January 2014
TAS 18 (Revised 2012)	Revenue	1 January 2014
TAS 24 (Revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (Revised 2012)	Investments in Associates and Joint Venture	1 January 2014
TAS 31 (Revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	1 January 2014

		<u>Effective Date</u>
<b>Financial Reporting Standard</b>		
TFRS 2 (Revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (Revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (Revised 2012)	Operating Segments	1 January 2014
<b>Accounting Standard Interpretations</b>		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
<b>Financial Reporting Standard Interpretations</b>		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

These accounting standards do not have any significant impact on the financial statements.

#### 4. FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE

Revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are not yet effective and have not been early adopted by the Group. The new and revised TFRS are expected to become effective for annual financial period beginning on or after 1 January in the year indicated in the following table :

- a) Financial reporting standards, involve changes to key principles but expected to do not have significant impact to the Group as follows:



		<u>Effective Date</u>
<b>Accounting Standard</b>		
TAS 1 (Revised 2014)	Presentation of Financial Statements	1 January 2015
TAS 19 (Revised 2014)	Employee Benefits	1 January 2015
TAS 27 (Revised 2014)	Separate Financial Statements	1 January 2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Venture	1 January 2015
TAS 34 (Revised 2014)	Interim Financial Reporting	1 January 2015
<b>Financial Reporting Standard</b>		
TFRS 10	Consolidated Financial Statements	1 January 2015
TFRS 11	Joint Arrangements	1 January 2015
TFRS 12	Disclosure of Interests in Other Entities	1 January 2015
TFRS 13	Fair Value Measurement	1 January 2015
<b>Financial Reporting Standard Interpretations</b>		
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2015

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

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Group already recognised actuarial gains and losses immediately in other comprehensive income.

**TFRS 10 Consolidated Financial Statements and TAS 27 (revised 2014) Separate Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company believes that this standard will not have any impact on the Company's financial statements.

**TFRS 11 Joint Arrangements and TAS 28 (revised 2014) Investments in Associates and Joint Ventures**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

TAS 28 has been renamed to Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in associates and also with investments in joint ventures.

The management of the Company believes that this standard will not have any impact on the Company's financial statements.

#### TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the Company's financial statements due to the Company already disclosed the disclosures of Interests in Associate in Note 15 to the financial statements.

#### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

b) These accounting standards do not have any significant change and impact on the financial statements as below.

		<u>Effective Date</u>
<b>Accounting Standard</b>		
	The Conceptual Financial Reporting Standard	1 January 2015
TAS 2 (Revised 2014)	Inventories	1 January 2015
TAS 7 (Revised 2014)	Statement of Cash Flows	1 January 2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2015
TAS 10 (Revised 2014)	Events After the Reporting Period	1 January 2015
TAS 11 (Revised 2014)	Construction Contracts	1 January 2015
TAS 12 (Revised 2014)	Income Taxes	1 January 2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	1 January 2015
TAS 17 (Revised 2014)	Leases	1 January 2015
TAS 18 (Revised 2014)	Revenue	1 January 2015
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	1 January 2015
TAS 23 (Revised 2014)	Borrowing Costs	1 January 2015
TAS 24 (Revised 2014)	Related Party Disclosures	1 January 2015
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	1 January 2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economics	1 January 2015
TAS 33 (Revised 2014)	Earnings per Share	1 January 2015
TAS 36 (Revised 2014)	Impairment of Assets	1 January 2015

		<u>Effective Date</u>
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2015
TAS 38 (Revised 2014)	Intangible Assets	1 January 2015
TAS 40 (Revised 2014)	Investment Property	1 January 2015
<b>Financial Reporting Standard</b>		
TFRS 2 (Revised 2014)	Share-based Payment	1 January 2015
TFRS 3 (Revised 2014)	Business Combinations	1 January 2015
TFRS 4 (Revised 2014)	Insurance Contracts	1 January 2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	1 January 2015
TFRS 8 (Revised 2014)	Operating Segments	1 January 2015
<b>Accounting Standard Interpretations</b>		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	1 January 2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	1 January 2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	1 January 2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	1 January 2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	1 January 2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	1 January 2015
<b>Financial Reporting Standard Interpretations</b>		
TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2015
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease	1 January 2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2015
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	1 January 2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	1 January 2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes	1 January 2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	1 January 2015
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners	1 January 2015
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	1 January 2015
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2015

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation does not impact to the Group.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Deposits at financial institutions that are restricted in use are presented as “Deposits pledged as collateral” as part of non-current assets in the statement of financial position.

### 5.2 Short-term investments

Short-term investments consist of 3 - 12 months fixed deposit.

### 5.3 Trade accounts receivable

Trade accounts receivable are carried at delivery order amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end.

The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified.

### 5.4 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method of finished goods, raw material, spare part and supplies. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges less all attributable discounts and rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 5.5 Investment in subsidiaries

#### Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

#### Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

#### Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

#### 5.6 Available-for-sale investments

Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sale investments are recognised in equity.

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

#### 5.7 Property, plant and equipment

Land is initially recognised at cost. Land is subsequently carried at the revalued amount less accumulated impairment losses, if any.

Increases in the carrying amount arising on revaluation of land are credited to statement of comprehensive income and shown as gain on asset revaluation in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

Land improvement, plant and equipment are initially recorded at cost. All assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset, to its residual value over the estimated useful life as follows:

Land improvement	10 years
Buildings and utility systems	5 - 20 years
Solar modules	10 - 25 years
Inverters	10 years
Machineries and equipment	5 - 20 years
Fixtures and office equipment	5 years
Vehicles	5 years

The Company reviews the residual value and useful life of assets annually.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Work-in-progress and installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

#### 5.8 Intangible assets

Computer software is stated at historical cost less accumulated amortization. Software costs are amortized as an expense by the straight-line method over a period of five (5) years.

Expenditures for licence is stated at historical cost less accumulated amortization. Expenditures for licence costs are amortized as an expense by the straight-line method over a period of twenty-five (25) years.



## 5.9 Impairment of assets

The Group reviewed the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount (the higher of an assets selling price or value in use). The review is made for individual assets or the cash generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

## 5.10 Accounting for leases - where company is the lessee

Leases transferring all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in long-term liabilities. The interest element of the finance cost is charged to profit or loss over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight - line basis over the period of the lease.

## 5.11 Employee benefits

### Short-term employee benefits

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

### Post-employment benefits

#### Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognised as expenses when incurred.

#### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

#### 5.12 Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

#### 5.13 Revenue recognition

Revenue comprises the delivery order value for the sale of goods net of output tax, sales returns and discounts. Revenue from sales of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

Service income is recognized when services have been rendered.

Other income is recognized on an accrual basis.

#### 5.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 5.15 Foreign currency translation

The Company translates the foreign currency transactions to Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currency, are recognized in the statement of comprehensive income.

#### 5.16 Translation of foreign currency financial statements

The financial statements of subsidiaries in other country have been prepared in the currency of the Yen. The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

#### 5.17 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for year attributable to shareholders by the weighted average number of common shares in issue during the year.

#### 5.18 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents and trade accounts receivable. Financial liabilities carried on the statement of financial position include trade accounts payable, loans and accrued expense. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 5.19 Significant accounting judgements and estimates

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

##### Allowance for doubtful accounts

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

Allowance for net realizable value

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property plant and equipment and intangible assets

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and records impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**5.20 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## 6. TRANSACTIONS WITH RELATED PERSON AND COMPANIES

### 6.1 Relationship and pricing policy

The relationship and pricing policies among the Company, subsidiaries and related parties are as follows:

	Relationship
<b><u>Subsidiaries</u></b>	
Chow Energy Co., Ltd.	76.67% Shareholding and Directorship
Vertex Logistics Service Co., Ltd.	40% Shareholding and Directorship
Chow International Co., Ltd.	Shareholding by the subsidiary and directorship
Premier Solution Co., Ltd.	Shareholding by the subsidiary and directorship
AE Solar Goudou Kaisha	Shareholding by the subsidiary and directorship
Premier Solution Japan K.K.	Shareholding by the subsidiary and directorship
Premier Solution GmbH	Shareholding by the subsidiary and directorship
Sun Goudou Kaisha	Shareholding by the subsidiary and directorship
Sol Goudou Kaisha	Shareholding by the subsidiary and directorship
<b><u>Associated company</u></b>	
Overseas Green Energy Co., Ltd.	Shareholding by the subsidiary and directorship
RICI International Investment Pte. Ltd.	Shareholding by the subsidiary and directorship
<b><u>Related Company</u></b>	
Lewmanomont International Law Office	Directorship
Sritanathep Co., Ltd.	Directorship
<b><u>Related Persons</u></b>	
Mr. Anavin Jiratomsiri	Shareholder and Director
Mr. Tanachart Poudpongpaiboon	Shareholder and Director of subsidiary
<b><u>Pricing policies</u></b>	
Loan to	Interest charged at rate of 12% per annum
Loan from	Interest charged at rate of 12% per annum
Disposal of fixed assets	Compared to market price
Rental income	At Contract price which had been agreed upon
Transportation expense	At Contract price which had been agreed upon
Administrative expenses	At Contract price which had been agreed upon
Guarantee	No fee charged

## 6.2 Balances of transactions with related parties

Balances of transactions among the Company with subsidiaries and related parties as at 31 December 2014 and 2013 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b><u>Other receivables (Note 10)</u></b>				
Subsidiaries	-	-	34,327,260	644,703
<b><u>Short-term loan to</u></b>				
Subsidiaries				
Balance, beginning of year	-	-	37,225,800	-
<u>Add</u> Increase during the year	-	-	1,177,547,745	37,225,800
<u>Less</u> Decrease during the year	-	-	(193,746,862)	-
Balance, end of year	-	-	1,021,026,683	37,225,800
<b><u>Other payables (Note 19)</u></b>				
Subsidiaries	-	-	778,175	1,676,159
Related company	395,158	-	10,500	-
Total	395,158	-	788,675	1,676,159
<b><u>Short-term loan from</u></b>				
Subsidiaries				
Balance, beginning of year	-	-	-	-
<u>Add</u> Increase during the year	-	-	10,370,816	-
<u>Less</u> Decrease during the year	-	-	(10,370,816)	-
Balance, end of year	-	-	-	-
Related company				
Balance, beginning of year	-	-	-	-
<u>Add</u> Increase during the year	10,000,000	-	-	-
Balance, end of year	10,000,000	-	-	-
Related person				
Balance, beginning of year	350,000	-	-	-
<u>Add</u> Increase during the year	-	350,000	-	-
<u>Less</u> Decrease during the year	(350,000)	-	-	-
Balance, end of year	-	350,000	-	-
Total	10,000,000	350,000	-	-
<b><u>Other current liabilities</u></b>				
Subsidiaries	-	-	108,560	63,560
<b><u>Disposal of fixed assets</u></b>				
Subsidiaries	-	-	-	24,800

### 6.3 Revenues and expenses transactions with related parties

Revenues and expenses transactions with related parties for the year ended 31 December 2014 and 2013 are as follows

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b><u>Rental income</u></b>				
Subsidiaries	-	-	969,224	464,224
<b><u>Interest income</u></b>				
Subsidiaries	-	-	34,904,395	-
<b><u>Transportation expense</u></b>				
Subsidiary	-	-	61,947,994	76,774,169
<b><u>Legal fee</u></b>				
Related company	503,200	161,000	503,200	161,000
<b><u>Financial cost</u></b>				
Subsidiaries	-	-	259,128	-
Related company	384,658	-	-	-
Total	384,658	-	259,128	-
<b><u>Directors and management's benefits</u></b>	11,309,212	11,425,785	10,409,212	10,645,785

## 7. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	207,753	155,700	90,906	152,506
Deposits at financial institutions				
- Saving Accounts	6,578,074	2,063,591	1,658,946	1,503,383
- Current Accounts	70,717,289	34,535,179	21,235,283	31,416,116
- Fixed Accounts	5,930,692	2,041,908	5,846,646	2,041,908
Total	83,433,808	38,796,378	28,831,781	35,113,913

## 8. SHORT-TERM INVESTMENTS

As at 31 December 2013, the Group had 6 months fixed deposits totalling Baht 34.0 million, beared interest at the rate of 1.75% per annum.



## 9. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable as at 31 December 2014 and 2013 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Within credit terms	411,728,581	679,860,050	354,006,865	669,002,525
Overdue:				
Less than 3 months	110,148,815	150,068,508	110,076,815	150,068,508
3 - 6 months	357,436,082	-	357,436,082	-
Over 12 months	28,000	28,000	-	-
Total	879,341,478	829,956,558	821,519,762	819,071,033
<u>Less</u> Allowance for doubtful accounts	(28,000)	(28,000)	-	-
Net	879,313,478	829,928,558	821,519,762	819,071,033

## 10. OTHER RECEIVABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivables - subsidiaries (Note 6.2)	-	-	34,327,260	644,703
Other receivables - other companies	55,889,464	9,234,885	4,935,922	7,970,643
Prepaid expenses	39,740,447	69,891,734	22,056,524	14,505,143
Advance payment	3,269,965	234,850	-	27,190
Total	98,899,876	79,361,469	61,319,706	23,147,679

At the early stage of development solar power projects in Japan, the Company appointed a lawyer firm in Japan to be an Escrow Agent to maintain Escrow Accounts that opened with a Japanese bank on behalf of the Escrow Agent for the purpose to use for the solar power generation business in Japan. The Company is the authorized person for approval of disbursements. In addition, the Company has no right to receive the interest from such Escrow Accounts. As at 31 December 2014, the outstanding balance of Escrow Accounts of Baht 4.8 million, which included in "Other receivables - other companies" in the Consolidated financial statements, respectively.

## 11. INVENTORIES

Consolidated financial statements

	In Baht					
	Cost		Allowance for diminution of inventories		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	927,089,150	346,214,025	(28,249,548)	(4,248,896)	898,839,602	341,965,129
Raw materials	136,162,872	225,281,191	-	-	136,162,872	225,281,191
Supplementary material	59,322,924	38,213,566	-	-	59,322,924	38,213,566
Supplies	64,135,355	42,911,989	-	-	64,135,355	42,911,989
Total	<u>1,186,710,301</u>	<u>652,620,771</u>	<u>(28,249,548)</u>	<u>(4,248,896)</u>	<u>1,158,460,753</u>	<u>648,371,875</u>

Separate financial statements

	In Baht					
	Cost		Allowance for diminution of inventories		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	927,089,150	346,214,025	(28,249,548)	(4,248,896)	898,839,602	341,965,129
Raw materials	136,162,872	225,281,191	-	-	136,162,872	225,281,191
Supplementary material	59,322,924	38,213,566	-	-	59,322,924	38,213,566
Supplies	63,989,041	42,911,989	-	-	63,989,041	42,911,989
Total	<u>1,186,563,987</u>	<u>652,620,771</u>	<u>(28,249,548)</u>	<u>(4,248,896)</u>	<u>1,158,314,439</u>	<u>648,371,875</u>

## 12. DEPOSITS PLEDGED AS COLLATERAL

As at 31 December 2014, the Company and the Group have fixed deposits and saving accounts totaling Baht 144.0 million and Baht 146.5 million, respectively (31 December 2013 : Baht 145.0 million and Baht 146.3 million, respectively) were pledged as collateral for letters of guarantee (Note 32) and loans facilities from financial institutions (Notes 18 and 20).

## 13. AVAILABLE-FOR-SALE INVESTMENT

Consolidated and Separate financial statements

Available-for-sale investment is investment in marketable securities. Cost and fair value as at 31 December are as follows

	In Baht	
	2014	2013
Cost	-	28,939,628
(Less) Changes in fair value of investment	-	(9,499,628)
Fair value	<u>-</u>	<u>19,440,000</u>

## Notes to the Financial Statements

The movements in available-for-sale investment for the year ended 31 December 2014 are as follows

	In Baht
Beginning of period	199,440,000
Disposal during the period	(21,460,118)
Changes in fair value	2,020,118
Ending of period	-

In June 2014, the Company received 480,000 dividend shares.

## 14. INVESTMENT IN SUBSIDIARIES

### Separate financial statements

Company's name	Nature of business	Paid-up share capital (Million Baht)	Percentage of holding (%)	In Baht	
				At cost	
				2014	2013
Vertex Logistics Service Co., Ltd.	Logistics	18.0	40.0	7,200,000	7,200,000
Chow International Co., Ltd. ("CI")	Holding company	130.0	-	-	41,500,000
Premier Solution Co., Ltd. ("PSCL")	Consulting to international investment	7.1	-	-	4,050,000
Chow Energy Co., Ltd. ("CE")	Holding company invests in Power Supply	221.5	76.67	111,950,000	-
Total				119,150,000	52,750,000

Chow Steel Industries Public Company Limited has power of control in Vertex Logistics Service Co., Ltd, therefore, the Company accounted for as a subsidiary and included in the preparation for the Group's consolidated financial statements.

During the year 2014, Chow International Co., Ltd. increased the additional share capital of Baht 80.0 million. The Company paid for the increased share capital of Baht 66.4 million to maintain its owned holding percentage.

A subsidiary paid a dividend to its shareholders of 18,000 shares at Baht 444.44 per share totaling of Baht 8.0 million, which were the Company's portion of Baht 3.2 million and non-controlling interests of Baht 4.8 million that paid on 28 March 2014.

In September 2014, two subsidiaries entered into Shareholders Agreements to establish companies by jointly control with the Group of Ratchaburi Holding in the portion of 40:60 to invest and develop solar project(s) in Japan. During the year such established companies are "RICI" and "OGE".

At the Board of Directors Meeting No.10/2557 on 1 December 2014, the Board of Directors approved to establish a new subsidiary named “Chow Energy Company Limited (“CE”) for shareholding restructuring of the Group. CE is a holding company to invest in Power Supply. Resulting to CE purchased all shares of CI and PSCL to swap with the 76.67% of interests in CE. The restructuring is a business combination under common control, the Company accounted for investment in CE at the historical costs of investment in CI and PSCL.

The share swap resulted to the Company’s shareholding portion diluted from 83% in CI and 81% in PSCL to be 76.67% in CE. The Group recorded the difference of Baht 38.5 million as “Difference from change in investment in subsidiaries in the Equity in the consolidated statement of financial position.

The Group is currently in process of extension business by investing in renewable power, which may establish several companies in form of subsidiary, and/or associate and/or joint venture to perform feasibility studies and invest in renewable power business in the future. The Company or subsidiary will be one of investors of such established companies.

#### Investment in subsidiaries

In June 2014, PSCL invested in AE, Japan totaling of Yen 10,000, which represents 100 percent of the registered share capital.

In July 2014, PSCL invested in PSJP, Japan totaling of Yen 100 million, which represents 100 percent of the registered share capital.

In October 2014, PSCL invested in PSGM, Germany totaling of Euro 25,000, which represents 100 percent of the registered share capital.

In October 2014, PSJP invested in SUN, Japan totaling of Yen 10,000, which represents 100 percent of the registered share capital.

In October 2014, PSJP invested in SOL, Japan totaling of Yen 10,000, which represents 100 percent of the registered share capital.

## 15. INVESTMENT IN ASSOCIATED COMPANY

## 15.1 Details of associates

Company's name	Nature of business	Country of incorporation	In Baht			
			Shareholding percentage			Carrying amounts based on equity method
			2014	2013	Cost	
Overseas Green Energy Co., Ltd.	Management in Power generation	Thai	40	-	400,000	390,420
RICI International Investment Pte. Ltd.	Investment in Power generation	Singapore	40	-	-	-
Total					400,000	390,420

## 15.2 Share of result

During the year, the Company recognised its share of result from associates in the consolidated financial statements as follows:

Company's name	In Baht	
	Consolidated financial statements	
	Share of result from investments in associates for the years ended 31 December	
	2014	2013
Overseas Green Energy Co., Ltd.	(9,580)	-
RICI International Investment Pte.Ltd.	-	-
Total	(9,580)	-

## 15.3 Summarised financial information of associates

Financial information of the associates are summarised below.

Company's name	Issued and paid-up capital (including share premium) as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Overseas Green Energy Co., Ltd.	1,000,000	-	999,401	-	23,350	-	153	-	(23,949)	-

## 16. PROPERTY, PLANT AND EQUIPMENT

Consolidated Financial Statements

	In Baht						
	Land and land improvement	Buildings and utility system	Machineries and equipment	Fixtures and office equipment	Vehicles	Construction In progress	Total
<b>As at 1 January 2013</b>							
Cost	51,182,843	629,637,838	1,093,235,081	16,977,917	156,334,055	1,237,637	1,948,605,371
Add Revaluation surplus on land	47,389,157	-	-	-	-	-	47,389,157
Less Accumulated depreciation	(39,860)	(139,788,170)	(315,193,944)	(14,345,381)	(59,028,558)	-	(528,395,913)
Less Allowance for impairment	-	-	(5,182,777)	-	-	-	(5,182,777)
Net book value	98,532,140	489,849,668	772,858,360	2,632,536	97,305,497	1,237,637	1,462,415,838
<b>Transactions during the year ended</b>							
<b>31 December 2013</b>							
Net book value, beginning of year	98,532,140	489,849,668	772,858,360	2,632,536	97,305,497	1,237,637	1,462,415,838
Add Acquisition	-	9,110,174	2,509,756	1,675,895	10,094,950	9,830,697	33,221,472
Transfer in (out)	-	8,854,923	1,282,750	-	-	(10,137,673)	-
Less Disposals/write-off	-	-	-	(54,377)	(2,298,863)	-	(2,353,240)
Less Depreciation	(19,795)	(33,286,452)	(69,651,104)	(1,205,114)	(20,416,509)	-	(124,578,974)
Net book value, end of year	98,512,345	474,528,313	706,999,762	3,048,940	84,685,075	930,661	1,368,705,096

	In Baht					
	Land and land improvement	Buildings and utility system	Machineries and equipment	Fixtures and office equipment	Vehicles	Construction in progress
<b>As at 31 December 2013</b>						
Cost	98,572,000	647,602,935	1,097,027,587	18,308,789	158,237,373	930,661
Less Accumulated depreciation	(59,655)	(173,074,622)	(384,845,048)	(15,259,849)	(73,552,298)	-
Less Allowance for impairment	-	-	(5,182,777)	-	-	-
Net book value	98,512,345	474,528,313	706,999,762	3,048,940	84,685,075	930,661
<b>Transactions during the year ended 31 December 2014</b>						
Net book value, beginning of year	98,512,345	474,528,313	706,999,762	3,048,940	84,685,075	930,661
Add Acquisition	-	860,920	320,172,391	2,083,765	12,030,757	527,824,356
Transfer in (out)	-	50,892	551,705	-	-	(602,597)
Less Disposals/write-off	-	-	-	(3,194)	(891,200)	-
Less Depreciation	(19,795)	(34,031,806)	(71,877,885)	(1,127,652)	(20,700,629)	-
Net book value, end of year	98,492,550	441,408,319	955,845,973	4,001,859	75,124,003	528,152,420
<b>As at 31 December 2014</b>						
Cost	98,572,000	648,514,747	1,417,751,683	20,388,358	165,255,630	528,152,420
Less Accumulated depreciation	(79,450)	(207,106,428)	(456,722,933)	(16,386,499)	(90,131,627)	-
Less Allowance for impairment	-	-	(5,182,777)	-	-	-
Net book value	98,492,550	441,408,319	955,845,973	4,001,859	75,124,003	427,266,492

As at 31 December 2014 and 2013, net book value of property, plant and equipment amounting to Baht 1,033.3 million and Baht 1,123.3 million, respectively, are mortgaged as collateral for loans from financial institutions (Notes 18 and 20).

As at 31 December 2014 and 2013, assets under finance lease agreements included above, comprise of vehicle and fixtures and office equipment with net book value of Baht 41.8 million and Baht 57.6 million, respectively.



## Separate Financial Statements

	In Baht					
	Land	Buildings and utility system	Machineries and equipment	Fixtures and office equipment	Vehicles	Construction in progress
						Total
<b>As at 1 January 2013</b>						
Cost	50,984,893	629,637,838	1,093,235,081	16,883,018	44,424,555	1,836,403,022
Add Revaluation surplus on land	47,389,157	-	-	-	-	47,389,157
Less Accumulated depreciation	-	(139,788,170)	(315,193,944)	(14,307,284)	(22,648,104)	(491,937,502)
Less Allowance for impairment	-	-	(5,182,777)	-	-	(5,182,777)
Net book value	98,374,050	489,849,668	772,858,360	2,575,734	21,776,451	1,386,671,900
<b>Transactions during the year ended 31 December 2013</b>						
Net book value, beginning of year	98,374,050	489,849,668	772,858,360	2,575,734	21,776,451	1,386,671,900
Add Acquisition	-	9,110,174	2,509,756	1,447,935	10,094,950	32,993,512
Transfer in (out)	-	8,854,923	1,282,750	-	-	(10,137,673)
Less Disposals/Write-off	-	-	-	(54,377)	(559,959)	(614,336)
Less Depreciation	-	(33,286,452)	(69,651,104)	(1,173,718)	(4,206,155)	(108,317,429)
Net book value, end of year	98,374,050	474,528,313	706,999,762	2,795,574	27,105,287	1,310,733,647
<b>As at 31 December 2013</b>						
Cost	98,374,050	647,602,935	1,097,027,587	17,985,929	49,427,873	1,911,349,035
Less Accumulated depreciation	-	(173,074,622)	(384,845,048)	(15,190,355)	(22,322,586)	(595,432,611)
Less Allowance for impairment	-	-	(5,182,777)	-	-	(5,182,777)
Net book value	98,374,050	474,528,313	706,999,762	2,795,574	27,105,287	1,310,733,647

	In Baht					
	Land and land improvement	Buildings and utility system	Machineries and equipment	Fixtures and office equipment	Vehicles	Construction in progress
<b>Transactions during the year ended</b>						
<b>31 December 2014</b>						
Net book value, beginning of year	98,374,050	474,528,313	706,999,762	2,795,574	27,105,287	930,661
Add Acquisition	-	443,000	4,578,734	759,422	10,881,160	2,370,836
Transfer in (out)	-	50,892	551,705	-	-	(602,597)
Less Disposals/Write-off	-	-	-	(3,194)	(891,200)	-
Less Depreciation	-	(34,028,829)	(68,961,174)	(960,346)	(4,676,987)	-
Net book value, end of year	98,374,050	440,993,376	643,169,027	2,591,456	32,418,260	2,698,900
<b>As at 31 December 2014</b>						
Cost	98,374,050	648,096,827	1,102,158,026	18,741,155	55,296,533	2,698,900
Less Accumulated depreciation	-	(207,103,451)	(453,806,222)	(16,149,699)	(22,878,273)	-
Less Allowance for impairment	-	-	(5,182,777)	-	-	-
Net book value	98,374,050	440,993,376	643,169,027	2,591,456	32,418,260	2,698,900
						1,220,245,069

As at 31 December 2014 and 2013, net book value of property, plant and equipment amounting to Baht 1,033.3 million and Baht 1,123.3 million, respectively are mortgaged as collateral for loans from financial institutions (Notes 18 and 20).

## 17. INTANGIBLE ASSETS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
As at 1 January				
Cost	8,840,845	8,840,845	8,840,845	8,840,845
<u>Less</u> Accumulated amortization	(8,840,844)	(7,227,560)	(8,840,844)	(7,227,560)
Net book amount	<u>1</u>	<u>1,613,285</u>	<u>1</u>	<u>1,613,285</u>
Transactions during the year ended 31 December				
Net book value, beginning of year	1	1,613,285	1	1,613,285
<u>Add</u> Acquisition	39,512,690	-	-	-
<u>Less</u> Amortization for the year	(267,189)	(1,613,284)	-	(1,613,284)
Net book value, end of year	<u>39,245,502</u>	<u>1</u>	<u>1</u>	<u>1</u>
As at 31 December				
Cost	48,353,535	8,840,845	8,840,845	8,840,845
<u>Less</u> Accumulated amortization	(9,108,033)	(8,840,844)	(8,840,844)	(8,840,844)
Net book amount	<u>39,245,502</u>	<u>1</u>	<u>1</u>	<u>1</u>

## 18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short- term loans	<u>3,032,611,000</u>	<u>1,299,636,292</u>	<u>3,023,687,582</u>	<u>1,299,636,292</u>

As at 31 December 2014, the Company has overdraft of Baht 50 million and short-term loan facilities of Baht 4,480 million, respectively, bear interest at the rate of MMR, Prime+1% per annum.

The overdrafts and short-term loans facilities from financial institutions are secured by fixed deposits and saving accounts (Note 12), property, plant and equipment (Note 16) and guarantee by the director.

## 19. OTHER PAYABLES

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued expenses	53,909,250	81,176,407	53,782,543	83,024,855
Other payables - related company (Note 6.2)	395,158	-	788,675	1,676,159
- others	436,429	6,478,156	2,258,705	2,070,994
Payable from acquisition of assets	822,490	670,312	822,490	670,312
Total	<u>55,563,327</u>	<u>88,324,875</u>	<u>57,652,413</u>	<u>87,442,320</u>

## 20. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Baht	
	Consolidated and Separate financial statements	
	2014	2013
Long-term loans from financial institutions	66,380,000	132,380,000
<u>Less</u> Current portion	(66,380,000)	(66,000,000)
Long-term loan - classified as current liability	-	(66,380,000)
Net	-	-

As at 31 December 2014, the loans from financial institutions of Baht 66.38 million (2013: Baht 132.38 million) bear interest at the rate of MLR - 0.5 per annum. The loans will be repaid on a monthly basis as stipulated in the loan agreements.

Such credit facilities are guaranteed by fixed deposits and saving accounts (Note 12), property, plant and equipment (Note 16) and guarantee by the director.

The movements of long-term loans from financial institutions for the year ended 31 December 2014 are as follows:

Consolidated and Separate financial statements

	In Baht
<b>Transactions during the year ended 31 December 2014</b>	
Balance, beginning of period	132,380,000
Repayment during the period	(66,000,000)
Balance, the end of period	66,380,000

The maturity periods of long-term loans are as follows:

	In Baht	
	Consolidated and Separate financial statements	
	2014	2013
Current portion due within one year	66,380,000	66,000,000
Long - term loan - classified as current liability	-	66,380,000
Total long-term loans from financial institutions	66,380,000	132,380,000

The loan agreement contains normal covenants pertaining to matters such as the maintenance of a certain debt-to-equity ratio and the restriction on dividend payment.

According to the conditions stipulated in the loan agreements, the Company agrees not to mortgage or otherwise encumber its assets with any other parties throughout the loan period. In addition, the Company has to comply with certain covenants, pertaining to matters such as maintaining certain financial ratios. As at the end of the reporting period, the Company was unable to maintain certain financial ratios as stipulated in the loan agreements, to comply with generally accepted accounting principles, the Company therefore reclassified such loan as current liability.

## 21. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	17,710,700	40,752,000	-	-
<u>Less</u> Deferred interest charges	(556,753)	(2,664,711)	-	-
	17,153,947	38,087,289	-	-
<u>Less</u> Current portion	(17,062,597)	(20,413,998)	-	-
Net	91,350	17,673,291	-	-

The ownership of assets under finance lease agreements will be transferred to the Company when the last installment is paid.

A subsidiary entered into the agreement with a financial institution to transfer right in collection from parent company for settlement of finance lease liabilities.

## 22. EMPLOYEE BENEFIT OBLIGATIONS

The Company pays post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance, beginning of the year	3,506,208	1,105,126	3,132,961	1,105,126
Current service cost and interest cost	2,498,988	855,391	1,713,052	494,048
Benefits paid	-	(104,000)	-	(104,000)
Actuarial loss	-	1,649,691	-	1,637,787
Balance, end of the year	6,005,196	3,506,208	4,846,013	3,132,961
Expenses recognised in profit or loss				
For the year ended 31 December				
Current service costs	2,241,771	801,462	1,503,484	440,119
Interest on obligation	257,217	53,929	209,568	53,929
Total	2,498,988	855,391	1,713,052	494,048

The above expenses recognised in profit or loss is recognised in the following line items.

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>For the year ended 31 December</b>				
Cost of sales	908,170	604,517	699,644	243,174
Administrative expenses	1,590,278	250,874	1,013,408	250,874
<b>Total</b>	<b>2,498,988</b>	<b>855,391</b>	<b>1,713,052</b>	<b>494,048</b>

Principal actuarial assumptions at the reporting date

	Consolidated and Separate financial statements
Discount rate	4.03 - 4.37% per annum
Salary increase rate	5.0 - 7.3% per annum
Employee turnover rate	Scale related to Age ranging from 0 – 22.6%
Mortality rate	According to Thailand TMO 2008 male and female tables

## 23. AUTHORIZED SHARE CAPITAL, ISSUED AND PAID - UP SHARE CAPITAL

As at 31 December 2014 and 2013, the Company has authorized and paid-up share capital amounting to Baht 800 million (divided into 800 million of common shares with a par value of Baht 1 per share).

## 24. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

In the year 2014 and 2013, the Company has appropriated for legal reserve of Baht 2.2 million and Baht 5.3 million, respectively.

## 25. DIVIDEND PAID

At the Board of Directors Meeting No. 5/2556 dated 8 November 2013, the Board of Directors approved the payment of dividends at Baht 0.1 per share for 800 million shares totaling Baht 80.0 million. The Company had already paid for such dividends on 4 December 2013.

## 26. NON-CONTROLLING INTERESTS

	In Baht	
	Consolidated financial statements	
	2014	2013
Balance as at 1 January	26,539,253	13,684,095
Additional investment in subsidiaries	29,627,410	9,450,000
Share of result	(7,284,213)	3,405,158
Dividend paid	(4,800,000)	-
Difference from change in investment in subsidiaries	38,585,104	-
Balance as at 31 December	82,667,555	26,539,253

## 27. INCOME TAX

	In Baht	
	Consolidated financial statements	
	2014	2013
Current income tax:		
Income tax expense	554,791	1,717,020
Deferred tax	(231,837)	-
Total	322,954	1,717,020

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before income tax	41,976,227	110,288,564	43,194,554	103,105,894
Applicable tax rate	20%	15%-20%	20%	15%-20%
Accounting profit before income tax multiplied by applicable tax rate	8,395,245	22,050,966	8,638,911	20,621,179
Effects of:				
BOI privileges	(9,018,440)	(20,926,846)	(9,018,440)	(20,926,846)
Non-deductible expenses	1,177,986	592,900	379,529	305,667
Current income tax	554,791	1,717,020	-	-
Changes of temporary differences	(231,837)	-	-	-
Income tax expenses presented in the statements of comprehensive income	322,954	1,717,020	-	-

There is no income tax for year 2014 and 2013 to be paid due to the Company received tax benefit from BOI privileges (Note 30).

## Notes to the Financial Statements

Deferred tax is presented in the statements of financial position as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Deferred tax assets</b>				
Employee benefit obligations	231,837	-	-	-
<b>Deferred tax liabilities</b>				
Revaluation surplus on land	(9,477,831)	(9,477,831)	(9,477,831)	(9,477,831)

As at 31 December 2014 and 2013, the deferred tax liabilities of Baht 9.48 million from revaluation surplus on land, which presented by offset with revaluation surplus on land, which presented in Other components of equity.

## 28. EXPENSES BY NATURE

Significant expenses by nature for the years ended 31 December 2014 and 2013 are as follows:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in finished goods	(589,048,095)	75,750,808	(589,048,095)	75,750,808
Raw materials and supplies used	3,545,651,660	3,609,453,489	3,545,651,660	3,609,453,489
Utilities	625,134,042	576,821,728	624,674,079	576,821,728
Transportation expenses	61,947,994	76,598,617	61,947,994	76,598,617
Staff costs	160,026,300	157,157,235	133,978,674	144,988,235
Depreciation and amortization	128,024,956	126,192,258	108,627,336	109,930,713

## 29. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is engaged in the business of manufacturing and distribution of steel billet and logistic service. The Group operates in one geographical area in Thailand. The segment information can be classified into 2 segments as follows:

- a: Segment relating to distribution of steel billet
- b: Segment relating to investment and consultant



Revenues and profit (loss) classified by segment for the years ended 31 December 2014 and 2013 are as follows:

	In Thousand Baht					
	2014			2013		
	a	b	Total	a	b	Total
Sales and service income	4,042,036	114,109	4,156,145	4,802,580	10,858	4,813,438
Profit from segment	116,551	923	117,474	180,190	298	180,488

### 30. PROMOTION PRIVILEGES

The Company was granted investment promotional privileges by the Board of Investment (BOI) under the BOI certificates as follows:

Investment promotion certificate No. 1337 (2) / 2548 dated 20 April 2005

Investment promotion certificate No. 2228 (2) / 2550 dated 7 December 2007

Important privileges granted to the Company are summarised below:

- Exemption of Import Duty on machinery and components as approved by the BOI.
- Exemption of Import Duty on raw materials and essential materials used in the manufacturing of export products.
- Exemption of Import Duty on goods imported for re-export.
- Exemption of Corporate income tax for 8 years commencing as from the date of the first earning operating income from manufacture of Steel Billet. The company can carry forward any net loss incurred during the tax-exempt period to be deducted as expenditure from net profit incurred for five years commencing from the expiry of the tax-exempt period.
- Exemption of Income tax on dividends during the tax-exempt period.
- Deduction from net profit of 25 percent of the project's infrastructure installation in addition to normal depreciation.

As the Company was granted investment promotional privileges, the Company has to follow the rules and condition indicated in BOI Certificates as mentioned above.

Revenues from sales in the separate financial statements for the years ended 31 December 2014 and 2013 amounting to Baht 3,422.0 million and Baht 4,800.9 million, respectively, are the results of the operation under privileges granted.

### 31. FINANCIAL INSTRUMENTS

The principal financial risks faced by the Group are liquidity risk, exchange rate risk, interest rate risk, credit risk and fair value. The risk management policy of these particulars risks are as follows:

#### 31.1 Liquidity risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

**31.2 Exchange rate risk**

The Company is exposed to exchange rate risks because some of purchasing transactions to be paid by foreign currency. The Company mitigates this risk by enter into forward exchange agreement as appropriate.

In order to manage the risks arising from fluctuations in currency exchange rates, the Company makes use of the following derivative financial instrument:

As at 31 December 2014, the Company has forward contract. amount of Yen 2,308.2 million and has unfavourable forward foreign exchange contracts amounting to Baht 17.7 million.

The fair values of forward foreign exchange contracts have been calculated based on rates quoted by the Group's lending bankers at the end of reporting date, as if these agreements had been terminated.

**31.3 Interest rate risk**

The Group was exposed to interest risks because it held deposits to and loans from financial institutions. However, the Company believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

**31.4 Credit risk**

The Group is exposed to credit risks mainly relating to its trade accounts receivable. However, the management has policies to provide adequate allowance for any possible losses that might be incurred in collection of their receivables. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable.

**31.5 Fair value**

The financial assets and liabilities include cash and cash equivalents, trade accounts receivable, loan, trade accounts payable and accrued expenses. Their carried values approximate to their fair values.

**32. COMMITMENT AND CONTINGENT LIABILITY**

**32.1 Operating lease commitments and service agreements**

As at 31 December 2014 the Group has commitment on rental and service agreements within 1 year amounting to Baht 2.3 million.

**32.2 Contingent liabilities**

As at 31 December 2014, the Company has letters of guarantee issued by bank for the payment of electricity fee amounting to Baht 64.2 million (Note 12).

### 33. CAPITAL MANAGEMENT

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

As at 31 December 2014, debt to equity ratio in the financial statements is 2.47:1.

### 34. EVENT AFTER THE REPORTING PERIOD

34.1 On 20 January 2015 the Extraordinary Shareholders Meeting of a subsidiary approved to increase the subsidiary's share capital from Baht 1.0 million to Baht 21.0 million divided into 2,100,000 common shares with a par value of Baht 10 per share by call up 2,000,000 shares at Baht 7.50 each, totaling Baht 15 million. The subsidiary registered the increased share capital with the Ministry of Commence on 29 January 2015.

34.2 On 17 February 2015 the Company's Board of Directors Meeting approved for the following resolutions:

34.2.1 To propose and issuance and offering for sale of corporate debentures in the amount not exceeding Baht 5,000 million to use for support the operation of the Company.

34.2.2 To approve the increase of registered share capital of Chow Energy Co., Ltd. ("CE") from Baht 221,536,980 to Baht 570,000,000. The offering of 34,846,302 newly issued common shares at par value of Baht 10 per share will be to CE's existing shareholders in accordance with the current shareholding proportion at a price of Baht 10 per share. The Company intends to purchase ordinary shares in accordance with its current shareholding proportion, in the amount of 26,715,212 shares which is valued at Baht 267,152,120. After the proposed capital increase, the Company will still hold 76.67 percent of the registered capital of CE. CE plans to use the capital raised from the newly issued shares sold to its original shareholders, totaling Baht 348.46 million, will be used to increase investment in subsidiaries and/or the joint-venture companies and/or to repay loan(s) of CE and/or to reserve as working capital of CE.

In addition, after the offering of the new common shares of CE is completed, CE plans to split par from Baht 10 per share to Baht 0.10 per share.

34.2.3 To propose for approval at the shareholders' meeting for CE to file a request for registration as a publicly listed company in the Stock Exchange of Thailand Market of Alternative Investment (hereinafter the "Stock Market"). CE will increase its registered capital from Baht 570,000,000 to Baht 760,000,000 by offering newly issued shares at a par value of Baht 0.10 in an initial public offering (IPO) and to the Company's shareholders based on the shareholding proportion (Pre-emptive Rights).

After the issuance and the sale of the 1,900,000,000 newly issued shares, the Company's shareholding percentage in CE will decrease from 76.67% to 57.50% of 760,000,000 registered capital, a decrease of 25% less. However, CE will still be the Company's subsidiary after the IPO.

### 35. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on 17 February 2015.



QUALITY STEEL

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INVESTMENT

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SOLAR ENERGY

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LOGISTIC



*Chow Steel Industries Public Company Limited*

**CHOW STEEL INDUSTRIES PUBLIC COMPANY LIMITED**

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