

# CHO

CHO THAVEE DOLLASIEN PLC.

## ANNUAL REPORT 2015



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Investors may find more information about Cho Thavee Dollasien Public Company Limited, at Form 56-1 available at [www.sec.or.th](http://www.sec.or.th) or website of the company at [www.ctvdoll.co.th](http://www.ctvdoll.co.th)

The Company and CHO	imply	Cho Thavee Dollasien Public Company Limited
CTV-TMT	imply	Cho Thavee Thermotech Co., Ltd.
CTV-1993	imply	Khon Kaen Cho Thavee (1993) Co., Ltd.
DOLL	imply	DOLL Fahrzeugbau GmbH
SET	imply	The Stock Exchange of Thailand
SEC	imply	Securities and Exchange Commission
TSD	imply	Thailand Securities Depository Company Limited



# 01

Vision & Mission

CHO 2023

# STRONG BRAVE DIFFERENT

The Company is aiming to become the leader in designing, creating, and manufacturing innovative world-class technology, professional management and unique knowledge by using to reach the excellence, building customer confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company's target is to proudly supply quality products under the name CHO as a world-class brand. and to create the happiness to the partners, as well as to enhance our competitiveness to become the leader of innovative technology for the sake of Thailand.







## Mission

- To build unique knowledge of CHO and a professional development
- To increase recognition, awareness and confidence in the brand CHO.
- To produce a great variety of safe and user friendly products and services that are not only sustainable but environmental friendly as well.
- To create happiness for our employees and stakeholders.
- To search and constantly develop new technology.
- To achieve excellence in finance and marketing.
- To receive TQA and National Innovation Agency awards by the year 2018 as well as Petty Patents not less than 5 projects per annum.
- To build the identity of “CHO” species.

## Unique

“CHO”

C = Creativity to drive innovative developments

H = High Performance Organization under Good Governance

O = One of a kind along with identity of “CHO” species

## Identity

“STRONG, BRAVE AND DIFFERENT”



## Message from the President and Chief Executive Officer



## Message from the Chairman

Dear Shareholders

With the mission of CHO Strong Brave and differentiation, in 2015 we have focused on the Cost Management aiming to the excellence of the Cost Leadership in order to allow our services and products price to be in the international competition and the business was operated quite well. With the 2015 global and Thai economics' fluctuation, the Company has operated the business as its plans; also the Company under the joint venture has won the tender of NGV project. However, the NGV project was cancelled which impacted on the overall business performance. As a result, the Board of Directors needs to pay more attention according to this case study.

The Board of Directors emphasizes on the 2016 operation plans, on expanding of the 3rd group of project, Management and Service which will carry on until year 2018 as it will allow the Company to able to be strongly sustainable expansion inclusive of the products development of electric energy and other products that we have been continuously developing for the purpose of supporting the Company growth and Value added for the shareholders' benefits. We are also doing the CSR in process' activities in order to compensate the society and all stakeholders.

(Ms. Phenphimol Vejvarut)  
Chairman

## Message from the President and Chief Executive Officer

Dear Shareholders,

in 2015 we have tried to create a towering growth for the company. However, as you all have known, the NGV public transportation project that we were trying to get the project had been suspended. Therefore, we need to take legal action against the government agency further in 2016. And for those reasons, the company could not reach sales and profit as the defined targets in 2016.

Anyway, in 2016 the company has continued the implementation of the CHO 2023 plan which leads the company to grow steadily by focusing on the company's three product groups. And this year, we will focus on the third group specially. The goal is to open two centers for One Stop Services of commercial vehicle in 2016 and to have all eight Services centers within three years spreading throughout the country. And this year we have already opened small Services centers in Laos and Vietnam.

In the area of research and development as the CHO 2023 plan, we have taken steps continuously. This year we will begin testing a 2-ton electric truck and we will probably start testing our VR7 robot by next year. And the light rail systems, TRAM project in Khon Kaen Province which we also expect that the government will approve the beginning of construction by the year 2017.

The most important part of the CHO 2023 plan is to create CHO Identity qualified staffs according to the identity we need. This part has been taken continuously to improve our staffs which will be our main strength in the future of Enterprise development.

Thank you for all supports and cheers.



(Mr. Suradech Taweesaengsakulthai)  
President and Chief Executive Officer





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**Audit Committee's  
Report**

## Attention to Shareholders

The audit committees of Cho Thavee Dollasien Public Company Limited (the Company) comprising of three independent directors who are competency, independent, knowledgeable and experienced in the field of economics, social, political including the knowledge concerning the defining of strategy and organization management in the field of engineering, financial, accounting and taxation, corporate good governance, risk management and business auditing. With the above mentioned knowledge, supported to the audit committees in performing their duties with effectiveness, Mr. Anusorn Tamajai Chairman of the audit committees, Mr. Asa Prateepasen and Mr. Chatchawan Triamvicharnkul are the member of audit committees.

The audit committees perform the duties according to the responsibilities assigned by the Company's Board of Directors and to the designed charter of the audit committees. During 2015's, there were 11 meetings of the audit committees. All of the audit committees attend the meeting as the detail. Moreover, the audit committees have invited the executive, the external auditor, the internal auditor, the legal department and the risk management department to attend the meeting appropriately. The details of the meetings are as follows.

The audit committees	The number of participation/The number meeting
Mr. Anusorn Tamajai	11/11
Mr. Asa Prateepasen	9/11
Mr. Chatchawan Triamvicharnkul	11/11

The audit committees have considered many matters which can be summarized as follows:

To consider and review quarterly financial statements, financial statements for year 2015 of CHO and its subsidiary including the CHO's joint venture to meet with the general accepted accounting principles, accounting standard, and the basis of the changes in significant accounting principles, including the disclosure of important information and necessary for the decision making of the users of financial statements as accurately, adequately, and being on time.

To review CHO in order to commit to the accounting standard in accordance with all of the announcements from Accounting Profession Council, and the practice conformed to the legal and the regulations of The Securities and Exchange Commission ("SEC") and/or The Stock Exchange of Thailand ("SET"), including other related law which remains in forced with CHO's business as accurately and completely.

To review the related transactions between CHO, the shareholders, its subsidiary and the related company, including CHO's joint venture, for the assurance that the related transactions were the transactions operated in accordance with normal business condition, without the transmission of benefits and operated for the ultimate benefit of CHO.

To review and ensure that CHO having transparent, efficient and appropriate internal control systems and internal auditing, by following up on the performance of the internal audit department complied to the profession standard as independently and efficiency. Also, to give an advice in order to perform the business operation complying with the rules, regulations and CHO's policy. Including reasonably assuring for the appraisal of CHO's internal controls are sufficiency and appropriately.

To consider and review the policy and operational manual, including the internal audit department's operation plan having the performance covered roles and responsibilities of audit committees. Also to support the internal auditor developments in order to have quality operation according to the global standards.



To review on the adequate and the appropriate risk management system of CHO by having the quarterly meeting with the Chief of Risk Management Officer, for the consideration of designating audit plan and audit operation of existing risk (Risk base audit).

To support and supervise CHO having the operation complied with safety standard and taking good care of the environmental conditions of the production factory, repair and maintenance center, as well as the surrounding society and community. Also, to support and supervise CHO having the operation complied with Good Corporate Governance and Anti-Corruption policy.

To consider selecting the appointment of the auditor for the year 2015, and offering the appropriate remuneration accordance with the performance and responsibility, to Price Waterhouse Cooper ABS Co., Ltd. ("PWC"). There were quarterly independently meeting between the auditor and the audit committees, without the attendance of the company's executives or officers, in order to discuss the problems from reviewing the financial statements, and promptly resolve the significant matters, also, confirming the independency of the audit committees' operation.

To develop the audit committees' operation by reviewing on the charters of audit committees in corresponding with rules and regulations of SEC and SET, including the Good Corporate Governance policy of CHO, for the assurance of the shareholders, the creditors, the suppliers, and the customers, including the other stakeholders of CHO, that CHO performed complied with the regulations and under code of conduct, and maintain the efficiency internal control. To have the self-assessment on the performance in order to acknowledge the output, including the problems for further improving and correcting the performance of audit committees and all parties concerned. The basis of the assessment based on the consideration whether each of the matter has been done and in what degree of effective. During the year 2014, the performance appraisal was in the basis of good to very good. Furthermore, the audit committees have attended the training and seminar as appropriately, in order to develop and support knowledge and ability of the audit committees concerning on the accounting standard, Good Corporate Governance, internal control system, internal auditing, and risk management.

The audit committees have followed CHO's operation during the year 2014 according to the scope of authorities and responsibilities. The audit committees would like to express the opinion that CHO's financial reports were prepared accurately with significantly complied with the general accepted accounting principles. There was the disclosure of sufficient information about the related transactions or the transactions which may cause the conflict of interest. There were the internal controls and the risk managements in appropriated with business conditions. There were the operations in compliance with laws, SET regulations, and the related laws as accurately and completely, including to the practice of Good Corporate Governance for listed company in SET.

(Mr. Anusorn Thammajai)  
Chairman of the audit committees  
February 19, 2016

# 04

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The Corporate  
Governance, Risk  
Management,  
Nomination and  
Compensation  
Committee  
Report for the  
year 2015



## Dear Audit Committees, Board of Directors and Shareholders,

According to the Board of Directors (BOD)' Meeting of Cho Thavee Dollasien Public Company Limited No. 6/2014 held on December 21, 2014 considered appointing the Corporate Governance, Risk Management, Nomination and Compensation Committee ("CGR Committee") to act supporting, enhancing and practicing in Good Corporate Governance, risk management throughout organization, the Company's Board of Directors and Executives' nomination and compensation. CGR Committee comprised of 2 out of 3 committees more than one-half of the total number of the committees. and also the chairman of CGR Committee are the independent director in accordance with the Good Corporate Governance policy and the Board of Directors' regulations. Mr. Chatchawan Triamvicharnkul acts as the Chairman of the CGR Committee, Mr. Asa Prateepasen and Mr. Siriwat Taveesangskulthai are the CGR Committees..

5 meetings have been organized in 2015, 3 of the CGR Committees and the Executive Managements attending the Meeting in order to consider practicing of the BOD's regulations guideline. Summary of the operation results as follows

### 1. Good Corporate Governance

1.1 The CGR committee determined practicing of Good Corporate Governance of the Company registered under the Stock Exchange of Thailand ("SET") concluded that in 2015, the Company has continuously operated on Good Corporate Governance of 5 sections comprising of the Rights of shareholders, Equitable treatment of shareholders, Roles of stakeholders, Disclosure of information and Transparency and BOD. responsibilities. The Company has set the policy of the Good Corporate Governance of conflict of interest prevention, internal data management, audit fees, and create good relationship with the investors.

1.2 The CGR committee has considered the Good Corporate Governance's policy and guideline of Anti-Corruption and proposed the BOD to consider announcing these policy and guideline to all Executive committees and employees in every level in 2015.

1.3 The BOD considered the Whistle-blower Hotline policy and guideline in order to allow the stakeholders both from inside and outside the organization safely report on the details or information regarding to the corruption.

### 2. Main Risk Management of the Company

2.1 The CGR Committee determined the Company's Main Risk Management comprising of strategic risks, financial risks, operation and management risks, law and regulation risks including of environmental regulation risks, image and participation towards community and environment and also organized the seminar about the Risk Management and the Risk Management Tools for the Executive officers and the officers whose activities relating to risk throughout the organization. To sum up, in 2015, the Company's operations of risk management have accomplished in each section of risks.

2.2 The CGR Committee complied with the international standard of risk management throughout the organization within the year 2015 in order to enhance the efficiency and competency of competitive power also accomplishment the Company's overall targets.

### 3. The Company's Committees and Executives Nomination

3.1 The 2015 Company's Board of Directors nomination was considered the BOD according to the criteria under SET. In accordance with the Good Corporate Governance and the Company's policy, the Company offers the shareholders' right to propose qualified candidates as a company's Director for the year 2015. to the Company's announcement of the invitation to Shareholders to propose qualified candidates as a company's Directors in advance via the Company's website <http://www.ctvdoll.co.th> from 6th November 2014 – 15th January 2015. However, no one was purposed to be the Company's Directors. The nominated director replacing the one retiring by rotation was considered appointing by the Annual General Meeting of Shareholders the year 2015, held on April 28, 2015. The Company has continuously performed the shareholders' resolution accordingly throughout the year 2015. At the present there are 7 persons act as the Company's BOD; 3 of them are the independent directors and 1 of the directors is not the Executive management, with the President act as the secretary of the Company's BOD, the biographical information of them presented in this annual report and 56-1 report at the BOD. heading.

3.2 The CGR Committee has reviewed the criteria in selecting the Company's BOD and the Executives by concerning on the qualification, knowledge, capacity, experience and good work history, leadership, integrity, ethics and moral, and must be able to devote time for the performance of duties as a Director of the Company. Moreover, the appropriate qualified person must be comply with the management structure and the Company's target in order to develop or invest in new business including of the expert skill and knowledge that help formulate the Company's policies and strategies as well as efficiency in corporate governance with the transparent nomination procedures in order to ensure confidence of the shareholders. The policies and nomination procedures will be performed to select the Company's BOD and the management's for the year 2016 accordingly.

#### **4. The Company's BOD. and Executives Management's Remuneration**

4.1 The CGR Committee considered the remuneration of the President/ Chief Executive Officer for the year 2016 and purposed the Company's BOD's Meeting No.1/2016 to consider evaluating the President/ Chief Executive Officer's operation for the year 2015 and approving the appropriate President/ Chief Executive Officer's remuneration for the year 2016. Moreover, the Company has continuously performed according to the Company's BOD's resolution throughout the year 2015.

4.2 The CGR Committee considered determining the Company's BOD and sub- committees' remuneration for the year 2016 and purposed the Company's BOD's Meeting No.1/2016 to consider evaluating the Company's BOD and sub-committees' operation for the year 2015 and approving for the equal and appropriate remuneration of the Company's BOD and sub-committees for the year 2016. The Company has continuously performed according to the Company's BOD's resolution throughout the year 2015.

However, after purposing to the BOD for agreement, this item will be proposed to the shareholders' for approval at the 2016 AGM.

4.3 The CGR Committee has set 8 sections of the criteria of operating evaluation for the year 2015 for the Company's BOD and sub-committees comprising of

1. Policy of the BOD's qualification and structure
2. Roles and Responsibilities of the BOD
3. Meeting of the BOD
4. Operation of the BOD
5. Independence of the Director
6. Good Corporate Governance
7. Management relationship
8. Self- development of the committee and Executive Management

4.4 The CGR Committee has set 3 sections of the criteria of operating evaluation for the year 2015 for determine the President/ Chief Executive Officer remuneration for the year 2016 details as follows

1. 3 sections of measurement of plans progression comprising of business growth capacity, innovation of products initiation and organization development and human resource development.
2. 10 sections of operating results comprising of 1)leadership 2)strategic specification 3)strategic operation 4)plans and financial operating results 5)the BOD relationship 6)outsider relationship 7)management and personnel relationship 8)succession 9)knowledge of products and service 10)personal characteristic.



### 3. Measurement of personal development, strength and potential development

4.5 The CGR Committee has reviewed the criteria of the remuneration of the Company's BOD and sub-committee including of the President/ Chief Executive Officer by taking into consideration for each duties and responsibilities performance and comparisons against similar business registered under the Stock Exchange of Thailand. The level and compensation of remuneration should be appropriate and high enough to keep qualified directors to achieve their duties and performances with transparent procedures for the shareholders' confidence.

Mr. Chatchawan Triamvicharnkul

Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committee

January 22, 2016

## The Committees



1



2

### 1. Ms. Phenphimol Vejvarut

Chairman of the Board of Director

### 2. Mr. Suradech

Taweesaengsakulthai

Director / Authorized Directors / Board of Director Secretary



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4

### 3. MS Asana

Taweesaengsakulthai

Director / Authorized Directors

### 4. Mr. Siriwat

Taweesaengsakulthai

Director / Corporate Governance / Risk Management / Nomination / Compensation Committee



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### 5. Mr. Anusorn Tamajai

Independent Director / Chairman of Audit Committees

### 6. Mr. Asa Prateepasen

Corporate Governance / Risk Management / Nomination / Compensation Committee



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### 7. Mr. Chartchawan

Triamvicharnkul

Chairman of Corporate Governance / Risk Management / Nomination / Compensation Committees

# 06

## The Executives Committee

1. Mr. Suradech

Taweesaengsakulthai

President and Chief Executive Officer

2. Ms. Asana

Taweesaengsakulthai

Senior Vice President

3. Mrs. Somnuk Sanglin

Vice President





#### 4. Mr. Nittitorn Deeumpai

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Chief Financial Officer

#### 5. Mr. Prasobsuk Boonkwan

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Chief Business Development Domestic Officer



#### 6. Mr. Sven Markus Gaber

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Chief Marketing Officer Oversea

#### 7. Ms. Pattarin Anukunananchai

---

Chief Administration Officer



#### 8. Mr. Nopparat Sangsawang

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Chief Production Officer

#### 9. Mr. Apichai Chumsri

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Chief Risk Management Officer



#### 10. Mr. Nirut Sumongkol

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Chief Design Engineering Officer

#### 11. Mr. Padungdetch

Euasookkul

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Chief Business Development Overseas Officer



#### 12. Mr. Bamrung Chinsombat

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Chief Service Officer

#### 13. Mr. Sakarin Unnim

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Chief Marketing Officer - Domestic



## Biographical information of Board of Directors, Executives and Company Secretary

### Board of Directors, Chairman

Ms. Phenphimol Vejvarut



### President and Chief Executive Officer

Mr. Suradech  
Taweesaengsakulthai



## Ms. Phenphimol Vejvarut

Board of Directors, Chairman

Appointed on January 2, 2013

**Age 54 Year**      **Shareholding in the company (percentage) "0.036%"**

**Shareholding in the company spouse and minor child. "None"**

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### Family Relation Ship among Management

Older Sister of Mr. Suradech Taweesaengsakulthai

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### Education and Training

- Diploma, Faculty of Accountancy, Bangkok Business College
  - Certificate, Thai Institute of Directors
    - Director Accreditation Program (DAP) SET/2012
- 

### Work Experiences

2013 - at Present	Chairman of the Company Cho Thavee Dollasien Public Company Limited <u>Other listed companies</u> - None - <u>Non-listed companies</u>
1989 - at Present	Director, Bangkok CTV Intertrade Co., Ltd.
1967 - at Present	Managing Partner, Tang Hua Singh Nakhon Pathom Ltd. Partnership

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## Mr. Suradech Taweesaengsakulthai

• Director      Appointed on November 18, 1994

- Authorized Directors
- Executive Committee, Chairman
- President and Chief Executive Officer
- Boards Secretary

**Age 49 Year**      **Shareholding in the company (percentage) "34.870 %"**

**Shareholding in the company spouse and minor child. "None"**

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### Family Relation Ship among Management

Younger Brother of Ms. Phenphimol Vejvarut

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### Education and Training

- Diploma, Automotive Engineering, Yomiuri Rikosem College, Japan
  - Faculty of Business Administration, Sanno University, Japan
  - Certificate, Thai Institute of Directors
    - Director Accreditation Program (DAP), class 82/2010
- 

### Work Experiences

1995 - at Present	Director, Executive Committee, Chairman, President and Chief Executive Officer,
2015 - at Present	Boards Secretary Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2005 - at Present	Director Cho Thavee Termotech Co., Ltd.
2015 - at Present	Chairman KHON KAEN THINK TANK Co., Ltd.
2015 - at Present	Director JVCC Joint Venture
1996 - at Present	Director, A P S Multi-Trade Co., Ltd.
1992 - 2015	Director, Volrep Truck and Bus Co., Ltd.
1990 - at Present	Director, KhonKaen Cho Thavee (1993) Co., Ltd.
1977 - at Present	Director, Khon Kaen Cho Thavee Limited Partnership
1977 - at Present	Director, Chia Eam Seng Co., Ltd.



## Ms. Asana Taweessangkulthai

- Director Appointed on August 15, 1995
- Authorized Directors
- Executive Director
- Senior Vice President

Age 61 Year

Shareholding in the company (percentage)  
"4.338" %

Shareholding in the company spouse and  
minor child. "None"

### Family Relation Ship among Management

Older Sister of  
Mr. Suradech Taweessaengkulthai

### Education and Training

- Bachelor Degree, Faculty of Humanities,  
Ramkhamhaeng University
- Certificate, Thai Institute of Directors  
- Director Accreditation Program (DAP) SET/2012

### Work Experiences

1995 - at Present Director, Executive Director, Senior Vice  
President, Cho Thavee Dollasien Public  
Company Limited  
Other listed companies  
- None -  
Non-listed companies

2005 - at Present Director, Cho Thavee Termotech Co., Ltd.

2009 - at Present Director, O J Development Co., Ltd

1993 - at Present Director, Energy System Co., Ltd.

1992 - at Present Director, Volrep Truck and Bus Co., Ltd.

1989 - at Present Director, Bangkok CTV Intertrade Co., Ltd.



## Mr. Siriwat Taveessangkulthai

- Director Appointed on September 28, 2012
- Executive Director
- Corporate Governance, Risk Management,  
Nomination and Compensation Committee

Age 37 Year

Shareholding in the company (percentage)  
"None"

Shareholding in the company spouse and  
minor child. "None"

### Family Relation Ship among Management

Nephew  
Mr. Suradech Taweessaengkulthai

### Education and Training

- Master Degree in Management, Brunel University
- Bachelor Degree in Economics, Ritssho University
- Certificate, Thai Institute of Directors  
- Director Accreditation Program (DAP) class 82/2010

### Work Experiences

2014 - at Present Corporate Governance, Risk Management,  
Nomination and Compensation Committees

2012 - at Present Director, Executive Director  
Cho Thavee Dollasien Public Company Limited.  
Other listed companies  
- None -  
Non-listed companies

2012 - at Present Director, General Manager,  
Ruamthavee Khon Kaen Co., Ltd.

2011 - at Present Director, Ruamthavee Motor Sales Co., Ltd

1984 - at Present Director, Cho Ruamthavee Leasing and  
Real Estate Co., Ltd.



## Mr. Anusorn Tamajai

- Independent Director
  - Audit Committees, Chairman
- Appointed on October 12, 2012  
Age 49 Year

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child.** "None"

**Family Relation Ship among Management**  
: None

### Education and Training

- Doctorate Degree, International Economics, Finance and Development, Fordham University New York, USA
- Master Degree, Faculty of Business Administration, Southeastern University
- Master Degree, Faculty of Economics, Fordham University New York, USA
- Bachelor Degree, Faculty of Politics (Honourary) Chulalongkorn University
- Bachelor Degree of Laws, Second Degree (2 years) Thammasat University
- Certificate, Thai Institute of Directors
- Director Certification Program (DCP) class 28/2003

### Work Experiences

2012 - at Present	Independent Director and Chairman of Audit Committee Cho Thavee Dollasien Public Company Limited <u>Other listed companies</u>
2015 - at Present	Chairman of Audit Committee
2002 - 2014	Audit Committee The Bangchak Petroleum Public Company Limited
2008 - 2011	Independent Director and Audit Committee Chairman, MCOT Public Company Limited. <u>Non-listed companies</u>
2014 - at Present	Committee and Audit Committee Bank of Thailand
2013 - at Present	Vice President of Research and Academic Service
2007 - at Present	Dean of the Faculty of Economics Rangsit University
2008 - 2011	Executive Director, Telecommunication for Public Fund, Universal Service Obligation (USO)
2008 - 2010	Director and Risk Management Committee Chairman, Bank for Agriculture and Agricultural Cooperative



## Mr. Asa Prateepasen

- Independent Director  
Appointed on September 28, 2012
  - Corporate Governance, Risk Management, Nomination and Compensation Committee
  - Audit Committee
- Age 55 Year

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child.** "None"

**Family Relation Ship among Management** : None

### Education and Training

- Doctorate Degree in Engineering, System Engineering Brunel University, United Kingdom
- Master Degree in Engineering, Mechanical, King Mongkut's University of Technology Thonburi
- Bachelor Degree in Engineering, Industry, King Mongkut's University of Technology Thonburi
- Bachelor Degree in Economics, Fiscal, Ramkhamhaeng University
- Certificate, Thai Institute of Directors
- Monitoring fraud risk management (MFM) class 8/2012
- Monitoring the quality of financial report (MFR) class 15/2012
- Monitoring the system of internal control and risk management (MIR) class 13/2012
- Monitoring the internal audit function (MIA) class 13/2012
- Audit committee program (ACP) class 39/2012
- Understanding fundamental financial statement class 11/2007
- Finance for Non-finance-director (FND) class 37/2007
- Director certification program (DCP) class 94/2007

### Work Experiences

2014 - at Present	Corporate Governance, Risk Management, Nomination and Compensation Committees
2012 - at Present	Independent Director and Audit Committee Cho Thavee Dollasien Public Company Limited <u>Other listed companies</u> - None - <u>Non-listed companies</u>
1992 - at Present	Associate Professor, King Mongkut's University of Technology, Thonburi





## Mr. Chatchawan

### Triamvicharnkul

- Independent Director
- Audit Committee [Appointed on March 5, 2013](#)
- Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees

**Age 51 year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

### Family Relation Ship among Management

: None

### Education and Training

- Master Degree in Business Administration (Finance), National Institute of Development Administration (NIDA)
  - Higher Diploma in Auditing (Accounting Examination) Chulalongkorn University
  - Bachelor Degree, Business Administration, Programme (Accounting) Ramkhamhaeng University
  - Certified Public Accountant (CPA)
  - Certified Professional Internal Audit of Thailand (CPIAT), the Institute of Internal Auditors of Thailand
  - CFO Certification Program The Federation of Accounting Profession (FAP.)
  - Certificate, Thai Institute of Directors
    - How to develop Risk Management
- ( HRM ) class 06/2015
- Director Certification Program (DCP) class 174/2013
  - Audit Committee Program (ACP) class 2/2004
  - Director Accreditation Program (DAP) class 20/2004
  - Collective Action Coalition Against Corruption (CAC)
  - CG Forum 1 – 4/2014

- CGR Scorecard Workshop
- Research Alliance Dialogue on Corporate Governance 2014

### Work Experiences

2014 - at Present	Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees
2013 - at Present	Independent Director and Audit Committee Cho Thavee Dollasien Public Company Limited. <a href="#">Other listed companies</a>
2015 - at Present	Independent Director and Audit Committee, Apex Development Public Company Limited.
2008 - 2015	Nomination and Compensation Committee
2015 - 2015	Independent Director and Chairman of Audit Committee
2004 - 2014	Independent Director and Audit Committee ACAP Advisory Public Company Limited
2012 - 2014	Deputy Managing Director, Asia Soft Corporation Public Company Limited
2009 - 2011	Chief Financial Officer TT & T Public Company Limited <a href="#">Non-listed companies</a>
2014 - at Present	Managing Director Smart Consulting and Services Co., Ltd
2013 - 2014	Director Thinkplus digital Co., Ltd
2012 - 2014	Director Play Cyber Games Co., Ltd.
2008 - 2011	Advisor (off-official hours) New Entrepreneurs Creation Programme, Centre for Business Innovation, National Institute Development Administration



## Ms. Somnuk Sangin

- Executive Director
- Vice President

Appointed on November 26, 2014

**Age 56 Year**

**Shareholding in the company (percentage)**  
"0.005%"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Master Degree, Faculty of Business Administration, Mahanakorn University of Technology
- Bachelor Degree, Faculty of Business Administration, Accounting, Ramkhamhaeng University
- Director Accreditation Program (DAP) class

SEC/ 2013

- Company Secretary Program (CSP) class 20/2006
- Code of Conduct by SET 2007

### Work Experiences

2014 - at Present Vice President

2012 - at Present Executive Director

2010 - 2014 Chief Financial Officer,  
Cho Thavee Dollasien Public Company Limited.  
Other listed companies  
- None -  
Non-listed companies

2003 - at Present Special Lecturer, Sukhothai  
Thammathirat Open University

2014 -2014 Chief Financial Officer,  
Baansuay Group (Suratthani) Co.,Ltd



## Mr. Nititorn Deeumpai

- Executive Director Appointed on April 3, 2014
- Chief Financial Officer
- Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees

**Age 46 Year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Bachelor of Accounting (B.B.A) Faculty of Accountancy  
Dhurakij Pundit University
- Director Certification Program (DCP) class  
192/ 2014
- Anti-Corruption for Executive Program class  
3/2014
- Anti-Corruption The Practical Guide ACPG 23/2015

### Work Experiences

2014 - at Present Executive Director  
Chief Financial Officer  
Secretary of Corporate Governance, Risk  
Management, Nomination and Compensation  
Committees  
Cho Thavee Dollasien Public Company Limited.  
Other listed companies  
- None -  
Non-listed companies

2008 - 2013 Financial Controller  
Dmed Hearing Center Co.,Ltd.



## Mr. Prasobsuk Boonkwan

- Executive Director Appointed on June 1, 2011
- Chief Business Development Domestic Officer

**Age 48 Year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Bachelor Degree, Faculty of Business Administration Ramkhamhaeng University

### Work Experiences

2015 - at Present	Chief Business Development Domestic Officer
2012 - at Present	Executive Director
2011 - 2015	Chief Marketing Officer, Domestic, Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2015 - at Present	Director Cho ThaveeTermotech Co., Ltd.
2010 - 2011	Administrative Manager
1995 - 2010	Purchase Manager, Cho Thavee Dollasien Company Limited.

## Mr. Sven Markus Gaber

- Executive Director Appointed on June 1, 2011
- Chief Marketing Officer Oversea

**Age 48 Year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Bachelor Degree in Engineering, Mechanical, DAA-Thchnikum Gemeinnuetzige Wuerzburg University (GMBH)

### Work Experiences

2012 - at Present	Executive Director
2011 - at Present	Chief Marketing Officer, Oversea, Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2009 - 2010	Director Manager, Foreign Sales Cho Thavee Dollasien Company Limited.



## Ms. Pattarin

### Anukunananchai

- Executive Director Appointed on June 1, 2011
- Chief Administration Officer

#### Age 59 Year

#### Shareholding in the company (percentage) "None"

#### Shareholding in the company spouse and minor child. "None"

#### Family Relation Ship among Management

: None

#### Education and Training

- Bachelor Degree, Faculty of Liberal Arts, Political Science, Ramkhamhaeng University

#### Work Experiences

2012 - at Present	Executive Director
2011 - at Present	Chief Administrative Officer, Cho Thavee Dollasien Public Company Limited.
	<u>Other listed companies</u>
	- None -
	<u>Non-listed companies</u>
2006 - 2011	Director Manager, Sales Department Cho Thavee Dollasien Company Limited



## Mr. Nopparat Sangsawang

- Executive Director Appointed on June 1, 2011
- Chief Production Officer

#### Age 48 Year

#### Shareholding in the company (percentage) "None"

#### Shareholding in the company spouse and minor child. "None"

#### Family Relation Ship among Management

: None

#### Education and Training

- Master Degree, Faculty of Business Administration, Ramkhamhaeng University
- Bachelor Degree, Production Engineering, King Mongkut's University of Technology Thonburi

#### Work Experiences

2012 - at Present	Executive Director
2011 - at Present	Chief Production Officer, Cho Thavee Dollasien Public Company Limited
	<u>Other listed companies</u>
	- None -
	<u>Non-listed companies</u>
2015 - at Present	Director, O J Development Co., Ltd.
1998 - 2011	Manager, Production Management Department, Cho Thavee Dollasien Company Limited.





## Mr. Apichai Chumsri

- Executive Director Appointed on June 4, 2013
- Chief Risk Management Office

**Age 47 Year**

**Shareholding in the company (percentage)**  
"0.0007%"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Bachelor Degree of Science in Technical Education Program in Industrial Engineering Welding Fabrication.
- Rajamangala University of Technology Isan Khonkaen Campus.
- Certificate, MINI MBA Kasetsart University, Si Racha Campus.

### Work Experiences

2013 - at Present	Executive Director
2013 - at Present	Chief Risk Management officer Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
1996 - 2013	Inspection Cost Dept. Mgr. Cho Thavee Dollasien Company Limited

## Mr. Nirut Sumongkol

- Executive Director Appointed on June 4, 2013
- Chief Design Engineering Officer

**Age 50 Year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Bachelor Degree of Science in Technical Education (Electrical Engineering), Faculty of Technical Education , Rajamangala University of Technology Isan, Khonkaen Campus.

### Work Experiences

2013 - at Present	Executive Director
2013 - at Present	Chief Design Engineering Officer Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
1986 - 2013	Engineering manager Cho Thavee Dollasien Company Limited.



## Mr. Padungdetch

### Euasookkul

- Executive Director
- Chief Business Development Overseas Officer

Appointed on July 21, 2015

#### Age 44 Year

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**  
: None

#### Education and Training

- Bachelor Degree, Faculty of Business Administration, Business Administration, Ramkhamhaeng University

#### Work Experiences

2015 - at Present	Executive Director, Chief Business Development Overseas Officer Cho Thavee Dollasien Public Company Limited <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2014 - 2015	General Manager
2008 - 2013	General Manager Cho Thavee Termotech Company Limited.
2013 - 2014	Workshop Manager , Linfox Transport (Thailand) Company Limited.



## Mr. Bamrung Chinsombat

- Executive Director
- Chief Service Officer

Appointed on July 21, 2015

#### Age 62 Year

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**  
: None

#### Education and Training

- Bachelor Degree, Faculty of Economics, Financial matters, Chulalongkorn University

#### Work Experiences

2015 - at Present	Executive Director, Chief Service Officer Cho Thavee Dollasien Public Company Limited
2013 - 2015	Domestic Sales and Marketing Manager Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2009 - 2013	Domestic Sales and Marketing Manager Cho Thavee Dollasien Company Limited.



## Mr. Sakarin Unnim

- Executive Director
- Chief Marketing Officer Domestic

Appointed on July 21, 2015

**Age 46 Year**

**Shareholding in the company (percentage)**  
"0.0003%"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Master Degree, Faculty of Business Administration (M.B.A), Dhurakijpundit University
- Bachelor Degree, Faculty of Business Administration (B.B.A.), Dhurakijpundit University

### Work Experiences

2015 - at Present	Executive Director, Chief Marketing Officer-Domestic Cho Thavee Dollasien Public Company Limited.
2013 - 2015	Government Sales Manager Cho Thavee Dollasien Public Company Limited. <u>Other listed companies</u> - None - <u>Non-listed companies</u>
1998 - 2013	Government Sales Manager Cho Thavee Dollasien Company Limited



## Miss Yinghathai

### Ponphangnga

- Company Secretary

Appointed on June 4, 2011

**Age 40 Year**

**Shareholding in the company (percentage)**  
"None"

**Shareholding in the company spouse and minor child. "None"**

**Family Relation Ship among Management**

: None

### Education and Training

- Master Degree, Faculty of Business Administration, KhonKaen University
- Bachelor Degree, Faculty of Business Administration, Accounting, North Eastern University
  - Director Accreditation Program (DAP) class SEC/ 2013
  - Effective Minute Taking (EMT) class 26/2013
  - Company Secretary Program (CSP) class 48/2012

### Work Experiences

2013 - at Present	Company Secretary
2013 - at Present	Secretary of President and Chief Executive Officer.
2013 - at Present	Head of Import-Export, Cho Thavee Dollasien Public Company Limited <u>Other listed companies</u> - None - <u>Non-listed companies</u>
2007 - 2013	Company Secretary
2007 - 2013	Oversea Sale administrative Officer Cho Thavee Dollasien Co., Ltd

# Details of Directors Management , Controlling Persons and Company and Company Secretary as at December 31,2015

List	CHO	Its	The Related Companies													
		Subsidiary														
		1	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Board of Director																
Ms. Phenphimol Vejvarut	X						/						/			
Mr. Suradech																
Taweesaengsakulthai	/, XX	/	/	/	/	/					/			/		/
Ms. Asana Taweasangsakulthai	/, //	/		/			/			/		/				
Mr. Siriwat Taveesangskulthai	/, //				/			/	/							
Mr. Anusorn Tamajai	/															
Mr. Asa Prateepasen	/															
Mr. Chatchawan																
Triamvicharnkul	/															
Executive Committee and Management																
Ms. Somnuk Sangin	//															
Mr .Nititorn Deeumpai	//															
Mr. Prasobsuk Boonkwan	//	/														
Mr. Sven Markus Gaber	//															
Ms .Pattarin Anukunananchai	//															
Mr. Nopparat Sangsawang	//												/			
Mr. Apichai Chumsri	//															
Mr. Nirut Sumongkol	//															
Mr. Padungdetch Euasookkul	//															
Mr. Bamrung Chinsombat	//															
Mr. Sakarin Unnim	//															
Company Secretary																
Miss Yinghathai Ponphangnga																

Annotation

X = Chairperson of the Company / = Board of Director

XX = Chief Executive Officer // = Executive Director

CHO = Cho Thavee Dollasien Public Company Limited.

## Its Subsidiary

1. Cho Thavee Thermotech Co., Ltd.

## Related Companies

1. Khon Kaen Cho Thavee (1993) Co., Ltd.
2. Volrep Truck and Bus Co., Ltd.
3. Khon Kaen Cho Thavee Limited Partnership
4. Cho Ruamthavee Leasing and Realestate Co., Ltd.
5. Chia Eam Seng Co., Ltd.
6. Bangkok CTV Intertrade Co.,Ltd.
7. Ruamthavee Khon Kaen Co., Ltd.
8. Ruamthavee Motor Sales Co., Ltd.

9. Energy System Co., Ltd.
10. A P S Multi-Trade Co., Ltd.
11. O J Development Co., Ltd.
12. Tang Hua Sing Nakhon Pathom Ltd. Partnership
13. KHON KAEN THINK TANK Co., Ltd.
14. JVCC Joint Venture

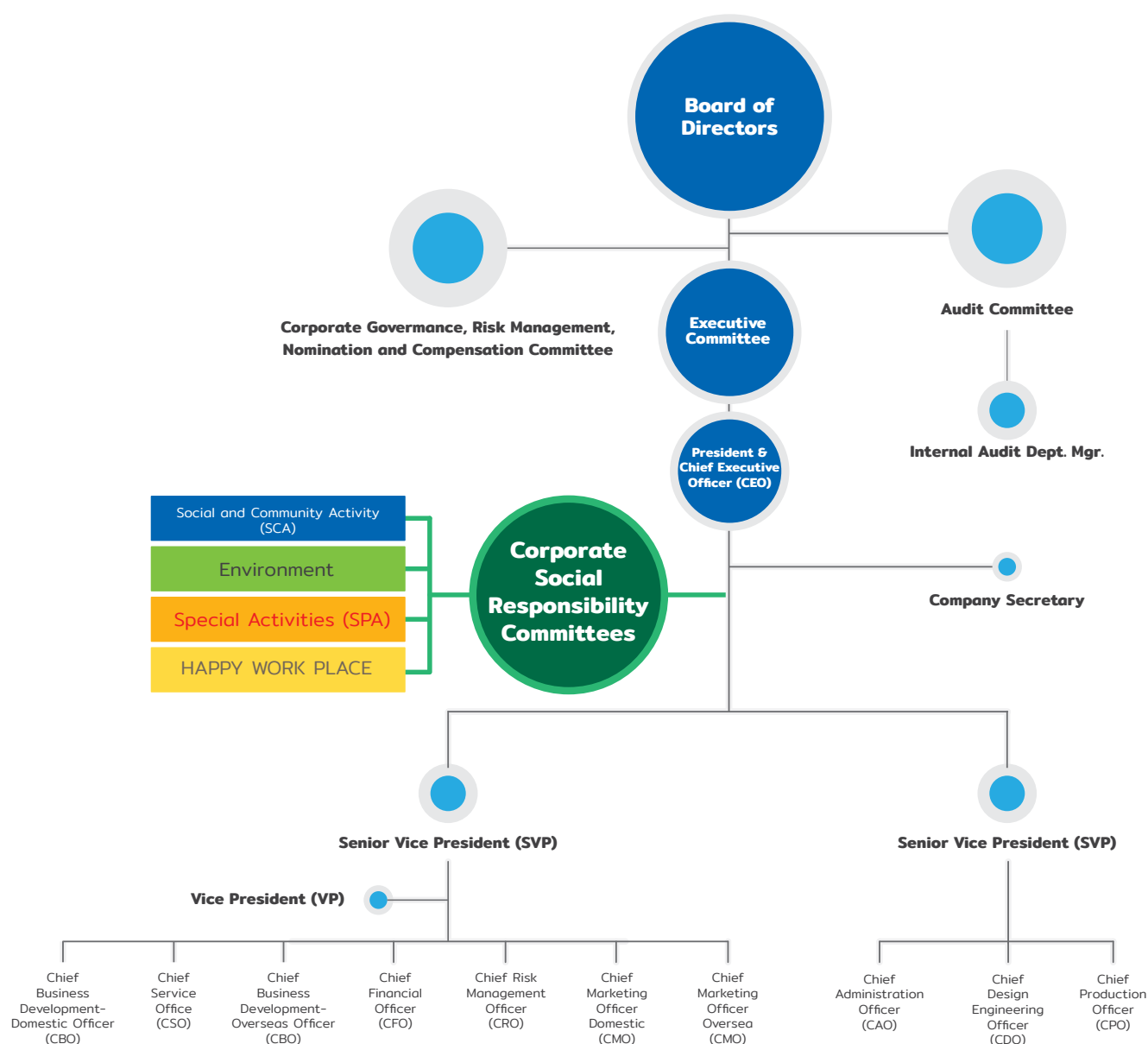


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## The managerial structure

The company's managerial structure as at December 31, 2015, comprises of 4 committees which are: The Board of Directors, The Audit Committee, The Corporate Governance, Risk Management, Nomination and Compensation Committees, The Executive Committee and CSR Committee with the details as follows:



## 1. Committee

### 1.1 The Board of Directors

As at December 31, 2015, the company has 7 directors comprising of:

Name	Position
1. Ms. Phenphimol Vejvarut	Chairman
2. Mr. Suradech Taweesaengsakulthai	Director
3. Ms. Asana Taweesaengsakulthai	Director
4. Mr. Siriwat Taveesangskulthai	Director
5. Mr. Anusorn Tamajai	Independent Director / Audit Committee Chairman
6. Mr. Asa Prateepasen	Independent Director / Audit Committee
7. Mr. Chatchawan Triamvicharnkul	Independent Director / Audit Committee

With Mr. Suradech Taweesaengsakulthai is the Board of Director's secretary

The authorized persons with the signature on behalf of the company : Mr. Suradech Taweesaengsakulthai signs with Ms. Asana Taweesaengsakulthai, and affixed with the company's seal.

The limitation of the directors' authority : none

### 1.2 Audit Committee

As at December 31, 2015, the company's audit committee has 3 persons which comprising of:

Name	Position
1. Mr. Anusorn Tamajai	Chairman of the audit committee
2. Mr. Asa Prateepasen	The audit committee
3. Mr.Chatchawan Triamvicharnkul	The audit committee

Remarks : The audit committee with the knowledge and has experiences in reviewing the reliability of the financial statements, is Mr. Chatchawan Triamvicharnkul, who graduated with The Certificate in Higher Diploma in Auditing (Accounting Examination) Chulalongkorn University, and Bachelor's degree in Business Administration (Accounting) from Ramkhamhaeng University. With Mrs. Apsorn Suriyar is the secretary to the audit committee

### 1.3 Corporate Governance, Risk Management, Nomination and Compensation Committee (CGR Committee)

On December 21, 2014 the Board of Directors Meeting No.6/2014 considered appointing The Corporate Governance, Risk Management, Nomination and Compensation Committees as at December 31, 2015, comprising of 3 Committees as follows

Name	Position
1. Mr. Chatchawan Triamvicharnkul	Chairman of the committee
2. Mr. Asa Prateepasen	The committee
3. Mr. Chatchawan Triamvicharnkul	The committee
With Mr. Nititorn Deeumpai is the CGR Committee's secretary	

#### Statistical data of the Company's Directors attending the Meeting in 2013-2015

List of director	2013		2014			2015		
	The company's Director	Audit Committee	The company's Director	Audit Committee	The CGR Committee	The company's Director	Audit Committee	The CGR Committee
1. Ms. Phenphimol Vejvarut	8/8	-	5/6	-	Committee	The company's Director	Audit Committee	The CGR
2. Mr. Suradech Taweesaengsakulthai	8/8	-	6/6	-	Committee	12/13	-	-
3. Ms. Asana Taweesaengsakulthai	4/8	-	5/6	-	-	11/13	-	-
4. Mr. Siriwat Taveesangkulthai	6/8	-	5/6	-	1/1	7/13	-	5/5
5. Mr. Anusorn Tamajai	8/8	8/8	6/6	9/9	-	13/13	11/11	-
6. Mr. Asa Prateepasen	8/8	8/8	6/6	9/9	1/1	11/13	9/11	5/5
7. Mr. Chatchawan Triamvicharnkul	6/8	8/8	6/6	9/9	1/1	13/13	11/11	5/5

Remark: 1) the other 3 were in the position of the audit committee. From the meeting of the Company's directors No. 2/2013 on 27<sup>th</sup> February 2013, has resolved in appointing Mr. Chatchawan Triamvicharnkul being the independent director and the audit committee in replaced of the resigned independent director and the audit committee.  
2) Three independent directors and the audit committee have attended the meeting of the audit committee No. 1/2013 on 5<sup>th</sup> March 2013.  
3) On June 10, 2013 director Resignation 1 person, effect remaining directors 7 person

## 1.4 Executive Board

As at December 31, 2015, the company's executive board has 14 persons comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	Chairman
2. Ms. Asana Taweessangsakulthai	The Executive Director
3. Mr. Siriwat Taveesangskulthai	The Executive Director
4. Ms. Somnuk Sangin	The Executive Director
5. Mr. Nititorn Deeumpai	The Executive Director
6. Mr. Prasobsuk Boonkwan	The Executive Director
7. Mr. Sven Markus Gaber	The Executive Director
8. Ms. Pattarin Anukunananchai	The Executive Director
9. Mr. Nopparat Sangsawang	The Executive Director
10. Mr. Apichai Chumsri	The Executive Director
11. Mr. Nirut Sumongkol	The Executive Director
12. Mr. Padungdetch Euasookkul	The Executive Director
13. Mr. Bamrung Chinsombat	The Executive Director
14. Mr. Sakarin Unnim	The Executive Director
With Ms. Thanyaphat Noipracha is the Executive Committee's secretary	

## 2. Management

### Company's Management

As at December 31, 2015, the Company has 13 Managements comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	President and Chief Executive Officer
2. Ms. Asana Taweessangsakulthai	Senior Vice President
3. Ms. Rungtiwa Taweesaengsakulthai	Senior Vice President
4. Ms. Somnuk Sangin	Vice President
5. Mr. Nititorn Deeumpai	Chief Financial Officer
6. Mr. Prasobsuk Boonkwan	Chief Business Development Domestic Officer



Name	Position
7. Mr.Sven Markus Gaber	Chief Marketing Officer Oversea
8. Ms. Pattarin Anukunananchai	Chief Administration Officer
9. Mr. Nopparrat Sangsawang	Chief Production Officer
10. Mr. Apichai Chumsri	Chief Risk Management Office
11. Mr. Nirut Sumongkol	Chief Design Engineering Officer
12. Mr. Padungdetch Euasookkul <sup>/1</sup>	Chief Business Development Overseas Officer
13. Mr. Bamrung Chinsombat <sup>/1</sup>	Chief Service Officer
14. Mr. Sakarin Unnim <sup>/1</sup>	Chief Marketing Officer Domestic

Remarks : <sup>/1</sup> = Mr. Padungdetch Euasookkul, Mr. Bamrung Chinsombat and Mr. Sakarin Unnim were appointed from the Executive Committee meeting No. 8/2015 on 4<sup>th</sup> August 2015 and considered approving from the company's Board of directors No. 9/2015 on 14<sup>th</sup> August 2015 and Ms. Rungtiwa Taweesaengsakulthai, Senior Vice President had descended on March 16<sup>th</sup> 2015 upon the death on March 16th 2015.

### 3. Company's Secretary

The Company's Board of Directors has resolved to appoint Ms. Yinghathai Bonpangnga to be the Company's Secretary. The Company's Secretary performs the duties of arranging for the meeting of The Board of Directors and The shareholders' meeting including the preparation of the minutes of the Board of Directors' meeting the shareholders' meeting and keeping all the documents legally designated. The Company's secretary appointed by the Board of Directors is the right person with the knowledge and competency in managing the Company's secretarial works.

### 4. Corporate Social Responsibility (CSR) Committee

As December 31, 2015, the Company CSR has comprising of:

1. Mr. Phard Pimrin	Information Technology Department Manager	CSR Manager
2. Mr. Apichai Chumsri	Chief Risk Management Officer	Consultant Committee
3. Mr. Piyapong Jiewmuang	Product Management Manager (Subsidiary's company)	Social and Community Activity Chairman
4. Mr. Prawit Sarapoom	Safety Officer Department Manager	Environment Chairman
5. Mr. Winyu Ingo	Domestic Sale Manager	Special Activity Chairman
6. Mr. Thalerngsak Thakulee	Quality Control Manager	Happy Workplace Chairman

With Mr. Natthaporn Muangjantra is the CSR's secretary with other 11 committees and 30 staffs

Remark : Mr. Phard Pimrin was appointed for the CSR manager from the Executive Committee meeting No. 2/2015 on 6<sup>th</sup> June 2015 after Mr. Tossapol Plitaporn had resigned

#### CSR Committee Responsibilities

1. To determine CSR activity's policy, plan, budget and code of conduct
2. To consider selecting CSR team for each activity and propose the appointment to the President and Chief Executive Officer
3. To determine CSR strategy and policy for each party
4. To control and follow up CSR's operating results from each party
5. To review and sign on related document of CSR
6. To determine CSR rules and regulations
7. To review CSR results and arrange the criteria of CSR international standards

## 5. Remunerations of the Company's Directors and Managements

On 28<sup>th</sup> April 2015, the Annual General Meeting of shareholders has resolved in approving the remunerations to the Company's committee including the appointing committee in the future as the committee considering of the risks, the remunerations committee for the year as follows:

### 5.1. Monetary Remunerations

a) The remunerations for the Company's directors and the audit committee

- The meeting remuneration of not over than THB 1.7 million comprising of:

- Chairperson and Audit Committee Chairman THB 12,500 / meeting
- Director and Audit Committee THB 10,000 / meeting

- The committee remuneration :

• The monthly remuneration for the audit committee, monthly remuneration only for year 2015 audit committees as follows :

- Audit Committee Chairman THB 12,500 / month/person
- Audit Committee THB 10,000 /month/person

	Salary (THB/Person)
Board of Directors	-none-
Audit Committee/ Independent Committee	390,000
Corporate Governance, Risk Management , Nomination and Compensation Committee	-none-

- The annually remuneration (bonus) Bonus for the company's directors for the year 2015 not over than 4 million baht the chairman of the company is authorized in determining the allocation of bonus to each director.

Summary of the remunerations for the company's directors in 2014-2015

List of the director	2014					2015				
	The company's Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total	The company's Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total
Ms. Phenphimol Vejarut	62,500	-	-	61,500	124,000	150,000	-	-	358,600	508,600
Mr. Suradech Taweesaengsakulthai	60,000	-	-	49,300	109,300	120,000	-	-	286,900	406,900
Ms. Asana Taweesaengsakulthai	50,000	-	-	49,300	99,300	110,000	-	-	286,900	396,900
Mr. Sirwat Taveesaengsakulthai	50,000	-	8,000	49,300	107,300	70,000	-	40,000	286,900	396,900
Mr. Anusorn Tamajai	60,000	262,500	-	73,400	395,900	130,000	137,500	-	428,000	695,500
Mr. Asa Prateepasen	60,000	210,000	8,000	68,600	346,600	110,000	90,000	40,000	399,700	639,700
Mr. Chatchawan Triamvicharnkul	60,000	210,000	10,000	68,600	348,600	130,000	110,000	50,000	399,700	689,700

Remark: in 2013, there was no remuneration bonus for Director, in 2015 The Company considered approving the remuneration bonus for Directors of THB 420,000

b) Remunerations for the sub-committee and the Corporate Governance, Risk Management, Nomination and Compensation Committees

- Meeting remuneration: (excluding the one who is in the position of executive management)
  - Chairman of the sub-committee THB 10,000 /meeting
  - Member of the sub-committee THB 8,000 /meeting

c) The remunerations for the executive managements

The remunerations for the executive managements are in the form of salary, bonus, and other welfare and fringe benefits such as: the provident funds, the savings in the cooperative, the benefits from the resignation (excluding the meeting remunerations for Directors) details as follows:

Remuneration for the Executive	2013		2014		2015	
	per-sons	million baht	per-sons	million baht	per-sons	million baht
Salary	10	8.64	11	9.94	14	12.45
Bonus	10	0.53	11	0.77	14	1.31
Welfare and fringe benefits(the provident funds, the savings in the cooperative, the benefits from The resignation)	10	0.77	11	0.90	14	0.60
<b>Total</b>	<b>10</b>	<b>9.94</b>	<b>11</b>	<b>11.61</b>	<b>14</b>	<b>14.36</b>

Remark : - The company has established the provident funds on 26th November 2012  
 - The company has established the savings cooperative since 2004  
 - The company has the expenses in estimating of debts incurred from the employees' benefits after the resignation complied with the principle of insurance mathematics since 2011, the estimation was made by the independent mathematician. In 2014 there was 2 retired management, but is still working.  
 - The company has appoint 2 Executive Committee from the Executive Committee meeting No. 6/2012 on 4<sup>th</sup> June 2013  
 - The company has appoint 2 Executive Committee from the Executive Committee meeting No. 11/2014 on 26th November 2014, and considered approving from The Company's Board of Directors No. 6/2014 on 21<sup>st</sup> December 2014.  
 - The company has appoint 3 Executive Committees from the Executive Committee meeting No. 8/2015 on 4<sup>th</sup> August 2015 and considered approving from the company's Board of directors No. 9/2015 on 14<sup>th</sup> August 2015

## 5.2. Other Remunerations

(A) Other Remuneration Committee

- None -

(B) Other Remuneration Sub - Committee

- None -

(C) Other Remuneration of executive

- The fund : The Company has established RMF on November 26, 2012, the Company has joined ratio 2.00% of Salary in 2014, the company has contributed funds for the management 14 person totaling THB 0.00 due to the Executive officer is the Saving Cooperative member.
- Contribution Saving : The Company has provided the cooperative's assets for employees since 2004, The Company contributed for each payroll in the ratio of 0.10% In 2015 the Company has contributed Saving for executives, totaling 14 persons amounts of THB 90,000 (data shown in the table, executive compensation).

## 6. Personnel

### 6.1 Number of employees (Not include number of Management)

In the year 2013-2015 the Company has a number of personnel in the designation are as follows.

	Number of employees		
	31 <sup>st</sup> December 2013	31 <sup>st</sup> December 2013	31 <sup>st</sup> December 2013
1. Permanent employee			
• Financial and Fund Management department	8	12	12
• Marketing Domestic department	13	13	14
• Marketing Oversea department	3	3	5
• Administration department	139	235	287
• Production department	236	303	338
• Internal Audit department	1	3	4
2. Temporary employee	–	–	–
Total	400	569	660

### 6.2 Total remunerations for the company's employees, and type of remuneration

(unit : million baht)

Remunerations for permanent employees	2013	2014	2015
Salary, bonus, commissions <sup>/1</sup> , provident fund.	90.32	127.51	155.02
Total	90.32	127.51	155.02

Remark : <sup>/1</sup> = The Company has its regulation in paying commissions to all Sales of sales department, the basis in computation based on the agreement with the company. The Company pays for the commissions in the salary account at the end of each month.

### Employee Compensations and Benefits

The company has provided employee compensations and benefits more than the labor legislation according to Thailand social and economy in present such as bonus, commission, provident fund, medical benefit, disabled welfare, uniforms, social welfare, infirmary, non-interest loan, free rice for lunch and 100% add up saving and credit cooperatives.



## 6.3 Human resources development

The company has the policy concerning the development of human resources as continuous, by focusing on the promoting and giving the knowledge for the development of capability. The Company provides the internal training, and sends its employees in attending the training course with the governmental and private sector. The Company also provides the learning by doing to its employees under the supervision and the advice from the supervisor. The Company has the policy of job rotation for the personnel in each project, in order for the employees in having various and broaden skillful and experiences.

### The company committee and executive committee training

The company has supported trainings for the company committee to enhance the knowledge about the company management principles and understanding the role of effective and ethics committee. In 2015, the committees had participated in the IOD trainings as showed below.

- How to develop Risk Management ( HRM ) class 06/2015
- Anti-Corruption The Practical Guide ACPG class 23/2015

Furthermore the company has managed for committee IOD member registers in order to receive information and accumulate cognition.

(Hours : Person)

Average inward /outward training hours per person per year	2014	2015
Senior manager	51.625	31.36
Dipartment manager	55.238	50.76
Staff	11.99	12.61
Total	118.853	94.73

Furthermore, the company lends the significant to the building of morale and motivation in the company's human resources. The Company has continuously improved the employees' welfare in the proper way. The last 3 years training expenses are showed on the table below.

(unit : million baht)

Remunerations for permanent employees	2013	2014	2015
Training expenses external-inhouse company	0.71	3.78	13.61
Total	0.71	3.78	13.61

## Corporate Governance

### 1. Corporate Governance policy

The Company's Board of Directors concern to the significant of The Principle of Good Corporate Governance for the transparency, able to be audited, and building the investors' confident. The Company shall regularly disclose the information to the public and to the shareholders. In addition, the Company lends the significant to the controlling system and internal auditing. The Company attempts to control and to manage the risks closely, and concerns to the ethics in operating business. The Company maintains the fairness to the vendors, the shareholders, and the stakeholders, with the details to be classified in 5 sections as follows

#### Section 1: Rights of Shareholders

The Company's Board of Directors concern to the significant of the shareholders' rights as equitable, by not doing any action to violate or to deprive the shareholders' rights. The Company also accommodates the shareholders in using the rights, and determines the directions in building the shareholders' confident for the protection of fundamental rights as follows:

- 1) The Company will inform as regular to the shareholders directly or through the SET, about the progress of business operation.
- 2) The arrangement of shareholders' meeting to be held at the place convenience in travelling, and at the proper date and time.
- 3) The Company will send in advanced of not less than 7 or 14 days the invitation letter to attend the meeting to the shareholders, in compliance with the company's regulations and/or designated law. The Company will send together with the invitation letter the supplement information according to the agenda of meeting as sufficient for the consideration. The letter and other documents will prepare in Thai version and English version. The Company also prepares for the opinions of the BOD for the consideration of the shareholders' resolution to each meeting agenda, and the opinions of the audit committee for the significant agenda or as designated by law.
- 4) The Company will announce to the shareholders before starting the meeting, the matters concerning: the rights according to the company's regulation, the handling of the meeting the method in voting and the right in express the opinion including the raise of question. The chairman of the meeting, the board of directors and the director with position related to the special concern has attend the meeting in providing the information and answering the questions. The chairman of BOD or chairman of the meeting will allocate the time as proper by arranging for the shareholders in having the opportunity for asking the questions or express the opinions and the suggestions.

- 5) After the shareholders' meeting has been finished the Company will inform to the SET immediately prior to the next opening of stock the resolutions of the shareholders' meeting. The Company will prepare the record of every shareholder' meeting with the accuracy and complete content including the detail of the director attending the meeting the detail of the counting of the votes in each agenda, and the questions or major opinions, enable to the examination of the shareholders. The Company will send the documents to the SET within 14 days after the date of shareholders' meeting

Because of its continual improvement, the Company has received a perfect score of 100 for its quality under the 2015 AGM project, given by the Thai Investors Association.

## Section 2: Equitable Treatment of Shareholders

The Company lends the significant for equitable treatment of shareholders under the following directions:

- 1) The Company will send the proxy document by proposing at least of 1 audit committee for the shareholders in selecting as proxy to attend the shareholders' meeting and to resolve on behalf of the shareholders in each agenda, in case that the shareholders cannot attend the meeting. This is the treatment in supporting to the shareholders able to define their own resolve directions.
- 2) In case of the shareholders request for the adding of the agenda not less than 3 days prior to the meeting date, and the company considers that such agenda benefited to the Company and the shareholders. The Company has the policy in presenting such agenda to the meeting, and the Company shall inform to the shareholders through the SET about the additional agenda.
- 3) In case that the shareholders request to the Company, three months in advanced prior to the shareholders meeting date, for the proposing of person(s) to hold the position of the Company's director(s), and have sent the supported information about the qualification with letter of agreement from the proposed person(s). The Company has the policy in considering proposing such person(s) qualifying according to the related laws to hold the position of director(s) in replacement of the director(s) whose term has been expired, and shall be presented in the Annual General Shareholders' Meeting for the consideration of the resolution.
- 4) The Company has its direction in protecting of using the inside information, by defining in the employee's operation manual under part of ethics which has been published to all the employees.
- 5) The Company has its policy and method in protecting the directors and the managements from using of benefits incurred from significant information which affect to the investment. The Company will inform to the SET immediately before the next trading date of stocks about the meeting resolutions. So, the directors and the managements have no opportunities in using inside information for their own benefits. The directors and the managements must also report the holding of shares in each time of buying and selling to the SET within 3 working days.
- 6) Stipulated the duties of directors and the management in the good corporate governance statement, in refraining from trading of Company shares at least a month before the disclosure of financial statements and three days after the disclosure, as well as in reporting to the Board on their shares held every month.
- 7) Define the duties of committees and report to Board of Directors at least 1 day before the deal.

## Section 3: Roles of Stakeholders

The Company respects to the stakeholders' rights, and defines as the treatment in the Company's code of conduct, to ensure that the rights pertaining to any lawful related to the stakeholders in all parties such as: the shareholders the employees the managements the clients the vendors including the socials will be take care by the Company. Furthermore, the Company also builds the coordination with the stakeholders for the business can be well operated and to return the advantages as fairness to all parties concerned. In order to build the long term accomplishment the Company has its directions to be treated as follows:

- 1) The equitable treatment to the employees, and with the appropriated remunerations.
- 2) The procurement of products and services from the vendors must be complied to the conditions, also with the treatment to the vendors as per the agreement.
- 3) To pay attention and to take responsible to the clients for the quality of products and services.
- 4) The treatment as per the borrowing conditions agreed with the lender of the company.
- 5) The treatment as per the rule of good competition, to avoid the untruthful method in order to destroy the competitors.
- 6) To take responsible to the environment of social and community, and also to support for the activities in community at the proper time and opportunity.

## Section 4: Disclosure of Information and Transparency

Beside to the disclosure as strictly, completely, and on time of financial reports or other information to the public through many channels, the Company shall disclose the following information for the transparency in business operation:

- 1) To disclose the information about the performance of the Company's Board of Directors and the audit committee such as: number of meeting and number of attending the meeting of each director in the past year.
- 2) To disclose the method in the appraisal, and the performance appraisal of the Company's directors.
- 3) To disclose the policy of the remunerations to the Company's directors and the executive managements, including the form or characteristic of remunerations.
- 4) To report the policy of corporate governance, and performance results as per policy.

The Company discloses this information to the public through the SEC, the SET, and the company's website.

## Section 5: Board Responsibilities

The Company's Board of Directors comprising of those who are professional with the knowledge, the competency, and the experiences from various professions benefited to the Board of Directors, and to the independence in making decision for the ultimate advantages to the Company and the shareholders. The Board of Directors takes part in defining and/or agreeing on the company's vision, missions, strategies, business plans, and budget. The Board of Directors also governs the managements in performing as to the business plans and budget with the efficiency and the effectiveness to the corporate, and the ultimate wealth to the shareholders. The Board of Directors also governs for the evaluation to the suitable of internal controlling, internal auditing, risk management, financial reporting, and the monitor of the performance regularly.

There are 7 directors in the Company's Board of Directors which comprising of 2 directors from the Company's executive Management and 5 directors which are not from the executive managements. Three directors are the independent directors which are over than 1/3 of total directors. In addition, the company has appointed three independent directors as the audit committee with the term of 3 years. The Company has determined precisely the scope and authority of the audit committee in charter of the audit committee.

## Unaccomplishment performances in good corporate governance

In 2015, the company's had followed the principle of good corporate governance except

1. The Directors held more than 25% of the company's share due to the company's needed of experienced Management to lead the business succeed.

2. The company had not determined the 'Cumulative Voting' for the Director election method, according, to the Company Act. It had selected the '1 Share : 1 Vote' method that to the company's policy compliance.

3. The company had not revealed the compensation of the CEO specifically as it had been included with the board of director report due to the company is a small-sized business and the Information has no impact on the management .

4. The committee chairman did not originate from the independent committee because the president must be knowledgeable, has experienced in the company's products and also can give comments to the Board of Directors and Executive Administrators as well.

### Remunerations of Directors

The Company has its policy in determining, with the precision and the transparency, the monetary remunerations of the directors, and brought to the annual general shareholders' meeting for the approval. The measures in determining the company directors' remunerations are as follows:

- 1) To be appropriate and corresponded to the scope of responsibility of each director.
- 2) The remunerations are in the level of attractive, capable in maintaining the directors with competency and quality in performing the duties with the company.
- 3) The factors of the remunerations are clear, transparent, and simplified.
- 4) The remunerations are at the rate in equivalent to the directors in the same industry.

### Board of Directors Meeting

The Company shall arrange for the Board of Directors meeting and additional special meeting complied with the Company's regulations legal concerns to the public company and rules and regulations of the SET. The Chairman of the BOD acts as chairman of the meeting shall promote for the using of careful judgment and allocate the appropriated time for the meeting enable for the managements in proposing of the matters and the careful discussion of major problem. The Company will send to the board of directors in advanced of 7 days prior to the meeting date the invitation letter together with the agenda and other supporting documents. In addition the Company shall prepare the precise and complete minutes of meeting enable for the examination by the shareholders.

### Board of Directors Report

The Board of Directors responsible for the preparing of financial reports which include the Company's financial report, the consolidated financial report of the Company and its subsidiary, and financial information appeared in the annual report. The financial reports have been prepared in accordance with general accepted accounting standard in Thailand, by the adoption of accounting policy as appropriated, accepted, and frequently treated, including the careful adoption of judgment in preparing and disclosure of significant information as appropriated in the remark to the financial statements.

### Board of Directors Self-assessment

In order for the increased of the Board of Directors' effectiveness, the Company lets the Board of Directors do the performance self-assessment, by having the directors appraise the performance of the Board of Directors as a whole, and having the directors join in the consideration of performance and problems. The Board of Directors shall analyze and find the conclusion, from the assessment result, in determining the measure in improving the performance effectiveness.



## Directors and Managements Development

The Company shall support the Company's directors and managements in attending the seminar in the courses benefited to the performance, including for the meeting and share ideas with the directors and managements from other organizations. The primary courses that the directors attend are the courses of IOD: directors' certification program (DCP), or directors accreditation program (DAP), or audit committee program (ACP) as well as specific courses from different institutions, which will be brought in developing the company.

## Preparation of Sustainability Report, 2015

The company has conducted Sustainability Report 2015 in order to report the company's performance between 1 January – 31 December 2015 by focused on distributing the economic, environmental and social information explaining good corporate governance in human development, aim to be the Learning Organization. Therefore, the structure layout of the company's committee is connected to the President and the Chief Executive Officer directly. Thus, the CSR is linked to all level of the staff.

## 2. Sub-Committee

The company's managerial structure comprises of 4 sets of committees which are: the Board of Directors, the Audit Committees, and the Executive Committees (considered appointing from the Board of Directors' Meeting No. 12/2012 on November 14, 2012) and the Corporate Governance, Risk Management, Nomination and Compensation Committees (considered appointing from the Board of Directors' Meeting No. 6/2014 on December 21, 2014). The scope of the directors' authorities being shown as follows:

### 2.1 Board of Directors

As at December 31, 2015, the company has 7 directors comprising of:

Name	Position
1. Ms. Phenphimol Vejvarut	Chairman
2. Mr. Suradech Taweesaengsakulthai	Director
3. Ms. Asana Taweesaengsakulthai	Director
4. Mr. Siriwat Taweesaengsakulthai	Director
5. Mr. Anusorn Tamajai	Independent Director / Audit Committee Chairman
6. Mr. Asa Prateepasen	Independent Director / Audit Committee
7. Mr. Chatchawan Triamvicharnkul	Independent Director / Audit Committee

With Mr. Suradech Taweesaengsakulthai is the Board of Director's secretary

The authorized persons with the signature on behalf of the company : Mr. Suradech Taweesaengsakulthai signs with Ms. Asana Taweesaengsakulthai, and affixed with the company's seal.

The limitation of the directors' authority : none

## Scope of authorities and responsibilities of Board of Directors

1. To perform the duties complied with law, objective, the company's regulations, and the shareholders' meeting resolution.
2. To consider the approval of business policy, target, business plans, corporate strategies, and annual report.
3. To consider the appointment of person(s) with the qualifications and characteristics not forbidden to the public company act B.E. 2535, and law pertaining to securities and stock exchange market, including the regulations and/or regulations concerning to the directors in case that the vacancy for the position of directors due to other reason beside the resignation.
4. To consider the appointment of the independent directors and the audit committee, by considering to the forbidden qualification and characteristic of the independent directors and the audit committee: according to the law concerning securities and stock exchange market: including the regulations and/or regulations concerning stock exchange market; or to present to the shareholders' meeting for the consideration of the appointment as the independent directors and the audit committee.
5. To consider the appointment of the executive managements by selecting from management or the directors of the company, including the defining of the scope of authorities and responsibilities of the executive managements.
6. To consider the determining and the correction of list of the authorized directors of the company.
7. To appoint other person in operating the business, under the control of the board of directors, or to delegate the authority to such person and/or in the period that the board of directors consider as appropriated. The board of directors may cancel/ withdraw/ amend or correct such authorization.
8. To consider the approval of the transaction pertains to the acquiring or the disposal of assets, except that such transaction must be approved from the shareholders' meeting. Such approval shall be as per the notice, the regulations and/or regulation concerning stock exchange market.
9. To consider the approval of the related transaction, except that such transaction must be approved from the shareholders' meeting. Such approval shall be per the notice, the regulation and/or regulation concerning stock exchange market.
10. To consider the approval of interim dividend payment to the shareholders based on the view that the company has the appropriated profits to do so, and report the payment of dividend to the shareholders at the next shareholders' meeting.
11. To consider the approval of the company's securities holdings of themselves, their spouses and underage child in every board of directors meeting with and inform to the company in case of
  - They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
  - They hold shares in the Company
12. To consider the approval of any committees shall remain the committee position in not over 5 companies listed or unlisted in The Stock Exchange of Thailand.

The directors or other person with or may have the conflict of interest with the company, are not allowed to vote such matter.

In addition, the following cases must be agreed from the board of directors' meeting, and the shareholders' meeting with the votes of not less than 3/4 of total votes from shareholders who attend the meeting and have the voting right.

- Selling or transferring the whole or partial of the company's business
- The acquisition of the transferring of other firm's business or private firm to be the company's business
- To do, to correct, or to terminate the agreement concerning the letting of the whole or partial of the company's business.
- To delegate the authority to other person in managing the company's business, or to merge the business with other person with the purpose of profits and loss sharing
- To amend the prospectus or the regulations
- To increase the capitals, to decrease the capitals, to issue the debenture, to merge or to dissolve the company
- The other matter defined under the provision of law concerning securities and/or the provision of the SET, in obtaining
- the agreement from the shareholders' meeting with the votes as mentioned above, for example: the transaction about the acquisition or the disposal of assets, the related transaction.

## Directors' Term

The directors have the term of 3 years in each period, the period of 1 year means time period from the year that directors have been appointed from the shareholders' meeting until the next annual meeting. The director, whose term has been expired, may have been proposed as director for another term.

The delegation of the board of directors' authorities and responsibilities is not the delegation of the authorities or responsibilities which enable the directors or the authorized person to approve the transaction with conflict of interest (as defined in the notice from the SEC) for both the Company and the subsidiary company.

## 2.2 Audit Committee

As at 31 December 2015, the Company has 3 audit committee comprises of:

Name	Position
1. Mr. Anusorn Tamajai	Chairman to the audit committee
2. Mr. Asa Prateepasen	Audit committee
3. Mr. Chatchawan Triamvicharnkul	Audit committee

Remark: Audit committee who has knowledge and experiences in reviewing the reliability of financial statements is Mr. Chachawal Triamvijarnkul, who graduated with the certificate in higher graduate (auditing) from Chulalongkorn University, and Bachelor's degree in Business Administration (Accounting) from Ramkhamhaeng University.

With Mrs. Apsorn Suriyar is the secretary of the audit committee

## Scope of authorities and responsibilities of Audit Committee

คณะกรรมการบริษัท กำหนดหน้าที่และความรับผิดชอบของคณะกรรมการตรวจสอบของบริษัทดังนี้

1. To review for the Company's in having the financial reports with the accuracy, complied to general accepted account standard, disclose the adequate and reliable information
2. To review for the Company in having the internal control system and internal audit system with the appropriated and effectiveness
3. To review the Company's operation in corresponded with public law, securities and stock exchange market law, the regulations of the SET and the SEC, including law concerning the Company's business
4. To consider the selection, propose the appointment and offer withdrawn for the Company's auditor, to determine the auditor's compensation, to evaluate the auditor's performance, to maintain the independence in performing of job for the auditor
5. To review for not having the conflict of interest between related persons
6. To consider the disclosure, with the accuracy and the completion, of the company's information concerning the related transactions or transactions which may have conflict of interest
7. To consider the approval of the charter of the internal audit department, including the approval of audit plan, man power, and annual budget
8. To consider and to agree on the appointment, the discharging, the transferring, lay off, and to consider the merit, to assign the job, and to maintain the independence to the internal audit department

9. To perform other duties designated by law, and assigned by the board of directors and agreed by the audit committee such as:
  - To review and to evaluate the appropriateness of the Company's rules and regulations, and to govern the Company in performing according to the regulations and related law including the policy designated by the Board of Directors
  - To review the Company's policy concerning financial management and risk management
  - To review the executive managements' performance as per the business ethics
  - To review with the executive managements on the significant reports that have to be presented to public as required by law such as: management's report and analysis
10. To prepare report of the audit committee's corporate governance, signed by chairman of the audit committee, by disclosing in the company's annual report.
11. To consider the information and/or the trace of fraud and/or corruption that has been informed by a person inside and outside the organization according to the clues notification process (Whistle-blower hotline) as well as the Anti-Corruption process.

The Audit Committee responsible, for the above mentioned duties and responsibilities, directly to the Board of Directors, and the Board of Directors responsible, for the Company's operation, to the shareholders and the public.

## Term of Audit Committee

The audit committee has the term for 3 years in each period, and maintains in the position of not over than 3 consecutive terms, counting from the date of approval from the Board of Directors or the shareholders' meeting. The period of 1 year means time period from the year that the audit committee has been appointed from the shareholders' meeting until the next annual meeting. The audit committee, whose term has been expired, may have proposed in renewal.

## 2.3 Corporate Governance, Risk Management, Nomination and Compensation Committee

As at December 31, 2015, comprising of 3 Committees as follows:

Name	Position
1. Mr. Chatchawan Triamvicharnkul	Chairman of the committee
2. Mr. Asa Prateepasen	The committee
3. Mr. Chatchawan Triamvicharnkul	The committee
With Mr. Nititorn Deeumpai is the CGR Committee's secretary	

## Scope of authorities and responsibilities of Committees

### 1. Good Corporate Governance and Code of Business Ethics

- 1.1. To propose Good Corporate Governance policy and a Code of Business Ethics of the Company's group to the Company's Board of Directors for approval.
- 1.2 To monitor and supervise the Company's group to ensure that Good Corporate Governance policy and Business Ethics specified by the Company are complied.
- 1.3 To continuously assess the Good Corporate Governance policy and Code of Business Ethics of the Company's group to ensure that they comply with international standards and/or recommendations from related government organizations, and propose to the Company's Board of Directors for approval.
- 1.4 To evaluate and propose a Code of Best Practices to the Board of Directors and/or other sub-committees in the Company's group.

- 1.5 To encourage the dissemination of the Good Corporate Governance culture across the organization and support to the Good Corporate Governance practices.
- 1.6 To appoint the working team and outline its roles in supporting the monitoring and supervision of Corporate Governance and Business Ethics, as appropriated.
- 1.7 To perform other duties related to Good Corporate Governance and Business Ethics as assigned by the Board of Directors.

## **2. Risk Management**

- 2.1. To assess and present Risk Management policy and framework to the Company's Board of Directors for approval.
- 2.2 To examine and agree on risk appetite (acceptable risk levels), and present to the Company's Board of Directors.
- 2.3 To continuously monitor development activities and compliance actions according to the policies and Risk Management framework so the Company's group will have Risk Management system that is uniformly effective throughout the organization to ensure that such policies continue to be observed.
- 2.4 To assess risk identification and assessment procedures, report on significant Risk Management activities and enforce procedures to ensure that the Company has sufficient, appropriate and efficient Risk Management system in place.
- 2.5 To coordinate with the audit committee about significant risk factors and having the internal audit unit to review that the Risk Management system of the Company's group is appropriate to the exposure, being adapted as needed and adopted throughout the organization.
- 2.6 To continuously report to the Company's Board of Directors on significant risk and Risk Management solutions, recommend and advising the Sub Risk-Management Committee (SRM) and/or department and/or the relevant working committees about significant risks and Risk Management, as well as evaluate the appropriate means to improve various databases that are related to the development of Risk Management solutions.
- 2.7 To appoint the additional related personnel and/or the management committee as necessary, as well as determine their roles and responsibilities in order to achieve the objectives.
- 2.8 To perform other tasks related to Risk Management as assigned by the Company's Board of Directors.

## **3. Nomination**

- 3.1 To set guidelines and policies in nominating company's Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing for approval by the Company's Board of Directors and/or Shareholders' Meeting as appropriate.
- 3.2 To search, select and propose appropriate persons to hold the position of the Company's Directors whose retiring by rotation and/ or became vacant, and/or newly appointed Directors, and proposing for approval by the Company's Board of Directors and/or Shareholders' Meeting as appropriate.
- 3.3 To perform other duties related to nominations as assigned by the Company's Board of Directors.

## **4. Remuneration**

- 4.1 To prepare guidelines and policies in determining the Company's Board of Directors and other sub-committees' Remuneration, and proposing to the Company's Board of Directors and Shareholders' Meeting for approval.
- 4.2 To determine necessary and appropriate monetary and non-monetary Remuneration, for individual members of the Company's Board of Directors in each year by taking into consideration each Directors' duties and responsibilities, performance, and comparisons against similar businesses including the benefits expected in return from each Directors, and proposing to the Company's Board of Directors and to the Shareholders' Meeting for approval.
- 4.3 To evaluate the annual performance of the President and Chairman Management for considering approval the Remuneration by proposing to the Company's Board of Directors. However, the committees whose are Executive committees shall not be part of taking consideration the President and Chairman Management's Remuneration.



- 4.4 To take responsibility supports the Company's Board of Directors and being responsible for explaining and answering any question regarding the Company's Board of Directors, the President and the Chief Executive Officer's Remuneration in the Shareholders' Meeting.
- 4.5 To report policies and principles, reasons in determining the Remuneration of Directors and management according to the Stock Exchange of Thailand (SET) guideline by disclosing them in the Company's annual information disclosure (56-1) and annual report.
- 4.6 To perform other duties related to Remuneration as assigned by the Company's Board of Directors.

## 2.4. Executive Committee

As at December 31, 2015, the company's 14 executive committee, comprising of:

Name	Position
Mr. Suradech Taweesaengsakulthai	Chairman
Ms. Asana Taweesaengsakulthai	The Executive Director
Mr. Siriwat Taveesaengsakulthai	The Executive Director
Ms. Somnuk Sangin	The Executive Director
Mr. Nititorn Deeumpai	The Executive Director
Mr. Prasobsuk Boonkwan	The Executive Director
Mr. Sven Markus Gaber	The Executive Director
Ms. Pattarin Anukunananchai	The Executive Director
Mr. Nopparat Sangsawang	The Executive Director
Mr. Apichai Chumsri	The Executive Director
Mr. Nirut Sumongkol	The Executive Director
Mr. Padungdetch Euasookkul	The Executive Director
Mr. Bamrung Chinsombat	The Executive Director
Mr. Sakarin Unnim	The Executive Director
With Ms. Thanyaphat Noipracha is the Executive Committee's secretary	

Remark : Mr. Padungdetch Euasookkul, Mr. Bamrung Chinsombat and Mr. Sakarin Unnim were appointed from the Executive Committee meeting No. 8/2015 on 4th August 2015 and considered approving from the company's Board of directors No. 9/2015 on 14th August 2015

## Scope of authorities and responsibilities of Executive Committee

1. To prepare and to present the Company's business policies, goals, operational plans, business strategies, and annual budget, for the approval from the Board of Directors
2. To arrange an orientation for new committee about the Company's business
3. To determine the Company's business plans, the authorities, and budget, for the approval from the Board of Directors

4. To control for the effectiveness and obliged to the business condition, the Company's operation corresponded with business policies, goals, operational plans, business strategies, and budget which approved from the Board of Directors
5. To consider the approval of the borrowing or the request for credit facility from financial institution, including the payment or the disbursement for transaction as to the Company's normal business such as: the disbursement for investment, and operating expenses as per chart of authorization
6. To define the effective organizational structure and management covering: the selection, training, recruiting, and lay off the Company's employees which are the managements or the executive managements. The authorization may be delegated to managing director in signing the employment agreement
7. To govern and to approve the Company's operation. The executive committee may appoint or assign any person or persons in performing any matter deem appropriated, and the executive committee can cancel, amend, or correct such authority
8. To perform other duties assigned by the Company's Board of Directors
9. To consider the approval of the company's securities holdings of themselves, their spouses and underage child in every board of directors meeting with and inform to the company in case of
  - They are stakeholders directly or indirectly from the contracts that the Company makes during the fiscal year.
  - They hold shares in the Company

The Executive Committee has no right in voting for the transaction which may have conflict of interest, or have interest with the Company or the subsidiary company. The approval of transaction which may have conflict of interest, must comply with the notice from the SET under the subject: basis, procedure, and the disclosure of related transaction B.E. 2546.

## 2.5 Executive Managements

As at December 31, 2015, the Company has 13 Managements comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	President and Chief Executive Officer
2. Ms. Asana Taweesaengsakulthai	Senior Vice President
3. Ms. Somnuk Sangin	Vice President
4. Mr. Nititorn Deeumpai	Chief Financial Officer
5. Mr. Prasobsuk Boonkwan	Chief Business Development Domestic Officer
6. Mr. Sven Markus Gaber	Chief Marketing Officer Oversea
7. Ms. Pattarin Anukunananchai	Chief Administration Officer
8. Mr. Nopparrat Sangsawang	Chief Production Officer
9. Mr. Apichai Chumsri	Chief Risk Management Office
10. Mr. Nirut Sumongkol	Chief Design Engineering Officer
11. Mr. Padungdetch Euasookkul	Chief Business Development Overseas Officer
12. Mr. Bamrung Chinsombat	Chief Service Officer

Name	Position
13. Mr. Sakarin Unnim	Chief Marketing Officer Domestic

Remark : Mr. Padungdetch Euasookkul, Mr. Bamrung Chinsombat and Mr. Sakarin Unnim were appointed from the Executive Committee meeting No. 8/2015 on 4<sup>th</sup> August 2015 and considered approving from the company's Board of directors No. 9/2015 on 14<sup>th</sup> August 2015

#### Scope of authorities and responsibilities of President and Chief Executive Officer

- 1) To determine and to present to the Board of Directors, the business strategies and plans
- 2) To operate as per the business strategies and plans approved by the Board of Directors
- 3) To present to the Board of Directors for the consideration of the search for the opportunity in operating business related to the Company's business, including new business with the feasible and increasing the company's and the employees' revenues
- 4) To operate and to perform the missions assigned by and under the policy of the Board of Directors
- 5) To order, to issue the regulation/ announcement/ memorandum for the operation to be corresponded with the policy
- 6) To consider the approval of the borrowing or the request for credit facility from financial institution, including the payment or the disbursement of transaction as to Company's normal business such as: the disbursement for investment, and operating expenses as per chart of authorization
- 7) To coordinate with the executive and the employees for the operation according to business policy and direction derived from the Board of Directors
- 8) To govern the employees' operation in accordance with the policy, rules and regulations, including the operation under the principle of good governance
- 9) To promote the development of the employees' knowledge, competency, and potential, for the increase of the organization's potential
- 10) To consider the Company's operational results, and to present to the Board of Directors in approving the interim dividend payment and annual dividend payment

The above mentioned authorities of President and Chief executive officer are not included to the authority of President and Chief executive officer in approving the transaction with the conflict, the interest, or may have conflict of interest (as per the regulations of the Company and the SEC) with the Company or the subsidiary company.

#### Summary of General Authorization

Position	approval in getting job/ Bidding (baht/ transaction)	approval for investment (baht/ transaction)	approval for general expenses (baht/ transaction)
The Board of Directors	>1,000,000,000	> 50,000,000	
The executive committee	100,000,000 - 1,000,000,000	20,000,000 - 50,000,000	> 2,000,000 <sup>/2</sup>
President and Chief Executive Officer	10,000,000 - 100,000,000	< 20,000,000	100,000 - 2,000,000
Senior Vice President / Vice President	< 10,000,000	- no authorization-	20,000 - 100,000
Chief Officer	< 10,000,000	- no authorization-	< 20,000 <sup>/1</sup>

Remark: The Company's board of directors meeting No. 13/2558 on December 22nd 2015, has approved the above mentioned summary of general authorization

<sup>/1</sup> = Chief Officer approves only on the related transaction with the authority owns

<sup>/2</sup> = general expenses mean the expenses which are the fixed expenses of plant and office such as expenses of water, electricity, rental, and expenses that are not related to project in getting job or production expenses, the expenses with the amount over 2 million baht will be approved by the executive committee, except general expenses such as expenses of sales department for primary offering job to the clients, expenses of after sales service department for primary appraising of repairing service to the clients, expenses in purchase of office supplies

The Company and its subsidiary has prepared annual budget through the consideration of executive committee. In case that the department with the expenses exceed the budget, there must be proposed for the approval of the additional budget from executive committee.

### 3. Recruitment and Appointment of Directors and Executive Managements

The selection of person to be appointed as director or management, the Company will assign the Corporate Governance, Risk Management, Nomination and Compensation Committee which considered appointing from the Board of Director No. 6/2014 on December 21, 2014, to do so. The Company's directors or managements shall be gender equality, comply with the law and the company's rule, be faithful and secure the company's benefit with the completely qualifications as per article 68 of the public company act B.E. 2535, and notice No. Tor Jor 28/2551 from the Capital Market Supervision Commission subject: the request for permission and permission of the initial public offering (IPO) dated 15<sup>th</sup> December 2008; and must not be the person with the qualifications forbidden as per notice from the SEC subject: the regulation concerning the management of the Company issuing stocks. The Company's directors and managements must not have the history of illegal concern in ten years retrospective prior to the date of request for permission, and have never been convicted as the insolvent person, not being the person violating the regulations, notice, order, the resolution of directors, or the agreement of securities registration with the SET or the SET circulation letter, including the dispute or the prosecution waiting for the judgment.

#### Factors and Recruitment of Board of Director

- 1) The Company's Board of Directors comprises of at least 5 persons, with half of the Directors must have the residence in the kingdom. The Directors must be the person with the qualification required by law
- 2) The shareholders' meeting shall elect the company's directors under the basis and procedures as follows:
  - 2.1 Each shareholder has 1 share per 1 vote
  - 2.2 Each shareholder shall use the vote referred in 2.1 in the election of one person or persons to be director(s). In case of many persons have been elected, the votes cannot be shared to any one as much or less
  - 2.3 The person(s) with ranking at the highest shall be elected as director(s) equal to the number of director(s) should have at the time of the election. In case that the person(s) with the rank next to the highest rank, has (have) the equal votes exceeding the number of director(s) should have at the time of the election, chairman of the meeting shall vote as the final decision
- 3) For each of annual general meeting, one-third of total directors at the time of meeting shall be removed from the position. If the number of director cannot be divided into 3 fractions, the removal of directors will be the closest to one-third. The remove director(s) may be re-elected. In the first year and the second year after the registration of the Company, the director(s) shall draw the lots for the removal. In the later year, the removal shall be for the director(s) with the longest term in the position.
- 4) The Director(s) who would like to resign shall submit the resignation letter to the Company. And the resignation will be effective on the date of receiving the resignation letter by the Company

- 5) The shareholders' meeting may have the resolution to remove any director from the position prior to the term removal, with the votes of not less than  $\frac{3}{4}$  of total shareholders attending the meeting and have the right to vote, and with the total shares of not less than half of total shares held by the shareholders who attend the meeting and have the right to vote.
- 6) In case of the position of director is vacant, caused by other reason beside to the resignation in the term, the board of directors shall select the person; with the qualification and without the characteristic forbidden as per the public company law or law pertaining to the securities and stock exchange market; to be the replaced director(s) at the next meeting of the board, except for the term of such director(s) left less than 2 months. The person(s) selected as the replaced director(s) shall be in the position in equivalent to the term left of the removed director(s). The Board of Directors resolution in appointing the person(s) to be director (s) must have the vote of not less than  $\frac{3}{4}$  of total existing directors.
- 7) The Directors may or may not be the Company's shareholders
- 8) The board of directors shall select one director to be the chairman. The Board of Directors shall select, in case of the appropriated consideration, one director or many directors as vice chairman and managing director. The vice chairman has the duties assigned by chairman according to the regulations of the Company

## Factors and Recruitment of Audit Committee

- 1) The audit committee comprises of 3 independent directors. The Board of Directors shall select one of the audit committee to be chairman of audit committee.
- 2) Each of the audit committee must have the knowledge, competency, experiences, and expertise as appropriated to the missions assigned by the board of directors, including the knowledge and competency in the matter related to the performance of audit committee.
- 3) At least one of the audit committee must have knowledge and understanding or experiences in field of accounting or finance.
- 4) The audit committee appoints at least 1 secretary to the audit committee, to perform the duties concerning the preparation of meeting agenda information, recording the minutes of meeting, the preparation of activities report, and other tasks assigned by the audit committee.

## Qualifications of Independent Directors

1. Hold the shares of not exceeding 1% of total shares with the voting right of the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or those who have the control power in the Company. The shares of the related person to the independent director will be counted.
2. The independent director must not be or never be the director taking part in managing, the employee, the consultant who has salary, or has the control power in the Company, the parent company, the affiliated company, the subsidiary company at same level, major shareholders, or those who have the control power in the company. Except that such independent director has left from the above mentioned characteristic of not less than 2 years before submitting the request for permission to the SEC or on the appointing date. The above mentioned forbidden is not included the case that the independent director used to be the government officer or the consultant to the government organization which is the major shareholders or those who have the control power in the Company.
3. The independent director must not be the person with the relationship as blood lineage, or the legally registration as parents, spouse, brother/sister, and child, including child's spouse of the managements, major shareholders, the person with the control power, or the person to be proposed as the managements, or the person with the control power in the company or the subsidiary company.
4. The independent director must not have or used to have the business relationship with the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person who has the control power in the company, in the way that might obstruct to the adoption of independent judgment of the independent director.
5. The independent director must not be or used to be the advisor of the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with the control power of the company, and must not be the shareholders in significant, the person with the control power, or

partner of audit firm in which the auditor of the company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with control power of the company attributed, except for the removal of not less than 2 years after the date of submitting for permission to the SEC or on the appointing date.

6. The independent director must not be or used to be the service provider of profession which includes legal advisor or financial consultant who receives service fee of more than 2 million baht/year from the Company, the parent company, the subsidiary company, the affiliated company, major shareholders, or the person with the control power, and not be the shareholders in significant, the person with the control power, or partner of the service provider of profession, except for the removal of not less than 2 years before the date of submitting for permission to the SEC or on the appointing date.
7. The independent director must not be the director appointed to be the representative of the Company's directors, major shareholders, or the shareholders with the relationship with major shareholders.
8. The independent director must not operate the business with the same condition and compete as significant with the business of the Company or the subsidiary company, or must not be partner as significant in partnership company, or must not be the director taking part in managing, the employee, the advisor receiving salary, or hold the shares more than 1% of total shares with voting right of other Company operating business with the same condition and compete in significant with the company or the subsidiary company.
9. There not be other characteristic that has the impact to the disability of the independent director to independently express the opinion concerning the company's operation.
10. The independent director with the above mentioned qualifications, may has been assigned from the board of directors in making the decision about the operation of the Company, the parent company, the affiliated company, the subsidiary company at the same level, major shareholders, or the person with the control power, the decision may be in the form of collective decision.

## Qualifications of Audit Committee

The Company's audit committee must be the independent director of the Company, with the complete qualifications and not being the forbidden person as to the public company law and law pertaining to securities and stock exchange market, and other law related to company's business.

1. To be the director without taking part in managing, and not being the employee or the advisor having salary with the Company, the subsidiary company, the affiliated company, the related company, or the major shareholders of the company.
2. To be the director without the business or interests as direct or indirect in financial aspect and financial management in the company, the subsidiary company, the affiliated company, or the major shareholders of the company.
3. To be the director not being the related person or the closed cousin of the executive managements or major shareholders of the company.
4. To be the director without any appointment as representative in protecting business of the company's directors, major shareholders, or the shareholders with the relationship with major shareholders of the company.
5. To hold shares of not exceeding 10% of paid-up capitals of the company, the subsidiary company, the affiliated company, the related company. This includes the counting of shares held by the related persons (including the persons) with relationship by blood lineage, by the marriage, and by legal registration such as father, mother, spouse, child)
6. To be able to perform the duties, express the opinion or to report the performance as to the tasks assigned by the company's board of directors, not being under the control of the executive managements or major shareholders of the Company including the related person(s) (including the person(s) with the relationship with the company that affect to the ability in performing the duties independently or fluently such as: the clients, the creditors, the debtors, or the person(s) with the significant relationship to the Company's business) or the closed cousin of such person(s).
7. The audit committee must have the independence and able to express the opinion or to report freely as to the missions assigned, without concerning to any benefit relating to assets or position, and not being under



the influence of any person or group of person, including of none situation obstructed audit committee in expressing opinion as it should be.

8. To devote with adequate time for the operation, and have the intention to enhance knowledge concerning the company's operation in continuous for the effectiveness.
9. The Audit Committee with the above mentioned qualifications is served a maximum of 9 years in the position

### **Factor and Qualification of Corporate Governance, Risk Management, Nomination and Compensation Committees (CGR Committee)**

1. CGR Committee is to be appointed by the Company's Board of Directors and has to comprise of at least 3 persons, more than one-half of the total number of The Committee must be independent directors and less than one-half of the total number of The Committee must be being the Company's President and Chief Executives Officer.
2. CGR Committee Chairman must be independent director appointed by The Committee's Meeting.
3. CGR Committee considers appointing The Committee's secretary of at least 1 person in order to operate the meeting items, meeting agenda, minutes meeting and others as assigned by The Committee.

### **Factor and Nomination of Executive Committee**

The executive committee comprises of the Company's executive managements, the following positions are the company's executive committee:

- (1) President and Chief executive officer
- (2) Vice Presidents
- (3) Chief officers

The executive committee can propose, in the meeting, the appropriated person to be executive committee in additional, the executive committee has the term in the position for 4 years in each period.

### **Factor and Recruitment of President and Chief Executive Officer**

The executive committee shall propose the executive from the executive committee and present to the Company's Board of Directors in appointing the proposed executive to be president and chief executive officer with the term in the position for 4 years in each period.

## **4. Corporate Governance of the subsidiary company and the affiliated company**

The Company has appointed the person(s) to be the director(s) of the subsidiary company. The Company has determined the regulation in such proposing and voting, and must be approved from the Company's Board of Directors. The person(s) being appointed as director(s) in the subsidiary company perform the duties for the ultimate benefits of the subsidiary company. The transaction concerning the related transaction, the acquisition and the disposal of assets, or other significant transaction, will be under the measure pertaining to the disclosure and the transaction doing as same as the company's measure, including the governance of collecting the information and recording of the subsidiary company accounting in the form as same as of the Company, enable the Company in examining and preparing of consolidated financial statements on time.

## **5. Governance about the Adoption of Inside Information**

As for the governance about the adoption of inside information for the benefits of the managements, the Company has the strict policy in disclosing of the information about the company's action plan, including finance and

accounting information. The Company persists strictly to the rules, regulations under the supervision of stock exchange market. The company's human resources are unable to bring inside information disclosed to the outside persons, except for the writing permission.

The finance and accounting information are collected in computerized system. The access of the information shall be for the authorized person(s) only. The Company set the personal password, and not allow for the disclosure of such password. The summary of total information, and audited financial and accounting information, under the responsible of chief officer-finance, will be disclosed, after being examined and agreed by audit committee, to the Board of Directors at the same time or after the Company has informed and disclosed such information to the SET. All of the Company's executive management respect, persist, and perform as per rules, regulations of the SET. It has been found that there was no inside information being used for the benefits of the directors or managements.

The Company has informed to the managements about the obligation in reporting the owning of securities of their own company, spouse, and child not reaching the legal age, including the disclosure of securities owned to the SEC as per provision 59 and 275 of the securities and stock exchange market act B.E. 2535.

If the Company's directors, managements, or employees violate to the rules and regulations of the Company, the company will have the punishment as defined in the manual for employees of the Company.

## Change in the company's securities holdings of those directors and executive report

The company's directors, managers and auditors shall reveal the report of their company's shares holding including their Spouses and immature child holdings of the company's securities. If the person changed the stake of the holdings, he or her shall report to the Securities and Exchange Commission of Thailand (SEC) due to the 59-2 form within 3 working days since the transaction day, and within 30 working days since the person had been elected for the committee and board positions. The company will inform the person 7 days ahead via Electronics sources regard to the company's policy that the person shall not buy or sell the company's stock under 1 month before the declaration of the company's financial statement.

## 6. Auditor Fee

### 1. Audit Fee

The Company and its subsidiary have made the payment of audit fee for accounting period year 2013 to M. R. and associate Co., Ltd. and in 2014 – 2015 for PricewaterhouseCoopers ABAS Limited as follows:

(Unit : Baht)

	2012	2013	2014	2015
1. Annual audit fee				
1.1. CTV-Doll and consolidated financial statements	640,000	850,000	940,000	1,060,000
1.2. CTV-TMT	300,000	300,000	420,000	462,000
1.3. TSP-CTV	0	0	250,000	230,000
2. Fee for reviewing interim financial statements				
2.1. CTV-Doll and consolidated financial statements	480,000	600,000	510,000	540,000

	2012	2013	2014	2015
2.2. CTV-TMT	0	0	0	0
Grand total	1,420,000	1,750,000	2,120,000	2,292,000
Total for CTV-Doll	1,120,000	1,450,000	1,450,000	1,600,000

Remark: TSP-CTV is the TSP-CTV Joint venture

2. Non Audit Fee  
- none -

## 7. Other treatment complied with Good Governance

In 2015, the Company has arranged for the company's directors meeting for sub-committee in corresponded with the principle of Good Governance with the details as follows:

### Statistical data of Company's Board of Directors attending the meeting in 2015

In 2015 there were 13 of the Company's Board of Directors Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending/Number of the meeting
1. Ms. Phenphimol Vejvarut	12/13
2. Mr. Suradech Taweesaengsakulthai	12/13
3. Ms. Asana Taweesaengsakulthai	11/13
4. Mr. Siriwat Taveesangskulthai	7/13
5. Mr. Anusorn Tamajai	13/13
6. Mr. Asa Prateepasen	11/13
7. Mr. Chatchawan Triamvicharnkul	13/13

Remarks: Ms. Phenphimol Vejvarut, Mr. Suradech Taweesaengsakulthai, Ms. Asana Taweesaengsakulthai, Mr. Siriwat Taveesangskulthai and Mr. Asa Prateepasen were absent due to personal engagement

### Statistical data of Independent Committee attending the meeting in 2015

In 2015, there were 3 of the Independent Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending/Number of the meeting
1. Mr. Anusorn Tamajai	3/3
2. Mr. Asa Prateepasen	3/3
3. Mr. Chatchawan Triamvicharnkul	3/3

## Statistical data of Audit Committee attending the meeting in 2015

In 2015, there were 11 of the Audit Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending/Number of the meeting
1. Mr. Anusorn Tamajai	11/11
2. Mr. Asa Prateepasen	9/11
3. Mr. Chatchawan Triamvicharnkul	11/11

Remark : In 2015, there were 4 of the independent meeting between Audit Committee and PricewaterhouseCoopers ABAS Limited.

## Statistical data of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee attending the meeting in 2015

In 2015, there were 5 of the CGR Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending/Number of the meeting
1. Mr. Chatchawan Triamvicharnkul	5/5
2. Mr. Asa Prateepasen	5/5
3. Mr. Siriwat Taveesangskulthai	5/5

## Statistical data of Executive Committee attending the meeting in 2015

In 2015, there were 13 of the Executive Committee's Meeting, details of attending the Meeting as follows:

List of the directors	Number of attending/Number of the meeting
1. Mr.Suradech Taweesaengsakulthai	10/13
2. Ms. Asana Taweesaengsakulthai	7/13
3. Mr. Siriwat Taveesangskulthai	2/13
4. Ms. Somnuk Sangin	10/13
5. Mr.Nititorn Deeumpai	5/13
6. Mr. Prasobsuk Boonkwan	12/13
7. Mr.Sven Markus Gaber	11/13
8. Ms. Pattarin Anukunananchai	13/13
9. Mr. Nopparat Sangsawang	12/13
10. Mr. Apichai Chumsri	13/13
11. Mr. Nirut Sumongkol	11/13
12. Mr. Padungdetch Euasookkul	4/13

List of the directors	Number of attending/Number of the meeting
13. Mr. Bamrung Chinsombat	1/13
14. Mr. Sakarin Unnim	3/13

Remark : Mr. Padungdetch Euasookkul, Mr. Bamrung Chinsombat and Mr. Sakarin Unnim were appointed from the Executive Committee meeting No. 8/2015 on 4<sup>th</sup> August 2015 and considered approving from the company's Board of directors No. 9/2015 on 14<sup>th</sup> August 2015. As a result, they participated in 4, 1 and 3 from totally 13 meetings in 2015.

## Receipt of Complaint

CHO has a receipt of complaint policy for all groups of stakeholders by providing a receipt of complaint channel for both internal and external organization's stakeholders. The report of complaints will be investigated and recorded then passed through an internal auditor in order to report to CHO's independent audit committees to consider procedures to be undertaken by protecting and maintaining confidentiality of complainant and keeping confidential the name of complainant also prohibiting from disclosing such information in order to protect the complainant. Accordingly, the audit committees will make a report to the Board of Directors then CHO will consider investigating information relating to the complaint. In case of breach the code of business conduct by stakeholders, trading partners or customers, CHO will take corrective action without any compromise.

## Channel of Complaint for all stakeholders

Receipt of Complaint Box	For the convenience, CHO puts this box outstandingly
Letter	Manager of Internal Audit 265 Moo 4, Klangmuang Road, Muangkhao, Mungkhonkaen, KhonKaen 40000
E-mail	auditcom@ctvdoll.co.th
Website	www.ctvdoll.co.th
Telephone	043-34 14 12-18 Extension 109
Facsimile	043-34 14 10

The company had monitored and reported to all complaint and opinions. In 2015, there were 5 cases and 5 cases had been taken action

## 8 The Company's Committee Self-Assessment 2015

Regards to the result of the committee meeting No 1/2016 on January 22, 2016 demonstrating the result of the committee self-assessment in 2015 with 3 evaluation forms, full score is 4 which representing 100% as has been showed below.

- Self-assessment was taken by all the committees with the company's self-assessment form including 3 main topics as roles and responsibilities, training and development, and good corporate governance. The highest performance is 3.94 and the lowest is 3.57 which is 3.67 on the average or 91.79%. Each average scores are showed below by topics.
  - Roles and responsibilities, 3.57 or 89.29%
  - Training and development, 3.50 or 87.50%
  - Good corporate governance, 3.94 or 98.57%

2. Self-assessment was taken by all the committees with the company's self-assessment form (Individually) including 3 main topics as roles and responsibilities, training and development, and good corporate governance. The highest performance is 3.68 and the lowest is 3.06, contributed 3.38 on the average or 74.28%. Each average score are showed below by topics.
  - 2.1 Role and responsibility, 3.39 or 84.69%
  - 2.2 Training and development, 3.06 or 76.56%
  - 2.3 Good corporate governance , 3.68 or 91.88%
  
3. Chairman of the board and the committees evaluated the independent committee team with 6 topics as the committee's structure and attribute, the committee's role, the committee's responsibility, the committee's meeting, the committee's relation with the management department, the committee's and Chairman of the board's improvement. The highest performance is 3.88 and the lowest is 3.66, contributed 3.79 on the average or 94.82%. Each average score are showed below by topics.
  - 3.1 The committee's structure and attribute, 3.88 or 97.02%
  - 3.2 The committee's role, 3.66 or 91.62%
  - 3.3 The committee's meeting, 3.79 or 94.64%
  - 3.4 The committee's responsibility, 3.88 or 96.94%
  - 3.5 The committee's relation with the management department 3.86 or 96.43%
  - 3.6 The committee's and Chairman of the board's self-improvement, 3.69 or 92.26%

## 9. Result of the President and Chief Executive Officers Evaluation

As a result of the committee meeting No. 1/2016 on January 22, 2016 was informed the evaluation of the president and chief executive officers for 2015, which was distributed to 3 divisions as showed below

### Division 1 Performance

Full score of 200 with the highest of 194 and the lowest of 157, contributed 175 on the average or 87.50%, the level 5 workmanship.

### Division 2 Main responsibility

Full score of 800 with the highest of 779.20 and the lowest of 660.60 contribute 793.90 on the average or 87.99%, the level 5 workmanship.

### Division 3 CEO Improvement

The CEO evaluation represented full score of 1,000 with the highest of 901.60 and the lowest of 817.60 contributed 878.90 on the average, the level A workmanship

### Strength

1. High leadership
2. Effective decision maker
3. Ability to coordinate with good management
4. Dedicated and selflessness for the company
5. Initiative and self-improvement
6. Ability to enhance the company standard
7. Intelligent
8. Trustworthy

### Suggestion for capacity improvement in the future

1. searching for strategies to encourage decisiveness for senior managers
2. Review a succession plan
3. Enhance International business partners relation



4. Establishing innovation research center which involve to the company's business
5. Establishing new enterprises within the company's core business

## 10. Result of Sub-Committee Self-Assessment 2015

### • Result of Audit Committees Self-Assessment 2015 in conclusion as follows

#### Part 1 The overall performance of the Audit Committee

From the structure and composition assessment of the Audit Committee which resulted appropriateness and effectiveness to support the Audit Committee duties. Also, the general environment contributed to the functioning of the Audit Committee.

#### Part 2 Operation of the audit committee operation

In the past year, the audit committee had completed all according responsibilities in the articles as showed below

1. Reviewed the company's financial reports.
2. Reviewed the internal control and internal audit effectively including authorized the head of the audit committee.
3. Reviewed the company's legal compliance of the Securities and Exchange Commission and related law.
4. Selected and nominated independent auditors for examining the company's account also the audit committee must participate in the auditor meetings at least once a year.
5. Reviewed related or collided issues which could cause the conflict of interest accordingly to the Securities and Exchange Commission and related law to ensure the maximum benefit for the company.

### • Result of The Corporate Governance, Risk Management, Nomination and Compensation Committees Self-Assessment 2015

Part 1 Overall performance of Corporate Governance, Risk Management, Nomination and Compensation Committee. "Governance Committee".

As a result of the structural and configuration of the audit committee self-assessment, the audit committee was suitable and effective for the company's examination. Otherwise, the work environment was appropriate for the committee.

#### Part 2 Reviews of compliance with the principles of listed company corporate governance.

In the past year, the Governance Committee had completed all according responsibilities in the articles as showed below

1. Review the policies, practices and disclosures according to the principles of good corporate governance to be consistent with the current criteria of regulatory agencies that listed on the SET. Recording, reporting and compliance with the shareholders general meeting conclusions to be treated appropriately and not inconsistent with the conclusions of the shareholders meeting. The Governance Committee meetings will include representatives from the management team and report the implementation of good corporate governance of the Company regularly.
2. Review the field of risk management of the company for reasonable and consistent with business activity in present. The Governance Committee hold meetings with the Audit Committee on the Company's risk management regularly and report the findings of the Company's risk management policies compliance audit
3. Review of the nomination with the recruitment policy for the incumbent to be Board of Directors to ensure that Directors' knowledge and experience are in line with the Company's current business activities and qualified with The Securities and Exchange Commission (SEC) requirements. Consider the end of the Directors and Audit Committees term according to the Company's principles and nominate the resigned directors to the Board of Directors meetings.

4. Review the compensation and review of self- self-assessment in the performance of the Company's Directors, Audit Committees, Governance Committees, CEO and Managing Director to be consistent with the current business and can be used in order to improve its effectiveness. Considering CEO's compensation, Review and comment and submit the self-assessment results of Directors and Chief Executive Officer to The Board of Directors.

#### Part 3 The report of the Corporate Governance Committee

The report of the Corporate Governance Committee has a comprehensive content about the opinion, completeness, accuracy, and reliable of the Good Corporate Governance system with adequacy and effectiveness of risk management. The nomination process is equivalent for shareholders with a transparent recruitment process giving maximum benefit for the Company. Conclusions on compensation is fair, competitive, alluring and able to retain the Company's valuable executives and employees with clear Corporate Governance committees charter in written form approved by the Board of Directors and disclosed in the annual report. The charter is reviewed annually.

#### • **Result of The Executive Committee Self-Assessment 2015**

1. Main responsibility and quality development division (60%) achieved the average score of 86.56
2. Key Performance Indicator (KPI) division (10%) achieved the average score of 81.96
3. The company's teamwork, mental service and quality system policy responding division (30%) achieved the average score of 90.43

#### Conclusion

According to the results of the 3 divisions, The company's teamwork, mental service and quality system policy responding division received the highest average score at 90.43 and the Key Performance Indicator (KPI) division received the lowest average score of 81.96. Therefore, the weighted average score of the Executive Committee is 87.26.

## General information

### Overall Policy and Business Operation

The Company, with the longtime of experiences and the specialties of the executives and team work in field of engineering and management, combine the world-class engineering technology with the professional management in reaching the capability to design and create commercial vehicle frame and expanding the business to the business of management services for special project pertaining to the logistics and other services dealing with the company products such as: the project of building offshore patrol vessel: OPV which the company has joined with Bangkok Dock(1957) Co., Ltd. in managing with modern technology in order to increase the capability of ship building industry of Thailand to be competed in the region level. The project of maintenance and fixing center of the trucks to Linfox Transport (Thailand) Co., Ltd. ("LINFOX"), and project of TESCO-LOTUS with over 1,000 units.







## Research and development

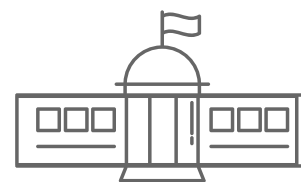
The Company never stops doing research and development of products or engineering system works. The Company's research and development team has continuously designed new model of products, and developed technologies. All of the designed and innovated products will be registered with The Department of Intellectual Property. The Company has developed many items of 22 sub-patent such as: mechanism in opening-closing side of the truck's wall, set of attaching the supplemented lever, set of enlarging the length of adjustable across lever, set of rope ladder to truck's roof, set of ladder to the van's roof, set of the vehicle's ladder. In addition, there are the innovation of new products for more than 77 items under the registration process for sub-patent or innovation patent/patent in designing products from Department of Intellectual Property.

## General information

as at December 31, 2015

The company issuing stocks Symbol	Cho Thavee Dollasien Public Company Limited CHO (registered in The Stock Exchange of Thailand)
The company's registration number	0107556000027
Business	Design, inventing and manufacturing commercial automotive engineering systems including rail technology and defense industry products for example trucks, trailers, buses, catering trucks, trains, fire rescue vehicles, armored vehicle, troop carriers and battle ships.
Authorized Capital	270,000,000 million baht (Two hundred and seventy million baht)
Paid-up Capital	206,127,675 Baht (Two hundred and six million, one hundred and twenty-seven thousand six hundred seventy five baht.)
Par value Preferred Stock	Common Stock, 0.25 Baht -None-
Telephone Number	043-341-412-18
Facsimile Number	043-341-410-11
Website (URL)	<a href="http://www.ctvdoll.co.th">www.ctvdoll.co.th</a>
Location of branch office 1 (Bangkok)	96/25 Vibhawadee Rangsit road, Talad Bangkhen, Laksi district, Bangkok 10210. Telephone No. 0-2973-4382-4 Fax No. 0-2973-4385
Location of branch office 2 (Chonburi)	66/5 Moo 2, Tambol Pong, Amphor Banglamung, Chonburi. Telephone No. 038-227-378 Fax No. 038-227-378
Location of branch office 3 (Ayutthaya)	62 Moo 2, Tambol Lamsai, Amphor Wangnoi, Ayudhya 13170. Telephone No. 035-257085 Fax No. 035-257086
Website (URL)	<a href="http://www.ctvdoll.co.th">www.ctvdoll.co.th</a>

<b>The subsidiary company</b>	Cho Thavee Thermotech Co., Ltd.	
The company registration number	0405548000302	
Business characteristic	Do the business of designing, manufacturing, assembling, and Installing of light-weighted fiberglass fresh box for truck.	
Head office and the plant location	265 Moo 4 Klang Muang Road, Muangkhaio, Muang Khon Kaen, Khon kaen, 40000	
Telephone Number	043-341-210-12	
Facsimile Number	043-341-242	
<b>Investor Relation</b>		
Telephone Number	043-341412-18 extension 118	
Facsimile Number	043-341410	
Email address	ir@ctvdoll.co.th	
<b>The registrar of stocks</b>	Thailand Securities Depository Company Limited ("TSD")	
Location of the office	Mail Room ,C Tower , 1th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400	
Telephone Number	02-0099378	
Facsimile Number	02-0099476	
Website (URL)	www.tsd.co.th	
<b>The auditor company</b>	Pricewaterhouse Coopers ABAS Limited	
The company registration number	0105541040328	
The auditor	Mr. Sudwin Panyawongkhanti Mr. Anutai Poomsurakul Mr. Vichien Khingmontri	Registration No. 3534 Registration No. 3873 Registration No. 3977
Location of the office	15 <sup>th</sup> Floor Bangkok City Tower, 179/74-80 South Sathorn Road Bangkok, 10120 Thailand	
Telephone Number	02-3441000, 02-8245000	
Facsimile Number	02-2865050	
Website (URL)	www.pwc.com/th	





## Research and development

The Company lends the significant to research and development especially in the development of technology and quality of products with the variety and modernization model satisfied to the customers' demand. The Company also develops for the rapid and much more precise of production process. The Company applies the computerized system and information system in the operation in accordance with each step of plan, starting from the drafting until the delivery of products to the customers, including the providing of advices and the repairing with remote service. So, even The Company's products are used outside the country, they can be repaired and maintenance by the Company's specialist directly.

The Company shall focus on the development of designing various model of body properly to the special type of transportation required by the customers, and to the chassis of truck, trailer/semi-trailer. The Company also develops the technology and engineering systems for the products to be conveniently used, with the strength and durability, to be able to load as much as the heaviest weights, easy to be controlled for the fluently of transportation in every road condition, to be properly and durably for the usage in every kind of weather condition of every country.

The Company never stops doing research and development of products or engineering system works. The Company's research and development team has continuously designed new model of products, and developed technologies. All of the designed and innovated products will be registered with The Department of Intellectual Property. The Company has developed many items of 22 sub-patent such as: mechanism in opening-closing side of the truck's wall, set of attaching the supplemented lever, set of enlarging the length of adjustable across lever, set of rope ladder to truck's roof, set of ladder to the van's roof, set of the vehicle's ladder. In addition, there are the innovation of new products for more than 77 items under the registration process for sub-patent or innovation patent/patent in designing products from Department of Intellectual Property.

The Company, in cooperation with The Bureau of National Innovation (public company organization) (The Ministry of Science and Technology), has done the research and development of catering hi-loaders for airbus A380 which is the world largest airplane at the present. The structure of catering hi-loaders for airbus A380 has been designed in the model of fabricate X-frame, by using high-tensile grade material which is strong and has light weight, enable for the adjusting of the structure's height level up to the maximum of 9 meters. There is also the adaptation of automatic controlling system for controlling the stability and the direction in fleeting of the catering in 6 directions, in order to facilitating and reducing the operation time. The Company has been supported from The Bureau of National Innovation (public company organization) for the expenses in doing research and development.

The Company has developed the quicker production process, making the time in production to be reduced, this came from the team of engineering department, production department and related parties in doing the research of R2R project which started since 2014. This project supported the employees to initiate and adapt the tools and equipment in order to help faster on work process, cost and time saving, increasing work efficiency and practicing of planning, preparing, and defining the step of work in much more systematic, including the alternating production process as appropriated, and help in reducing overall production process time. The Company can maintain the manufacturing standard, the inspection and quality control according to the basis of international standard certified i.e. ISO 9001, CE mark, IATA.

Beside to the significant of research and development in products and production process, the Company also lends the significant to personnel development in order to increase the potential and the effectiveness of human resources in each department by The Company's professional who have long term work experiences, skills and knowledge in all fields. The Company has handled in regular the course of training for human resources both inside the Company and outside the company from the professional or leading institutions in order to acquire a modern knowledge and skills for The Company's employees

Table of the research and development expenses in 2013-2015

(unit: million baht)

Item	2013	2014	2015
The research and development expenses	1.76	3.98	3.18
Total	1.76	3.98	3.18

## Projects in the future

The Company has projects in the future coping with the plan to expand the revenues of the Company and the subsidiary company to grow in continuous in the future as follows:

### 1. CHO School Program

The company has managed to develop all levels of staff to be satisfied with the company's policy and condition by enlighten knowledge, skills and attributes with 3 development tools including Coaching (OJT), Knowledge Sharing (CHO School) and Project Assignment (Mechatronics Project) for the staffs in order to adapt with the working by focusing interpersonal relationship and team work. Resulting above expectation quality products for the customers that create the company's strength and sustainable growth



#### CHO School Training for Trainer Program

It is the course designed from the appraisal of competency problem of employee at supervisory level in preparing for the readiness to be teacher in CHO School.

#### Short-Term Course

It is the course of learning the foundation of especially skillful technician of CHO for short-term period (12 weeks) the learners will be divided in groups as follows:

1. New Technician (40.4% enrolled)
2. Office Employees (12.8% enrolled)



## CHO Mechatronics Program Short-Term Course (12 weeks)

The course has been provided for both engineers and technicians for basic understanding in the mechanical systems which will be used to create an innovation. In addition, the course also created the knowledge in the automatic control technology and the control module with 10 projects before the end of the course.



## CHO Thavee Bachelor's Degree (year 2015) Course

This is the specific course of the Company, developed from Knowledge Management (KM) of the employee in production field, with the objective in developing the knowledge transformed from generation to generation. It is also the step forwarding to standard of labor at international level, including the adjustment of labor cost and compensation to employee in production as equitable to salary base of those who graduated at level of bachelor's degree.

### 2. Air Conditioning Bus Project

The air conditioning bus not less than 30 seats by using natural gas as a fuel, the Company applied for the support from The Board of Investment (BOI), BOI Certificate No. 1528(2)/2554. The production and assembly of the bus help reducing expenses of importing the whole bus from overseas, also emphasizing on creating the value of domestic and local industry cost. To send and support The Company's professional learning the process of production and assembly and transmission of the knowledge as a Knowledge Management (KM) helps the Company continues improving the overseas technology also to reduce cost of public sectors' procurement by replacement of air conditioning bus for residents' services. Inclusive of a regular repair and maintenance helps reducing risk of ignoring after sale services from the distributor also to create a constantly work in industries within the country such as car seat factory, screen/mirror factory, tyre factory, battery factory and car's electrical wire and cable factory. Additionally, The Company shall ready to perform immediately if acquiring the auction and receiving the agreement of contract work, in 2015, the Company shall also expand the factory for exporting in order to support the production including expanding the plant for exporting. But currently, the project has been postponed for clarity.

### 3. Research and development of automation

system which is under the system and R&D of prototype such as:

Robot assistant in the factory: the company has signed consulting agreement for R&D project of robot prototype on 1st November 2012. It takes 2 years for the operation with the outcome as robot prototype, and being tested 5 years in the line of company product until the production of product, and being sold. The company expects that it will start the production as commercial within 2016. The main objective of the development of robot assistant in the factory is to coordinate in developing of production system in reaching the adoption of modern technology with economical costs, the increasing of production capacity and value added to the customers' products. The Company shall design the robot as simplicity and focus on the SMEs customers.

## Future projects of the subsidiary company

Constructing and expanding of the production factories Project, due to The Company's subsidiary located within the Company. Although, at the present the production have increased as per the increment of purchase orders, because of the limited of area resulted limited capacity of production. The Company's subsidiary therefore considered searching the area in Bangkok and surrounding areas for constructing and expanding the factories in other areas in order to promptly response to the customer's needs.

## Projects in the process of presentation or bidding

The Company has projects in the process of presentation or bidding both from public and private sectors as follows:

Project	Business alliance	Project value (approximate)	Duration of project (expectation)
Project in repair & maintenance of Vehicle for defensive industry within country	BAE SYSTEMS	100 million baht/ year	2015-2017

Remarks: BAE systems is the world second big manufacturer of products for the country's defense, from United Kingdom (at the present, the company has passed the due diligence from BAE systems, and under the negotiation about the detail of business alliance)

## Intellectual Property

The company has the invention patent with the fair value of THB 61,000,000 on the auction date 5<sup>th</sup> January 2015 for the business operation.

The table illustrates cost per unit of appraisal sub-patent for products

Appraisal sub-patent for products	Sales price/ Unit/ Year		
	2012	2013	2014
1. The roof structure of the bridge to be berthed to Airplane for hi-loaders catering	287,398.42	264,209.74	305,866.52
2. The structure of the supported legs of Hi-loaders catering	132,534.29	178,547.76	146,431.28
3. Set of extending the length of chassis bottom	16,859.41	16,426.33	17,326.44
4. The ladder for getting on-off the truck	16,500.00	16,500.00	16,500.00
5. Set of ladder for getting on-off the truck	2,700.00	2,700.00	2,700.00
6. Set of rope ladder for getting the truck's roof	6,000.00	6,000.00	6,000.00
7. Set of increasing the horizontal length with adjust of levers	221,680.20	-	295,800.00
8. Set of the attachment of supplement lever	15,000.00	15,000.00	15,000.00
9. Mechanism for open-close side wall of truck	-	-	-
10. Equipment for the protection of the truck's side	9,000.00	9,000.00	9,000.00
11. Equipment for defining the position of laying cargo	6,000.00	6,000.00	6,000.00

The company has registered 11 sub-patents and 11 product design patents in a total of 22 items as follows

No.	Sub-patents and Product design patents	Received date	Expired date
12	Rear catering truck braced leg mount	7 Apr. 2015	19 Oct. 2017
13	Locking latch	19 May. 2015	13 Mar. 2021
14	Engine acceleratng pneumatic cylinder	19 May. 2015	10 Apr. 2021
15	Truck framing part	19 May. 2015	10 Apr. 2021
16	Rail castor	15 Jun. 2015	29 Nov. 2021
17	Truck ramp-up bridge	21 Jul. 2015	10 Apr. 2021
18	Sling controller reel	21 Jul. 2015	6 Feb. 2021
19	Pickup unlocking device	21 Jul. 2015	21 Sep. 2021
20	Doors sliding frame	11 Jun. 2015	21 Sep. 2021
21	Compressor parts	28 Jun. 2015	15 Dec. 2020
22	Tow equipment	18 Jun. 2015	29 Nov. 2021

#### 4. One Stop Service Center expansion, project around Thailand.



The Company planed invested to 8 One Stop Service Center expansion project with THB480 million on a budget from 2016 to 2018 by open at least 2 One Stop Service Center in 2016 and will gradually complete all 8 maintenance bases within 2018 providing full scale of vehicle body and electrical system maintenance services continuously from the Company's existing maintenance center which has been operating since 2011 onwards with a desirable result. The company plans to escalate more services such as truck registration, taxes and insurance services and also sell and install truck spare parts and accessories by teams of professional technicians with advanced tools together with a recording system which allow the technicians to access maintenance historical records for all trucks and provide suitable services at every One Stop Service Center.



# 12

## Overall Policy and Business Operation

The Company, with the longtime of experiences and the specialties of the executives and team work in field of engineering and management, combine the world-class engineering technology with the professional management in reaching the capability to design and create commercial vehicle frame and expanding the business to the business of management services for special project pertaining to the logistics and other services dealing with the company products such as: the project of building offshore patrol vessel: OPV which the company has joined with Bangkok Dock (1957) Co., Ltd. in managing with modern technology in order to increase the capability of ship building industry of Thailand to be competed in the region level. The project of maintenance and fixing center of the trucks to Linfox Transport (Thailand) Co., Ltd. ("LINFOX"), and project of Ek-Chai Distribution System Co., Ltd. (TESCO-LOTUS) with over 1,000 units.

### Vision

## CHO 2023 STRONG BRAVE DIFFERENT

The Company is aiming to become the leader in designing, creating, and manufacturing innovative world-class technology professional management and unique knowledge by using to reach the excellence, building customer's confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company's target is to proudly supply quality products under the name CHO as a world-class brand and to create the happiness to the partners, as well as to enhance our competitiveness to become the leader of innovative technology for the sake of Thailand.

### Mission

- To build unique knowledge of CHO and a professional development
- To increase recognition, awareness and confidence in the brand CHO.
- To produce a great variety of safe and user friendly products and services which are not only sustainable but environmental friendly as well.
- To create happiness for our employees and stakeholders.
- To search and constantly develop new technology.
- To achieve excellence in finance and marketing.
- To receive TQA and National Innovation Agency awards by the year 2018 as well as Petty Patents not less than 5 projects per annum.
- To build the identity of "CHO" species.

### Unique

C = Creativity to drive innovative developments

H = High Performance Organization under Good Governance

O = One of a kind along with identity of "CHO" species

### Identity

**"STRONG, BRAVE AND DIFFERENT"**



## History and the major developments

The family of Taweesaengsakulthai (or CHO Thavee group) by Mr. Cho Taweesaengsakulthai and Ms. Usa Taweesaengsakulthai was the founder of the transportation trucks in KhonKaen province. He was also the founder of the truck dealer since year 1968. He, then, has expanded to the business of manufacturing and assembling bus body. In 1980, he has expanded to the manufacturing and assembling of the body of trailer, semi-trailer, and various kinds of transport truck. Cho Thavee group has continuously developed the technology of trailer and commercial trucks. With the neat in designing of the body in various kinds suitably with the customer's truck chassis in order to produce the strength and the durable truck body to meet with types of transportation work using under every kind of road condition and weather condition.

In the second generation of Cho Thavee group leading by Mr. Suradech Taweesaengsakulthai, a son of Mr. Cho Taweesaengsakulthai and Ms. Usa Taweesaengsakulthai. They graduated in field of automobile engineering and business administration from Japan, viewing to the trend of demand in large logistics system by the large special trailer. He also viewed to the important of the innovation in assembling the truck body, which rely on the leading technology from abroad, will be increased in the industry of trailer, semi-trailer in the future. He, then, decided to establish Cho ThaveeDollasien Co., Ltd. ("The company" or "CHO") on November 18, 1994 by joining the family company namely Khonkaen Cho Thavee(1993)Co.,Ltd. ("CTV-1993") with the leading manufacturer company of truck body and trailer from Germany namely Doll Fahrzeugbau AG ("DOLL"), in order to do the business of designing, manufacturing, assembling the body, and installing of engineering system pertaining to the truck body, the trailer and the truck for commercial. The registered capital was 10 million baht, 74% of these to be held by the group of Thai shareholders and CTV-1993, and the rest of 26% to be held by DOLL.

CTV-1993 (previously called "Cho Ruamthavee industry Co.,Ltd." and has been changed later on May 28, 1993). DOLL (previously called Emil Doll GmbH) who has the experience for long time in manufacturing and assembling of the truck body for commercial. Detail as follow:

- CTV-1993 started the business of manufacturing and assembling of the truck body, the bus body, and has developed the technology in logistics in Thailand since 1990. At the present, CTV-1993 do not do the business of manufacturing and assembling the truck body. Instead, CTV-1993 altering to do the business of selling the front part of the truck, all kinds of truck and offering the services of the truck hire purchasing loan.
- DOLL started the business of manufacturing and assembling of the truck body and special types of trailer since 1922(after World War I). DOLL has the competency in manufacturing special trailer for loading materials with heavy weights and in large sizes, also with the materials with special length, by using the modern technology.

In addition, the company has joined with the French business man in 2005 in establishing Cho ThaveeThermotech-Co.,Ltd. ("CTV-TMT") with registered capital of 10 million baht. CHO held in portion of 80% of registered capital, and the French business man held in portion of 20% of registered capital. This company has the purpose of doing business in designing, manufacturing, assembling, and installing of the fiber glass fresh box for truck with light weight for using in the transportation of merchandises, fresh foods and dried foods. In order to maintain the quality of the products until the destinations, also with the physical shape and the temperature of the products to be kept in the same condition as prior to the transportation. At present, CHO held the shares in CTV-DOLL for 99.99% of the registered capital.

The company, with the longtime of experiences and the specialties of the executives and team work in field of engineering and management, combine the world-class engineering technology with the professional management in reaching the capability of expanding the business to the business of management services for special project pertaining to the logistics and other services dealing with the company products such as: the project of building offshore patrol vessel: OPV which the company has joined with Bangkok Dock(1957) Co., Ltd. in managing with modern technology in order to increase the capability of ship building industry of Thailand to be competed in the region level. The project of maintenance and fixing center of the trucks to Linfox Transport (Thailand) Co., Ltd. ("LINFOX"), and project of TESCO-LOTUS with over 1,000 units.

The company has changed its shareholders group structure. Mr. SuradechTaweesaengsakulthai, founder of the company and currently the executive director and management, has invested in the company's common stocks wholly of CTV-1993 since 2002. At the present, the company's shareholders structure held by the group of Taweesaengsakulthai as major shareholder with the portion of 93.18% of registered capital prior to the initial public offering ("IPO") during May 2-7, 2013. The company has raised its registered capital and called for the additional paid-up capital for 50 million baht, and the company's common stocks have been registered in the market of alternative investment (MAI). At the

book closure date on December 27, 2013, Mr. Suradech Taweesaengsakulthai held the shares for 59.93% of the paid up Capital the Company, later, has issued warrants to its existing shareholders without value on October 28, 2013 amounting to 360 million units, at the portion of 2 existing shares to 1 warrant and has registered for the additional capitals in order to be reserved for the exercise of the rights in the amount of 90 million baht. The company offered the right in converting 1 warrant to 1 common stock at the price of 0.50 baht with the maturity of 3 years from the date of issuing of warrants. The exercise begins upon the warrants period of 1 year at the end of each quarter starting from December 30, 2014 until October 27, 2016 which will be the last day of the exercise. On December 30, 2015, the company had its registered capital of 270 million baht with paid-up capital of 206,127,675 baht at 0.25 baht par value per share and currently, the company has paid-up capital of 228,478,200 baht. In the period of year 2015, there were 5 exercises of the company's stock warrants (CHO-W1) with the total stock warrant exercised 193,912,800 units. As a result, the company's paid up capital has increased by 48,478,200 baht. The company had registered the added capital on January 7, 2016

Since the establishment the history and major developments of the company and its subsidiary can be summarized as follows:

Year	Major developments
2012	<ul style="list-style-type: none"> <li>➤ On May 30, 2012, the company signed an agreement for the cooperation with Hanaoka Sharyo Co., Ltd. from Japan who is the manufacturer of group support equipment used in worldwide airports.</li> <li>➤ The company got a job in managing the project in repairing and maintenance of trucks for more than 1,000 units for Linfox Transport (Thailand) Co., Ltd. and 4 service centers of Ek-Chai Distribution System Co., Ltd. (Tesco-Lotus): Lamlukka center, Wangnoi center, Samkoke center, and Bangbuathong center.</li> <li>➤ The company has been approved the investment promotion from The Board of Investment Promotion (BOI) in manufacturing the container dolly, with production capacity of 1,600 units/year. The company derived the right for the exemption of corporate income tax from the net profit incurred from the business being promoted in total of not over than 100% of the investment, excluding property costs and working capital, for 8 years period. The company also derived the import duty exemption on raw materials and essential supplies which have to be imported abroad for production for 5 years period.</li> </ul>
2013	<ul style="list-style-type: none"> <li>➤ The company turned into the public company limited, and changed its name to "Cho Thavee Dollasien Public Company Limited".</li> <li>➤ The company raised its registered capital from 130 million baht to 180 million baht on 2nd January 2013, by issuing the additional common stocks for 200 Million shares with par value of 0.25 baht each for the initial public offering ("IPO"). The company's stocks have been registered in The Market for Alternative Investment (MAI). The company received funds from IPO for 360 million baht which were recorded as capitals for 50 million baht, and share premium for 291.36 million baht (net amount after deducting expenses related to the offering of common stocks in approximate of 18.64 million baht).</li> <li>➤ On 28<sup>th</sup> October 2013, the company issued the warrants to the existing shareholders with no commercial value for 360 million units. With the portion of 2 existing shares to 1 unit of warrant. The company has registered its additional capitals for 90 million baht reserved for the exercise of warrants. One warrant can be converted to one common stock at the price of 0.50 baht, with the maturity of 3 years from the date of the issuance of warrants. The exercise will be started upon the first maturity of warrant. The first exercise date fall on 30th December 2014, and at the last day of each quarter until the last day of the exercise on 27th October 2016. At the present, the company's registered capitals are 270 million baht comprising of the common stocks of 1,080 million shares with par value of 0.25 baht. With the paid-up registered capitals of 180 million baht.</li> <li>➤ The company has been accredited for the quality standard of factory in modifying truck in equivalent to factory quality of MAN Truck &amp; Bus AG. ("MAN") Germany, in modifying the truck of MAN requested from MAN's customer. This was the first factory outside Europe</li> <li>➤ The company has been appointed only one in Thailand by BAE Systems Overseas Inc. from The United Kingdom as a solely sale distributor of spare parts and the technical supporting for the products concerning all of the vehicles system, and parts in repairing and supporting for armed system, and all of the supporting products, except for gunned ship with the source from U.S.A.</li> <li>➤ The company has been appointed from Morooka, Japan as the importer and sale distributor of the Morooka rubber crawler carrier for Thai market.</li> </ul>

Year	Major developments
2014	<ul style="list-style-type: none"> <li>➤ On July 28, 2014, The Company considered appointing Corporate Social Responsibility (CSR) Board of Directors committed. The President and Chief Executive Officer act as the center for sustainability movement.</li> <li>➤ The Company considered appointing The Corporate Governance, Risk Management, Nomination and Compensation Committees.</li> <li>➤ On January 7, 2015, The Company was registered the change in its paid-up capital from 180,000,000.00 Baht to 191,365,325.00 Baht from the exercise of the Warrants to purchase of ordinary shares of The Company No.1 (CHO-W1) on December 30, 2014.</li> </ul>
2015	<ul style="list-style-type: none"> <li>➤ The company collaborated with the German company, FRAMO GmbH in order to transfer technology and innovation energy for vehicles by electricity and programing control systems in Thailand. With the main purpose to provide the automotive components that suitable for every level of entrepreneur.</li> <li>➤ The company was the contractor of KKU Smart Transit, an NGV public transportation which will be operated in the area of Khonkaen University for the five-year contract (Beginning October 1, 2015, ended September 30, 2020).</li> <li>➤ The company signed a Memorandum of Understanding (MoU) with CP ALL and Faculty of Engineering Technology, Panyapiwat Institute of Management (PIM). The tripartite hasco-operated to develop a project of alternative energy systems and logistics automotive which generated the first electric commercial vehicle in Thailand.</li> <li>➤ The company signed a Memorandum of Understanding (MoU) with Faculty of Engineering, KhonkaenUniversity on September 9, 2015. The main objective is to improve the ability of students, the faculty staffs and CHO staffs and to create the research and development of automotive, public transportation, logistics and rail systems industry management in order to meet the international standard.</li> <li>➤ The company established a southern maintenance base in PhunPhin, SuratThani province, Thailand.</li> <li>➤ The company has registered the changes in capital on April, 2015 from THB191,365,325 to THB202,559,900 due to the 2<sup>nd</sup> exercises of the company's stock warrants (CHO-W1) on March 31, 2015 for 44,778,300 units. Thus, the company received THB22,389,150 for the working capital.</li> <li>➤ The company had participated in the auction of the government agency's 489 units of natural gas (NGV) public transportation buses purchasing project contract of 1,784.85 million baht and the 10 years buses maintenance contract of 2,446.35 million baht by electronics method and the scope of work (TOR) had defined conditions for the repair and maintenance of buses. The government agency announced that the company has won the auction for the repair and maintenance of buses on July 27, 2015. Afterward, The Company had received a canceling letter of the 489 units of natural gas (NGV) public transportation buses purchasing project contract and the 10 years buses maintenance contract on December 3, 2015.</li> <li>➤ The company has registered the changes in capital on July 2, 2015 from THB202,559,900 to THB205,376,975 due to the 3<sup>rd</sup> exercises of the company's stock warrants (CHO-W1) on June 30, 2015 for 11,268,300 units. Thus, the company received THB5,634,150 for the working capital.</li> <li>➤ The company has registered the changes in capital on October 6, 2015 from THB205,376,975 to THB206,127,675 due to the 4<sup>th</sup> exercises of the company's stock warrants (CHO-W1) on September 30, 2015 for 11,268,300 units. Thus, the company received THB1,501,400 for the working capital.</li> <li>➤ The company has registered the changes in capital on January 7, 2016 from THB206,127,675 to THB228,478,200 due to the 5<sup>th</sup> exercises of the company's stock warrants (CHO-W1) on December 30, 2015 for 89,402,100 units. Thus, the company received THB44,701,050 for the working capital.</li> </ul>

## Shareholder Structure

The Company has one subsidiary company namely Cho ThaveeThermotech Co., Ltd. The structure of the group being shown below:



The subsidiary company

Name	:	Cho ThaveeThermotech Co., Ltd. (“CTV-TMT”)
Business characteristic	:	Do the business of designing, manufacturing, assembling, and Installing of light-weighted fiberglassfresh box for truck.
Location of H.O. & factory	:	265 Moo 4, KlangMuang Rd., TambolMuangKhao, AmphurMuangKhonkaen 40000.
Telephone/Fax	:	0-4334-1210-12 / 0-4334-1242
Location of Bangkok office	:	96/25 VibhavadeeRangsit Rd., Bangkhen, Laksi district, Bangkok 10210
Telephone/Fax	:	0-2973-4382-84 / 0-2973-4385
Registered capitals	:	20 million baht
Paid-up registered capitals	:	20 million baht
Par value	:	10 baht
Amount of shares	:	2,000,000 shares
List of directors	:	1) Mr. Suradech Thaweesaengsakulthai 2) Ms. Asana Taweesaengsakulthai 3) Mr. Prasobsuk Boonkwan

List of shareholders	:	1) Cho ThaveeDollasien Public Company Limited 1,999,995 shares 99.99 % 2) Other minor shareholders 5 shares 0.01% Total 2,000,000 shares 100.00%
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## Jointly-Control Entity

Name	:	TSP-CTV Joint Venture
Business characteristic	:	Sale and installment of light bulb and electrical equipment
Date of establishment	:	August 2, 2013
Registered capitals/ Paid-up capitals	:	20,252,500.00 million Baht/ 20,252,500.00 million Baht

Name	:	Joint Venture JVCC
Business characteristic	:	Manufacturing, assembly and maintenance for NGV Bus
Date of establishment	:	June 25, 2013
Registered capitals/ Paid-up capitals	:	- N/A -

## Business Related of Main Shareholders

The Company is the creating and manufacturing of commercial body truck and other services. The Company buy and sales many brand of truck chassis and spare part included services to customer. The Company do others business that seem to be benefit and values added to the company. By the comparison of price as appropriate and complied with business of the main shareholder and director, detail and related as follows:

## The related companies

Name	:	KhonKaen City Development (KKTT) Co., Ltd.
Business characteristic	:	Raise fund for mass transportation system construction in KhonKaen
Date of establishment	:	January 8, 2015
Registered capitals/ Paid-up capitals	:	200 million baht / 200 million baht
The relationship	:	One director of the company is the shareholder of The related company which is Mr. Suradech Taweesaengsakulthai holds 6.86% of Registered capitals. -There is one related director – Mr. Suradech Taweesaengsakulthai
Reason of not being classified in group	:	The difference in business characteristic and its The family business.

Name	:	Khonkaen Cho Thavee (1993) Co., Ltd. (Formerly known as “Cho Ruamthavee Industry Co., Ltd.)
Business characteristic	:	Sell of head of the truck, every type of truck, and offer hire purchase loan for truck. With 7 man power at the Present.
Date of establishment	:	May 4, 1990
Registered capitals/ Paid-up capitals	:	325 million baht/325 million baht
The relationship	:	Onedirector of the company is the shareholder of The related company which is Mr. Suradech Taweesaengsakulthai holds 97.38% of Registered capitals. - There is one related director - Mr. Suradech Taweesaengsakulthai
Reason of not being classified in group	:	The difference in business characteristic. Anyway, there is an agreement with the company by not competing in order to get rid of the conflict of interest.

Name	:	Volrep Truck and Bus Co., Ltd.
Business characteristic	:	Repaid the engine and head of trucks. There are 14 man powers at the present.
Date of establishment	:	September 8, 1992
Registered capitals/ Paid-up capitals	:	20 million baht/ 20 million baht
The relationship	:	- One director of the company is the shareholder of The related companywhich is Ms. Asana Taweesaengsakulthai holds 0.50% of Registered capitals. - There is one related director- Ms. Asana Taweesaengsakulthai.
Reason of not being classified in group	:	The difference in business characteristic. Anyway, there is an agreement by not competing in order to get rid of the conflict of interest.

Name	:	Khonkaen Cho Thavee Limited Partnership
Business characteristic	:	Sell cars, trucks, semi-trucks, other kinds of vehicles.
Date of establishment	:	May 18, 1977
Registered capitals/ Paid-up capitals	:	3 million baht/3 million baht
The relationship	:	- Two director of the company are the shareholder of The related company (1) Mr. Suradech Taweesaengsakulthai holds 13.33% of Registered capitals. (2) Ms. Asana Taweesaengsakulthai holds 13.33% of Registered capitals. - There is one related director-Mr. Suradech Taweesaengsakulthai.
Reason of not being classified in group	:	Ceased the operation and under the process of collecting the debts from debtors. The business will be winded up later.



Name	:	RuamthaveeKhonkaen Co., Ltd.
Business characteristic	:	To sell of cars, car's spare parts, and provide the Service of cars repaired.
Date of establishment	:	October 6, 1955
Registered capitals/ Paid-up capitals	:	287 million baht/287 million baht
The relationship	:	One director of the company is the shareholder of The related company which is Mr. Siriwat Taweessangsakulthai holds 19.16% of Registered capitals. -There is one related director – Mr. Siriwat Taweessangsakulthai
Reason of not being classified in group	:	The difference in business characteristic and its The family business.

Name	:	Tang Hua Sing NakhonPathom Limited Partnership
Business characteristic	:	Retailer of engine spare parts, and sale distributor of HINO truck's head.
Date of establishment	:	August 15, 1967
Registered capitals/ Paid-up capitals	:	5 million baht/5 million baht
The relationship	:	One director of the company is a partner of the related company which is Mrs. Phenphimol Vejvarut, Partner and Managing Partner
Reason of not being classified in group	:	The difference in business characteristic and its The family business.

Name	:	O J Development Co., Ltd.
Business characteristic	:	Rental retail area
Date of establishment	:	July 9, 2009
Registered capitals/ Paid-up capitals	:	10 million baht/ 10 million baht
The relationship	:	- One director of the company is a partner of the related company which is Ms. Asana Taweessangsakulthai holds 44.99% of registered capitals. - There is one related director- Ms. Asana Taweessangsakulthai.
Reason of not being classified in group	:	The difference in business characteristic and its The family business.

## Business Characteristic

The Company has continuously delivered the products and services, by concerning to the accuracy according to standard basis as per the announcement from the land transportation department. The Company has been certified to the registration as the first level manufacturer of vehicles according to the announcement from the land transportation department subjected: The basis, procedure, and condition in approving the chassis and the body of vehicles for the transportation of animals or objects feature 6 (trucks) feature 7 (semi-trucks) and feature 8 (semi-trucks containing long materials) B.E. 2553. The Company products and services are accepted by domestic and foreign customers. The Company has the skillful engineers who thoroughly understand the products, and able to give the suggestion to the customers very well. The Company products are standardized products with the controls under every designing and production procedure as per the requirement of standard quality system ISO 9001, and have been certified for standard quality system ISO 9001: 2008 from Bureau TUV Nord, Germany. The Company products and services have also been certified international standard such as: The safety standard for products imported and produced for selling in European Union (CE mark), the safety standard for the products as per the requirement of IATA. Furthermore, the Company never stops in doing the research and the development of products or engineering systems. The company's research and development team works have designed the new model of product innovation and developed various technologies continuously. All of the products or the innovations have been registered with the intellectual properties department. At the present, the Company has received many items of 22 sub-patents and under the request for the registration of sub-patents or invention patent, or the designing of products sub-patent, from the intellectual properties department of more than 77 items.

## 1 Income structure of the Company

Table of income structure (consolidated income statement) year 2013-2015

Type of income	year 2013		year 2014		year 2015	
	Million baht	%	Million baht	%	Million baht	%
Income as per contract	767.46	88.17	1,215.92	80.36	972.73	85.12
Income from sales and services <sup>/1</sup>	102.95	11.83	297.10	19.64	169.90	14.88
Total incomes	870.41	100.00	1,513.02	100.00	1,142.63	100.00
Other income <sup>/2</sup>	4.46	0.51	7.67 <sup>/3</sup>	0.50	16.34	1.43
Grand total incomes	874.87		1,520.69		1,158.97	

Remarks : <sup>/1</sup> - Income from sales comprising of selling of spare parts, selling of samples (prototype), selling of products in stocks.

<sup>/2</sup> - Other income comprising of management income, rental income, interest income, and others.

<sup>/3</sup> - The Financial statement of 2014 had been adjusted.

## 2. Products and Services Characteristic

The Company's products and services can be characterized into 3 groups as standard product group, special designed product group, and project management and services group, with the details as follows:

### 1. Standard Product Group

Standard product group means trucks, trailers, semi-trailers which were bought by the customers for using in the transportation as per special requirement. There are the trucks for using only in the loading of products with no requirement for much more technology of engineering system, or the products ordered by the customers with the standardized production. The types of this group of product and its qualification according to the usage can be summarized as follows:

#### 1.1. Standard Truck : STD

Group of general standard trucks, trailers, semi-trailers with strength and durable, and can be loaded with heavy weights. The company has designed very well the structure of lower system in order for the capable of loading as heaviest enough as required by laws. Meanwhile, it is easy in controlling vehicles for trailers and semi-trailers manufactured by the company and sold to the clients suitably to the special purpose such as

1) Truck chassis : Head of truck to be assembled to the body of truck or trailer.

2) Full Trailer : The trailer to be pulled by truck chassis by using the pulling arm. This kind of trailer can be designed and manufactured in many features such as plain-floored trailer, high stall trailer, trailer of container for dried cargo, trailer of chiller for frozen cargo, dumping trailer.

3) Semi-Trailer : Semi-trailer with the pulling in kind of using its head with the installed pulling plate. This kind of trailer can be manufactured in various features such as semi-trailer container, plain-floored semi-trailer, dumping semi-trailer, and semi-trailer for container.

4) Beverage Truck : The truck for the transportation of beverage. This kind of truck has special characteristic that it can contain much more merchandises, and can be open from the side by hydraulic system, make it easy for the fleeting and can be prevented from the rain and outside dust. The technology has been transferred by Hackney of U.S.A. who is the world big manufacturer of aluminum container.

#### Sample pictures of dumping truck, trailer, and semi-trailer



Dry Van Truck



Trailer Dump



Fiber Refrigerator Truck



Dry Van Fiber Full Trailer



Fiber Dry Van Semi-Trailer



Lowbed Semi-Trailer

## 1.2 The installation of NGV system (NGV Products : NGV)

The Company provides the installation of NGV engine and NGV body to trailer and every type of truck. This kind of product is the new alternative in consuming energy worthwhile to the higher oil price at the present. For example, the installation of 100% NGV, and the installation of NGV with jointed fuel. The is the manufacturer of NGV engine for public bus of The Bangkok Mass Transit Authority (BMTA), and the installation of tank containing NGV for PTT Public Company Limited.

### Sample pictures of the installation of NGV system



## 1.3 Fabrication Works, others : FAB

The Company has the modern laser cutting machine and machine for folding and welding of metal enabled to do the work of forming, welding, and assembling of metal box such as aluminum box for the installation on chassis of truck or trailer, semi-trailer. The company can design and assemble of metal box suitably with chassis of every model of truck and every brand. The company can also design and develop the production of aluminum box with high strength, for the installation of communication equipment of the country's defensive for export.

### Sample pictures of forming and assembling of metal



## 1.4 Transferring of know how work (Know How)

The Company designs, invents, and develops various types of vehicle's body model. The company owns 22 items of the vehicle's body model which have derived the sub-patent from the intellectual properties department. The company is also under the process of register for many more than 77 items sub-patents, or invention patents, or patents for the designing of products from the intellectual properties department. Moreover, the company's working team is also the expert in assembling of the vehicle's body and the installation of engineering work of the truck, trailer, and semi-trailer. The company, then, offers for the right of using the production model, and provide the service of transferring some production technology such as: the container chassis model, the technology in assembling of light-weighted fiber glass box, to the customers who are the foreign manufacturers and the assemblers of the body of truck, trailer, and semi-trailer such as: India, Vietnam. The company will receive the payment of know how fee or royalty fee in accordance with the numbers of product being produced by Using the company's model or technology.

## 2. Special Design Product Group

Special designed product group means truck, trailer/semi-trailer which required special design as per customer's requirement. The product required complex technology and precisely engineering system. This kind of product and its qualification can be classified as follows:

### 2.1 Ground Support Equipment : GSE

This kind of product is the special model vehicle used in the airport with special engineering designed and the complexity and the modernization of engineering system. This kind of product must have high quality and passed the tight international standard from the organization concerning aviation industry such as: ICAO, IATA, airport authority of each country. This kind of product can continuously generate income to the company in high proportion. The company's main product, especially for the catering hi-loaders truck, has been trusted from the customer in group of airline catering from both domestic and international countries. The followings are the product under this group of product:

1) Catering Hi-loaders Truck : This is the truck for loading of foods from airline catering (in-flight services) to the airplane for serving to the passengers. The company has been transferred of the model of product and technology of assembling the truck body and engineering system from DOLL Fahrzeugbau GmbH of Germany, who has joined continuously in developing the structure and engineering system. At the present, the company can develop the model structure of new product for old and new airplane. The company can also develop the technology of assembling the body and installing the engineering system by Thai engineers. The company's latest proud is the catering hi-loaders for airbus A380, which is the biggest airplane in the world and required the most precisely engineering system. At the present, there are only three manufacturers around the world, and the company is one of these. The company first hi-loaders for airbus A380 has been delivered to Emirates Flight Catering in 2006.

The strength of the company's catering hi-loaders truck is that it is designed for every size of airplane ranging from small-medium-large. It is designed with the modernization and suitably to the usage such as: half cap hi-loaders, low cap hi-loaders, and normal cap hi-loaders, with the strength and durable, and can be designed suitably to the weather condition in each country such as: country in the middle-east. The catering hi-loaders truck must maintain the temperature and the hygiene of foods loaded. The company's catering hi-loaders truck has been trusted from the customer about the precision easy in cleaning. It can be adjusted as up and down as per the usage of each airplane's model which can be classified into three sizes as follows:

Model	Length (unit : meters)	Height (unit : meters)	Loading weight (unit : kgs.)	Airplane's model
a) X-Cat L	7.8	8	4,500	Airbus A380 <sup>1</sup>
b) X-Cat M	6.5 - 7	6	4,500	1) Model with height of 6 meters such as A340, B777, B747, MD11, DC10, A310 2) Model with height of 5 meters such as B767, B757
c) X-Cat S	4.5	1.2 - 4	2,500	1) Model with height of 4 meters such as A321, A320 2) Model with height of 3 meters such as B727, B737, MD80 3) Model with height of 2 meters such as F100, AVRO RJ 70-RL100, SAAB SF 340, F27 4) Model with height of 1.2 meters such as HEIGHT IN METERS

Remark: <sup>1</sup>- On 5th October 2011, the company has been awarded for the best innovation from The Organization of National Innovation (public company), Ministry of Science and Technology for the production of catering hi-loaders truck, model X-CAT L for airbus A380.



Sample pictures of Catering Hi-loaders Truck



2) Passenger Stairway : It is the stairway for passenger in getting on-off airplane. This is the Company's product with high quality and passed tight international standard from the organization concerning the aviation industry.

Sample picture of passenger stairway



3) Rescue Stairs Vehicle : It is the rescue stairs vehicle using for getting on-off the airplane in case of emergency. The company has designed and manufactured rescue stairs vehicle for airbus A380 which is the world's biggest airplane at the airport.

Sample picture of rescue stairs vehicle



4) Other group support equipment : The products that company designs and manufactures for many airline such as: repair and maintenance truck, baggage loading truck, truck for patients, truck for waste cleaning, and water tank.



#### Sample pictures of other products



**Maintenance  
Platform Truck**



**Baggage loading  
truck**



**Truck for patients**



**Mock-up driver  
training Catering**

On 30<sup>th</sup> May 2012, the company has signed an agreement for business alliance with Hanaoka Sharyo Co., Ltd. from Japan, the company famous in producing and assembling of service truck for worldwide airline such as: the baggage cart, the baggage rickshaw, the truck for baggage fleetling in airplane, for the manufacture and the marketing of ground support equipment

## 2.2 Fire Fighting Truck : FFT

This is the special model truck for fire fighting in both low rise and high rise. The company has been transferred the technology from the big European manufacturer. The company fire fighting truck has unique qualifications as follows:

1) High-rise fire fighting truck: The Company has designed and developed the technology for the truck with 53 meters height. The first production and delivery was on year 2010 to the municipal of Pakkred, Nonthaburi.

2) Water pump and propeller: To be produced from alloy material with the resistance to every condition of water. It can be used for fresh water, salt water, and brackish water.

3) Power in absorbing water: The ability to adjust the pressure of absorbing as required

From the above qualifications enabled to the company's products to be required by Foreign customer such as: Bangladesh, Sri Lanka, and local customers from government and state enterprises such as EGAT and PTTEP.

Rescue truck: The truck for keeping rescue equipment, with the aluminum sliding door and water resistant. There is the vertical and horizon sliding drawer inside. The down side of sliding door, next to the passenger room, can be open and turned to be stair. There is the installation of rescue equipment and live safe inside of the equipment box.

#### Sample pictures of fire fighting truck



**Rescue Truck**



**Rescue Truck  
(Water&Foam)**



**53 M Ladder Truck**

## 2.3 Military Products : MILITARY

This is the special model vehicle for using in the army, the air force, and the navy. The company can manufacture vehicle for the military properly to the specification as required. The company has been hired from the military in manufacturing and improving models of vehicle such as: light-weighted truck model 50 and model 51 (M1), 4 x 4 drive (canvas roof, metal roof, and fiber roof), improved the truck condition model MB17 and M31A2, fleet truck.

Sample pictures of military product



**M817**



**M35A2**



## M1 4x4 For The Royal Thai Army

### 2.4 Rolling Stock Business : RSB

The group of the train being designed and improved by the company properly to the specification required. In 2005, the company has improved the train cabin from third-class-fanned cabin to second-class-air conditioned cabin in total of 20 cabins, and had already been delivered to The State Railway of Thailand.

Sample pictures of rolling stock business



### 2.5 Special Full Trailer/Semi-Trailer : SPC

The company can manufacture the special designed semi-trailer with size ranging from 5 axles, 6 axles, and the trailer with size of 14 axles and 16 axles, for the transportation of heavy machine and train bogie, or multi-purposed truck. The company has manufactured the special trailer with size 16 axles for BECL in loading finished concrete used in assembling of express way. This kind of trailer is the longest one in Asian region, with the length of more than 24 meters (excluded pulling arm), it can be loaded for the weights of 100-160 tones/unit. The operating system of 16 axles related to the radius of the turning of the trailer's head, and the big trailer can easily turn. In case of the radius of the turning is narrower or wider, it can be controlled remotely. With the hydraulic system, every wheel is separately independent. Furthermore, it can be adjusted for high and low of the floor between +/-300 millimeters.

Sample pictures of special semi-trailer



### 3. Project Management and Services

Project management and services mean the group of special services that the company has done in integrating international engineering technology with professional management by the experiences and skillful of the managements and team work. The company, with the long experiences and skillful both engineering works and managements, is able to provide the service of large project management to the customers. At the present, the company provides the following services as:

#### 3.1 The consultant to the project of Offshore Patrol Vessel : OPV



In 2009, the company and the related company (Khonkaen Cho Tawee (1993) Co., Ltd.) and Wallap Truck and Bus Co., Ltd. have joined in providing service of project management for building the heavy offshore patrol vessel: OPV from The Bangkok Dock Co., Ltd. The vessel's model adopted from BAE systems (United Kingdom). The company responsible as the consultant of work in improving vessel's model, work in improving vessel's electric power system from 440 volts to be reduced to 380 volts. The related company responsible

for being an advisor to the procurement, financial service, warehouse, logistics, information technology, and repairing service. (see further detail of project OPV from [www.theopv.com](http://www.theopv.com)). This project took 4 years in implementing and had already been delivered in 2013. This is the first OPV built by Thai people.

The Bangkok Dock Co., Ltd. has derived the right on the vessel's model in building OPV for commercial from BAE systems for 10 years (2010-2019). So, the company has the opportunity for additional work if the navy or The Bangkok Dock Co., Ltd. has the project of building new OPV. It also includes the foreign customer of The Bangkok Co., Ltd. ordering for the OPV as per the above mentioned model. The related company has signed the agreement with the company by not competing in doing such business. The company will be the only project manager in case that there will be such kind of business in the future.

#### 3.2 Project of Repair and Maintenance and Repairing Center for Linfox (Tesco-Lotus Project)

The Company has been trusted by Linfox Transport (Thailand) Co., Ltd. ("LINFOX") and Ekkachai Distribution System Co., Ltd. ("TESCO-LOTUS") as the product manager for the repair and maintenance work and repairing center for the truck, trailer/semi-trailer of all Tesco-Lotus projects. The company responsible for the maintaining of the capability of more than 2,000 trucks in the area of TESCO-LOTUS's Distribution Center (DC). At the present, DC located in 5 centers which are Lamlukka center, Wangnoi center, Samkok center, and Bangbuathong center and Khon Kaen Center. The company, aiming at the opportunity of increasing income from repairing service, has rented 4 rai of land at Wangnoi, Ayudhya since 2013 being the repairing heavily center for the truck (in case of long period of repairing), and other repairing services for the company's customers and others. This repairing center enabled to the company's potential in taking much more cares to the company's customers at Wangnoi center which is the location near Bangkok. It also increased the opportunity of providing more services to LINFOX and TESCO-LOTUS. At the present, there are many customers would like to do the Preventive Maintenance (PM) agreement with the company and are under the negotiation. The Company has the agreement contract to increase the repairing center for Tesco-Lotus within the Distribution Center in order to have the repairing center sufficiently for the trucks.

### 3) Marketing and Competition Situation

#### 3.1 Marketing

##### 1) Product Strategy

The Company has its policy aiming at the development of the products to meet the international standard quality responded to the customers' requirements, especially for the commercial customers. In addition, the company look forward to the research and development of products continuously. The company products have been certified for the international standard quality.

The Company provides full range of services ranging from the stage of designing to after sales services. The Company lends the significant from the stage of designing as per customers' requirements which must be interviewed in detail by sales department. The Company also has done a research in order to save cost and meet the customers' needs for example designing and renovating the old container to look like 80% brand new by using only 60% of cost. The Company designs delicately the vehicle's body to meet the customers' requirements. The procurement of every unit of equipment and parts must have quality which being passed the standard inspection and controlling ISO 9001:2008. The production are computerized operated in sending, collecting of information in each step starting from the draft of each job until the completion, and tested for the usage.

The Company also emphasize on the after sale service to be corresponded with the Company service principle that "The wheeling is the important factor of your transportation, and we recognize to such importance. So, we emphasize on the after sale service specially, for every wheel of your truck always turn under every situation".

For the product that the Company has no expert in production or the incompetent of the required specification, the company will search for the business alliance with the expert and potential in production. This will be done under the business cooperation agreement or the establishing of new juristic person in form of joint venture. The joint venture, then, can define the invest portion, the objective of establishing, the authority and responsibility of each party, and the period of the operation.

## 2) Pricing Strategy

The Company has the policy in operating by concerning to the readiness of human resources and others before entering in getting the job. The Company has the pricing policy by considering of cost plus margin. The total costs of products and services comprising of material and equipment costs, component costs, the direct labor costs which computed from the estimated time of production, manufacturing costs, financial costs, and allocation costs, costs of reserved for material and equipment price,

warehouse costs and guarantee and warranty cost. The engineering department and the production department work together in duplicating the product structure in detail, for being factor in calculating material and equipment quantity, and production time. In case of the purchase of material and equipment, or component from abroad, there will be the costs of reserved for currency exchange added in the costs computation. However, the price offered to the customers must be considered as competitive price and corresponded to the market situation.

In case of there is the order of purchasing or manufacturing between the company and Cho Thavee Thermotech Co., Ltd. (The subsidiary company), the pricing policy will be determined as related transaction price by considering the total costs of product or service plus 5%. In case that the customers would like to buy light-weighted fiber glass chiller truck from the subsidiary company, but there must be the assembling and the installation of light-weighted fiber glass chiller connected to the chassis of truck or trailer/semi-trailer, the subsidiary company will issue the job order to the company in operating such job.

## 3) Channel of Distribution Strategy (Place)

The Company emphasize on the direct sale applying pro-active and efficient marketing strategy through two channels which are the attendance of bidding and direct contact with the contractor. At the present, the company's sales department comprised of 3 domestic teams and 1 foreign team. Details are as follows:

### 1. Domestic Sales Team

**1.1 Sales team for private customers :** This is the sales team who sell the products directly to private customers in the country. There are 2 following types as:

- Selling to the entrepreneur doing the business of logistics or the business of manufacturing and selling of products. The entrepreneur can request the company for the procurement of truck's head. The entrepreneur can also buy truck's head directly from the dealers such as MAN, VOLVO, HINO, ISUZU, MITSUBISHI, and let the company do the job of manufacturing, assembling, and installing of the truck's body or various trailers connected to the chassis of truck's head.
- Selling through the dealers of pick-up truck. Sales team will contact directly with the dealer of pick-up truck for the manufacturing and installing of the body or the trailer. When the dealer's customers place order for the manufacturing and installing of the body or the trailer, the dealer will send the job to the Company.

**1.2 Sales team to the government organization :** The products sold are those for special purpose such as: the garbage truck, water tank truck, the truck for loading electric pole, and the truck for loading heavy machine.



**1.3 Special sales team** : Emphasize on the sale of special products such as the vehicle for the army, and state enterprises.

## 2. Foreign sales team

Emphasize on the sale of special designed products in the type of ground support equipment (GSE) used in the airport such as catering hi-loaders truck which are sold to the Asian countries, the southeast Asia, and the Oceania, as per the agreement with DOLL Fahrzeugbau GmbH, Germany. The Company will sell through the dealer, or sell directly to the foreign customers in some case. There is the agreement between the Company and the dealer that the dealer will be the coordinator in taking care of the repairing of the company's products sold abroad within the warranty period. The company does not responsible for the after sales service expenses. In case that the company does the marketing or enter into the bidding directly with the foreign customers, there will be higher after sales service costs than being sold through the dealer, and the company will add such costs to the computation of selling price. In 2015, the Company's most portion of sale in foreign countries is the special designed products as follows:

- Approximate of 21% of sale in foreign countries derived from the customers in the middle-east such as United Arab Emirates.
- Approximate of 27% of sale in foreign countries derived from the customers in Asia such as, Korea, Hong Kong.
- Approximate of 52% are other products sold to every country worldwide such as fire fighting truck, trailer/ semi-trailer, special designed vehicle.

## 4) Promotional Strategy

1. The Company emphasize on the after sales service as The Company's public relation, closely and building good relationship with the customers. Especially to the foreign customers, since it is the way to build the confidence and trust to the customers. For example, to give the advice and the repair & maintenance of engine by information technology through computerized system (remote service), and the advice to the usage and other after sales service, and to evaluate the performance in each 3 months.
2. The Company lends the significant to publicize the company's products directly to target customers. The company's public relation was made through many medias such as magazines, trade fair exhibition, various electronic medias, including the sending of information direct to the customers.
3. The Company has its group of products to be categorized and the classification of responsible team work comprised of: the group of domestic customers, foreign customers, customers from government organization, and the customers of special project group. This enable to the company in taking care and providing, including the corresponding to the customers' demands as well.

## 3.2 Target Customers

The Company manufactures and sells its products to the customers both in the country and outside the country. Most of the customers are the entrepreneur doing the business of product transportation, the business of manufacturing and selling of products with many locations of distributing throughout the country, and governmental organization such as The Bangkok Metropolitan, the organization of rural administration. The Company manufactures the products as per the customers' order (made to order). The target customers of the company can be categorized in group as follows:

**1. The group of domestic customers** : The main group of domestic customer is the entrepreneur in the business of transportation and logistics, and retail sale. Most of the products sold are the standard products such as: trailer/semi-trailer, dumping trailer, dumping pick-up truck, rickshaw with low outskirts semi-trailer, fiber glass trailer, trailer with presentation X-lift, the truck for the transportation of gas with long tube, chiller (the subsidiary company's product).

**2. The group of foreign customers** : The main group of foreign customer is the entrepreneur in the business of transportation and logistics, airline catering, in-flight service, and aviation business. Most of the products sold are specialization designed products in type of ground support equipment (GSE) for using within the airport such as catering hi-loaders truck.

The company does not depend on each customer significantly. List of the well-known customers both domestic and foreign can be summarized as follows:

No.	Domestic customers	Products sold
1	Ekkachai Distribution System Co., Ltd.	Scissor Lift 4 Ton with Folding Ramp
2	Linfox Transport (Thailand) Co., Ltd.	Pick up Chilled Body
3	Electricity Generating Authority of Thailand	Trailers
4	Airport of Thailand Public Co., Ltd. (AOT)	Catering Hi-loaders X-PRM
5	Defence Technology Institute	8*8 drive system trucks
6	KhonKaen University	Public Transportation

No.	Foreign customers	Country	Products sold
1	Darwish Bin Ahmed & Sons	U.A.E.	Catering hi-loaders truck
2	United Motors & Heavy Equipment co.(L.L.C.)	U.A.E.	Catering hi-loaders truck
3	GLOBAL KOMITED SDN BHD	Malaysia	Weapon Platform
4	Regal Motors Ltd.	Hong Kong	Catering hi-loaders truck
5	LSG SKY Chets Korea Co.,Ltd	South Korea	Catering hi-loaders truck

### 3.3 Industrial and Competition Situation

#### Industrial Situation

The Company's main products which were best seller in the past 3 years comprised of the group of special designed products in type of ground support equipment (GSE) used in the airport such as catering hi-loaders truck, the group of standard products in type of truck, trailer/semi-trailer which being sold to most of the entrepreneurs doing the business of transportation and logistics. So, the industrial situation analysis will be divided into 2 industries which are the aviation business and logistics business, with details as follows:

#### 1. Aviation Business

Overall air transportation industry in the year 2015 the International Air Transport Association (IATA) has raised its forecast of net profit from the overall operation of the airlines in 2015 to 33 billion USD from the previous forecast of 29.3 billion USD in May 2015 and has speculated the 2016 overall air transportation industry average net profit of 36.3 billion USD with the number of 3.8 billion passengers. Thus, the 2016 air transportation business trend is still growing continuously from 2015.

In parts of overall air transportation industry in Asia Pacific, IATA has forecasts that the net profit will increase from 5.8 billion USD in 2015 to 6.6 billion USD in 2016 but income from the air cargo still slow down. However, the region airline service capacity will increase from 6% in 2015 to 8.4% in 2016 due to the number of new aircrafts deliveries in India, Indonesia and China.

Therefore, the air transportation industry in Thailand is likely to have a tendency in the same direction as the



South East Asia and the world air transportation industry that is still in the expansion according to the increasing of tourist number who is expected to travel to Thailand in 2016. However, the intensity in the business competition, the excess supply and the aircraft fuel are still the risk factors. Therefore, a key support factor is the open of Terminal 2 in Donmuang Airport which has been provided only for Domestic Passengers and can support 22 million passengers per year. As a result, Donmuang airport has the capacity of 30 million passengers per year. The new Terminal can reduce the congestion of domestic passengers almost 70% of total passengers. (Source: Aviation Business Research and Development department, Civil Aviation Training Center)

In addition, IATA has estimated that the number of air passenger will be more than 3.6 billion in 2016 increasing 28.5% in 5 years from 2.8 billion in 2011. The increasing is 60% domestic passengers and 40% international passengers, the countries with the highest growth in the number of airline passengers are in Asia-Pacific, Latin America and Middle East region which are emerging economies countries. The IATA executive administrator has ascribed demand in air transportation is still high although there is an uncertainty in nowadays economy, also the growth in air transportation such as in-flight service and airline catering will benefit the business continuously because the airlines competition will focus more on passenger services. (Source: IATA Forecasts 3.6 Billion Passengers in 2016, online media publishing)

Thus, due to the number of air passengers tends to rise which will result the flights increasing by the airlines to accommodate the number of passengers which would be necessary to increase the number of Catering Hi-loaders Truck for catering business segments to support the number of increasing flights.

## 2. Logistic In dus try

Among the weakness of the Thailand automotive industry in 2015, the production and export of trucks has the interesting change. In the first 9 months of the year, the number of trucks in manufacturing was 20,756 units increasing 47.9%, YoY. The small-medium cargo trucks with the size of 5-20 tonnes had an important roles in the increasing, combined with the growth in foreign markets through an export of trucks and various parts to neighbor countries and new potential markets in Africa, America and South Asia regions and the potential of Thai truck manufacturers in “Made to Order” campaign will be a booster for Thai truck manufacturers to move forward. But to consider the world’s leading truck manufacturers to expand their production base in Thailand to export still depends on many factors, especially to increase the trucks various parts manufacturing chain development in Thailand.

In the short term an increasing in the capacity of trucks manufacturing is the most obvious development via an inbound foreign investment in Thailand throughout the year 2015, from Europe, Japan and China truck manufacturers. According to Kasikornthai Research Center, Thailand’s total trucks production is likely to touch 27,500 units, expanding by 25%. If market conditions are in order to continue growing as well as expanding in the export market, the total trucks production would be 40,000-50,000 units in the next 5 years which was the volume in 2012-2013.

The evoking of trucks production chain is the main proposition in the medium and long term. Although the government has sorted the automobile and autopart cluster within the Super Cluster of Thailand, it is necessary to unlock the production limits, improve labor potentials and establish Research and Development (R&D) Institute. In order to persuade investors to choose Thailand for fully manufacturing the truck various parts which will elevate the business from “trucks manufacturers to trucks and various parts manufacturers” (Source: Kasikornthai Research Center)

Moreover, the relief in Asean Economics Community (AEC) cross-borders transportation discipline will accommodate the logistic system in the region and the growth of logistic businesses will be boosted by the business support factors. In other words, Thailand is a major hub of the regional transport network links development and wants to push its role as a center for logistics in the ASEAN region from its strength of the location that access to almost every country on the Indochina Peninsula. Neighboring countries connecting routes are the routes that transport activity is bustling, such as R3A route which connects Thailand-Laos-China and R8, R9 and R12 routes which connect Thailand-Laos-Vietnam-China. All of these routes will be more important for ASEAN international shipping from East to West Indochina and will be a connecting route to Myanmar’s Dawei Deep Sea Port in the future.

According to the annual transport statistics as at December 31, 2015 resulting the number of registered trucks (cumulative) nationwide is 1,030,746 units in total, increasing 2.3%, YoY, mostly because of the growing number of general contract trucks (trucks that are used to transport animals or goods for hiring, without routing). And the number of trucking operator licenses on December 31, 2015 is 383,977 issues increasing 0.11%, YoY which represents a growth in logistic business last year.

**An annual transport statistics table showing the number of registered trucks (cumulative) nationwide as at December 31, 2014 and 2015**

Type of Trucks	Units		Percentage change
	December 31, 2014	December 31, 2015	2014/2015
Total	1,007,576	1,030,746	2.30
Divided by - Without routes	244,494	259,084	5.97
- Personal	763,082	771,662	1.12

(Source : Transport Statistics Sub-Division, Department of Land Transport)

**An annual transport statistics table showing the number of trucking operator licenses and transport operators nationwide as at December 31, 2014 and 2015**

(Units : Car)

Type of Trucks	Number of trucking operator licenses		Number of transport operators	
	2014	2015	2014	2015
Total	383,977	384,392	383,977	384,392
Divided by - Without routes	17,140	18,705	17,140	18,705
- Personal	366,837	365,687	366,837	365,687

(Source : Transport Statistics Sub-Division, Department of Land Transport)

Thus, the increment of the number of registered trucks and transport operators including the development of transportation between the regions which make Thailand to be the transportation hub will result an increasing in trucks demand, especially the small-medium cargo trucks and will make the trucks manufacturing businesses to adjust supply by increasing production capacity.

## **Competition**

There are not much more competitors of the Company's standard products since most of them are special designed which have been registered of the patent, and are under the process of the registration for innovation patent or product designing patent. The Company also applies the modern technology, and the installation of engineering system for creating the differentiation of the products. There are some local customers who manufacture and assemble the truck's body, trailer/semi-trailer alike to the company's products. Most of the foreign competitors are those in the competing of special designed products group such as catering hi-loaders truck, ground support equipment, fire fighting truck. The domestic and foreign competitors are summarized as per type of product as follows:

The competitors	Country	Type of product
Domestic		
1. Panus Assembly Co., Ltd.	Thailand	Truck, trailer/semi-trailer
2. Sammitr Motors Manufacturing Public Company Limited.	Thailand	Truck, trailer/semi-trailer
3. RCK Rung Charoen Co., Ltd.	Thailand	Truck, trailer/semi-trailer
4. Chase Enterprises (Siam) Co., Ltd	Thailand	Fire fighting truck
5. Lamberet Asia Co.,Ltd <sup>/1</sup>	Vietnam/ Thailand	Fiber glass chiller
Foreign		
1. Aero Mobiles Pte Ltd.	Singapore	Catering hi-loaders truck/ Ground Service equipment
2. Mallaghan Engineering Ltd.	Ireland	Catering hi-loaders truck/ Ground Service equipment
3. United Motor Work Ltd.	Malaysia	Catering hi-loaders Truck

## 4. Products and Services Procurement

### Production

The Company manufactures the products as per customers' requirement (made to order). The Company applies modern engineering technique and the skillful of employees in designing, manufacturing, assembling, and installing engineering system for various types of truck. It takes about 120 days in average from agreement date until the delivery of product for the group of special designed products, depends on the timing of sending materials and equipment from the company's vendors, especially for the order sent from abroad. It is also depend on the complexity of the production.

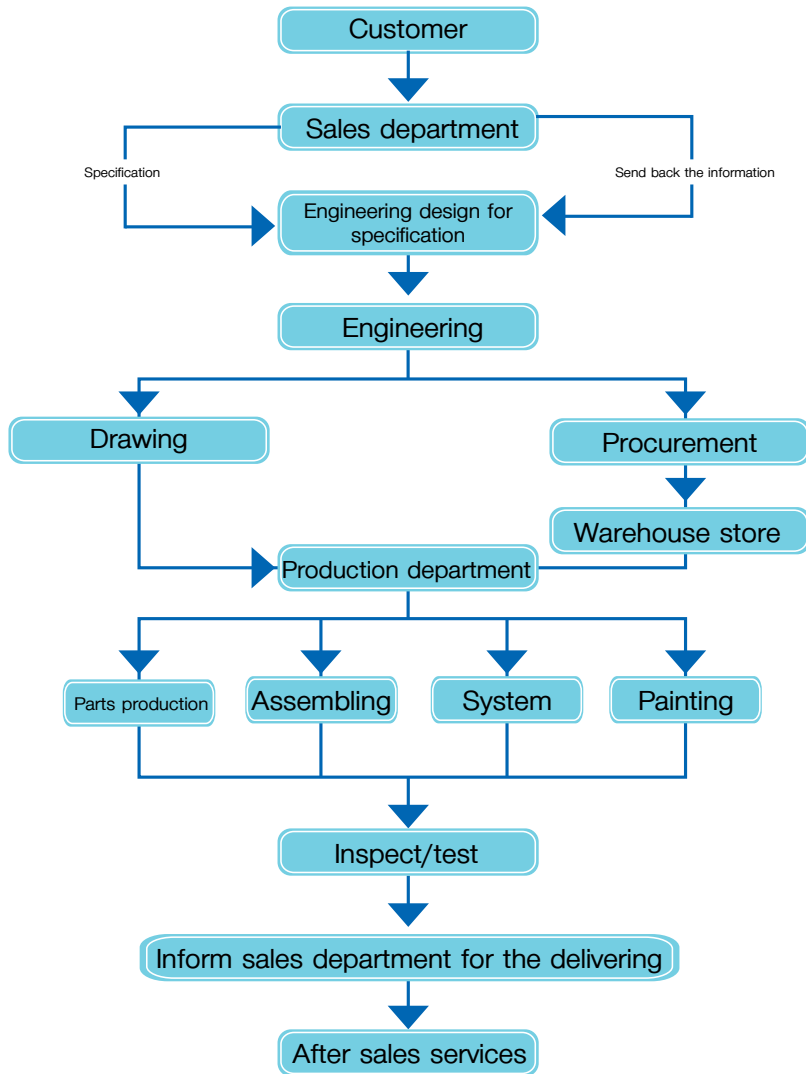
The Company's factory locates on the land of 50 Rai at Khonkaen. The Company has the completely modern machines. In the process of production, there are the planning and the managing of effective production. The company applies the computer system in each process starting from drafting of job until the completion. The process of procurement and production being shown as follows:

### Product Procurement Process:

- 1) When the customer place an order for the product, the sales department will forward the structural specification chosen by customer, or sale order check sheet, and product's detail to the designing engineer department for the duplicating, calculating of material quantity, and calculating of costs.
- 2) After finishing the first step, the designing engineer department will send the specification back to the sales department for determining price and informing customer.
- 3) Once the customer agrees on the specification, price, and conditions, the designing engineer department will inform and send the structural design of product to the production department.
- 4) The production department informs detail of materials required for production to the procurement department for purchasing of raw material and/or outsource of component job or service.

- 5) The production department draws the raw materials from warehouse for the production of parts/assembling of the body/installing of system work/sand painting/color waxing.
- 6) Once the production was finished, it must be inspected and tested before informing the sales department for making the appointment with the customer about the inspection and the delivering of the product.
- 7) The sales department delivers the product to the customer, and coordinates for after sales services.

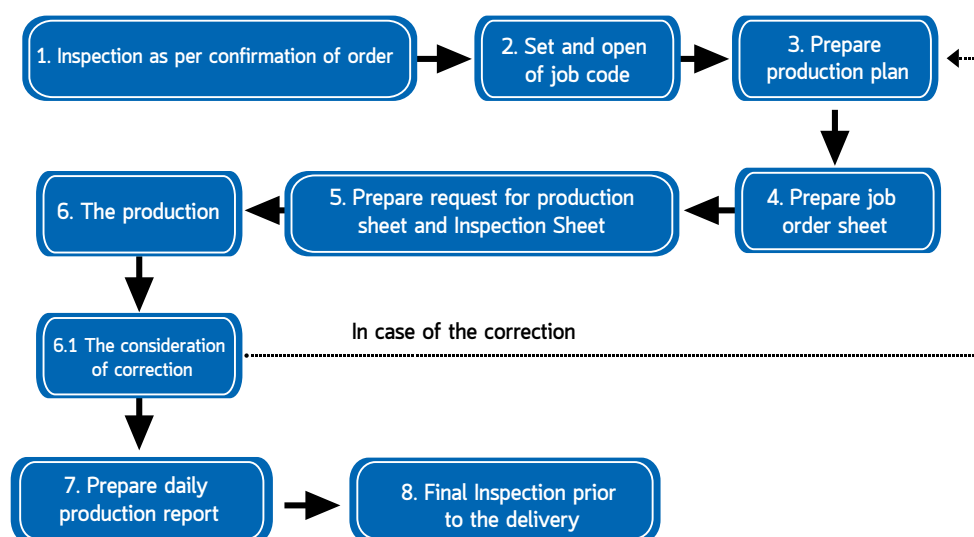
The Procurement Process chart



## The Production Process

- 1) Production manager and controlling engineer inspect the job description and other specifications needed for the production.
- 2) The administration officer set job code on the receipt of order and open job code in accounting system.
- 3) The controlling engineer does the production plan by referring to information from sale order check sheet.
- 4) The controlling engineer and the administration officer prepare the request for production sheet from engineer department, and job order sheet of the related section.
- 5) The controlling engineer manufactures in accordance with the planned process. In case of any correction, there must be the adjusting of plan once in twice weeks.
- 6) To prepare daily production report and/or non-conforming report, if any, and record the inspection on inspection sheet.
- 7) The final inspection prior to the delivery.

## The Production Process chart



The Company will consider many factors before getting the job, in order to prevent the risks that may affect to the company's operation. The Company will evaluate the potential of customer from fundamental information such as financial position, the executive's faithful, and business operation history. There will be fewer risks from payment for the job from government sector, since the budget has been approved from the government. But there are fewer profits compared to job from private sector. There may be more risks from delayed payment or default of payment from the private sector's job, but the profits are as the company's policy. The company also considers to the readiness of the company such as the quantity of work under the operation and non-delivered job, number of human resources, tools and equipment, and working capitals, in order to ensure the customer that the operation will be finished complied with the contract's conditions.

## **Procurement Process**

At the present, the company has 5 employees working in the domestic procurement department, and 1 employee working in the international procurement department. When the company purchases raw material, it will consider the information about material quantity used in production from the costs designed engineering department. The information will be checked with the information in the warehouse whether to the availability of required material or the quantity of material enough for the production or not. The procurement department, then, will check the price from the vendors listed in the company's vendors list, for the conclusion of the procurement and delivery date.

The Company's vendors can be classified as domestic vendors and foreign vendors as follows:

- Domestic vendors: The company will purchase materials and equipment from domestic vendors for the products that can be purchased within the country such as truck's head, chassis, metal, aluminum, wire, painting, supplies. The company will check raw material price with 2-3 vendors who have passed primary basis consideration, in each time of purchasing each type of material, such as branding of product (in case that required by customers), the quality of material, the quantity of the products. The price will be quoted and compared to the terms and conditions such as branding, quality, pricing, discounts, and delivery time, prior to the decision making and agree on the procurement.

The company will do the evaluation of the vendors in each 6 months by evaluating from the monthly-recorded delivery. The company sets its procurement policy in selecting new vendor into the vendor list in each month with 2 vendors for every group of material.

- Foreign vendors: The company purchases the special material from the foreign vendors. The company sets its policy in purchasing directly from the manufacturer or the distributor of each type of material, except for some material item which has the business cooperation with foreign alliance such as hydraulic system, engineering

system, and electric system, which will be purchased from DOLL Company. (The company's business alliance with long time of cooperation, and the shareholders of 1.82% of the company's registered capital) (the portion of 1.31% after IPO)

Table showing value and portion of domestic procurement and foreign procurement in 2013-2015.

Amount of purchase	2013		2014		2015	
	Million baht	%	Million baht	%	Million baht	%
Domestic	540.36	78.09	888.54	80.26	574.07	79.49
Foreign	151.62	21.91	218.58	19.74	148.08	20.51
<b>Total</b>	691.98	100.00	1,107.12	100.00	722.15	100.00

## Outsourcing of Job

The Company outsources the kind of job like metal lathing, metal cutting, and metal folding, for the component in size and design as required, or the job of sand/color painting. Most of these jobs required not much skillful. The objective is that the employees in the production department are able to operate the skillful and experienced production with effectiveness, and can also have the production process being done simultaneously for the reducing of the production time.

In case of necessary for the job outsourcing, the procurement department will contact 2-3 contractors who have passed primary basis consideration, in offering the services and quoting of price. The offering document will be compared on terms and conditions such as price, discounts, the readiness of team work. The procurement department, then, will consider for the selection and agree on the outsourcing. The company will do the evaluation of the contractors continuously as same as doing with the vendors who sold material to the company.

## Environmental Effect

Since 2010, the Company has not received any complaint concerning the environment from surrounding areas. The company concerns much to the effect from the production process. The company has determined the direction in managing the environment within the factory, such as the method in removing dust from the paint, in order to avoid the troubles to the neighbor and the environmental effect to the employees and the community around the factory. The company has also open for suggestions and advices offered from the channel of face book

## 5 Product and Service Characteristic of the Subsidiary Company

Cho Thavee Thermotech Co., Ltd. ("CTV-TMT") does the business of designing, manufacturing, and installing of truck for loading light-weighted fiber glass chiller for both of dry container (without refrigerator) and cold container. This kind of truck is used for the transportation of fresh and dry cargo such as plant, vegetable, fruit, meat, sea animal, bakery, milk, ice. This kind of truck can be applied for the transportation of other goods such as flower, herbs, drugs, blood, and some kind of chemical substance. This kind of truck based on the principle that it must maintain the quality of product by controlling the temperature from beginning to the destination at the same condition. With the technology of sandwich GRP supported with fiber glass structure making the heat-resistant insulator working with full effectiveness, prevent of water leak, shape maintaining, to increase life of usage. The truck installed CTV-TMT chiller has the weight of 35%-40% less than that of the competitor's truck which used other material. CTV-TMT truck is stronger than that of the competitors, with special technology in supporting the strength inside, the components are also the standardization ones. The additional equipment can also be installed inside the chiller such as: double deck for separating pallets into 2 levels, jumbo box trailers to be installed on 2 axles and 3 axles chassis.



The Company has already bought the technology of sandwich GRP from the French owner of such technology. At the present, CTV-TMT is the only manufacturer in Southeast Asia who can manufacture GRP with the continuous length at the maximum of 15 meters. The truck installed GRP has many types such as: pick-up truck, six-wheeled truck, eightwheeled truck, ten-wheeled truck, semi-trailer, trailer, and large fiber glass chiller truck.

Sample pictures of the subsidiary company's products



## 6 Marketing and Competition Strategy of the Subsidiary Company

### 6.1 Marketing

#### 1) Product strategy (Product)

The subsidiary company emphasizes on the manufacture of quality and standard products responded to the customers' demands. The subsidiary company's products have the different qualifications with other manufacturers such as: the modernization, light-weighted, durable, and easy in repairing.

At the present, the subsidiary company is the only manufacturer in Southeast Asia who can manufacture sandwich GRP with the continuous length at the maximum of 15 meters.

#### 2) Pricing strategy (Price)

The subsidiary company quotes sale price by considering from price list as per model and specification in catalogue. Price in price list will be adjusted as the latest price referred to actual costs of production in each period. In case that the customers require for the installation of other special supplement of equipment, the price will be increased for such supplement equipment. The subsidiary company set the price as competitive price and corresponded to market situation.

#### 3) Channel of distribution strategy (Place)

The subsidiary company emphasizes on the three main channels of distribution as follows:

- 1) The direct sale: By implementing pro-active marketing strategy from sales team in reaching the customers directly.
- 2) Word of mouth from the subsidiary company's customers.
- 3) Word of mouth from the rickshaw distributors.

#### 4) Promotional Strategy (Promotional)

The subsidiary company lends the significant of its public relation activities as follows:

- 1) To provide the friendly services for good relationship with the customers, especially for the after sale services such as: to advice on the usage and repair & maintenance.
- 2) To promote the products through trade fair exhibition such as: THAIFEX world of food Asia 2012 at The Impact Muang Thong Thani

### 6.2 The target customers

The subsidiary company's target customers are mostly the customers likely to the company's customers. Since the customers who purchase the products are mostly the entrepreneurs in the business of logistics requiring for the maintaining of quality. The subsidiary company's products are made as to the order from customers.

## 6.3 Industrial and competition situation

### Industrial situation

The subsidiary company's main products are the light-weighted fiber glass chiller for the truck, trailer/semi-trailer, which are the group of standard products of the company. Information about industrial situation can be considered from the information of the business group of container manufacturing for truck, and trailer/semi-trailer. In addition, most of the customers are the entrepreneurs of transportation and logistics group. So, the analysis of industrial situation of the subsidiary company will be divided into 2 industries which are the business of container manufacturing, and logistics business.

### The business Manufacturing Container for Truck and Trailer/Semi-Trailer.

Table showing total marketing value of container for year 2014-2015

	Registration number of container truck type 7,068 trucks in 2014			Registration number of container truck type 7,068 trucks in 2015			Compare of change	
	Total	Dry	Cold	Total	Dry	Cold	Total	%
Number of container	5,672	3,970	1,702	5,989	4,196	1,796	317	5.59%
Portion as per Container type (%)	100 %	70%	30%	100 %	70%	30%		
Total marketing value (Million Baht)	1,292.74	904.92	387.82	1,756.83	1,075.22	681.61		

Source: Information from The Land Transportation Department, collected by the company.

There was the production of 5,989 containers in 2015 increased by 317 containers from 2012 or 5.59 %. Total marketing value in 2015 was about 1,756.83 million baht, comprising of 4,196 dry containers in the amount of 1,075.22 million baht, and 1,796 cold containers in the amount of 681.61 million baht. The company's executive evaluates that the production of chiller will be grown each year continuously in the same direction with logistics business in Thailand. Since there are many supporting factors such as : the demand for the transportation service both domestic and global, the expansion of production base and distribution center to the rural area, the AEC free trade zone in field of logistics service.

### Competition

The subsidiary company's competitors comprising of:

The competitors	Country	Type of product
1. Lumberet Asia Co., Ltd.	Thailand	Manufacturing and installing of GRP
2. Rujolam Co., Ltd.	Thailand	Manufacturing and installing of stainless steel Wall chiller
3. Carryboy Marketing Co., Ltd.	Thailand	Manufacturing and installing of GRP

## 7 Products and Services Procurement of the Subsidiary Company

### Production

The subsidiary company's production is made as to the order of its customers, by applying the modern technology in manufacturing sandwich GRP with the supplementation of metal structure combine with fiber glass.

The subsidiary company locates in Khonkaen, on the same site of the company. The subsidiary company has the modern machine and is under the expansion of production capacity for one additional production line. There are the planning and the effective production management in each of production process. The subsidiary company also lends to the significant of the inspection and quality control of its products as to the company.

The procedures of products procurement and production process of the subsidiary company are as same as that of the company.

### Product procurement

The subsidiary company let the company do the domestic procurement. The subsidiary company has its own 1 employee in taking charge of foreign procurement. The subsidiary company's main raw material used in the production was purchased directly from most of the manufacturer and the distributor in the country. Anyway, the subsidiary company does not depend significantly on any vendor solely.

### Outsourcing

This is incurred under the case that there are the assembling and the installing of fiber glass chiller, bought from the subsidiary company, to be welded with the customer's truck chassis or of trailer, or trailer/semi-trailer; or purchases the finished truck with fiber glass chiller. The subsidiary will send job order request to the company for the assembling and installing.

### Environmental Effect

The subsidiary company lends much significant to the effect caused by the production which may cause the smell pollution, dust, and chemical substance residue. The subsidiary company's procedures in prevent the environmental effect are as follows:

- (A) The smell pollution: The subsidiary company uses ventilator fan through water spray curtain.
- (B) The dust pollution: To be collected through water spray curtain and sent to the sub-contractor for destroying.
- (C) The chemical waste pollution : Collection companies and contractors to carry out the destruction

## 8 Non-delivered Job (Back log)

The company and its subsidiary reported works under the production as at 31st December 2015 in total amount of 429.95 million baht, comprising of 421.35 million baht for the company, and 8.60 million baht for the subsidiary company. The details of customer with the value exceeding 10% are as follows:

NO	Contractor	Project	Date of Agreement	Delivery date as per contract	Contract amount	Balance as at 31st December, 2015
<u>Non-delivered job – The company:</u>						
1	The first customer	2 Axles Side Curtain Semi-Trailer	9/7/2015	28/2/2016	1.91	1.91
<u>Non-delivered job – The subsidiary company:</u>						
1	No customer with the value exceeding 10%					

## Risks Factor

The investor should carefully consider the risks factor including the details of other information appeared in this document, before making the decision to invest. The risks factor identified in this document may have negative impact to the company, and to the Company's stock value. The risks factor appeared in this document are not all of the existent risks. There may be other risks that the company may not know, and there may be some risks being considered with no significant affect to the company at the present, but it may be, in the future, the risks with significant impact to the company's revenues, profits, assets, liquidity, sources of fund, and business opportunity. Then, the investor should use the judgment by carefully considering the information, and all of the risk factor are not restricted only to the risks mentioned in this document, which may affect to the Company, before making decision to invest.

In addition, the passage in terms of: the expectation in the future, the estimation, the demand, or the intention, which appeared in this document for example: "has/have plan to", "would like", "expect that", "view that", "believe that", "estimate", "may be", or any word/passage in the same way, these are the words or passages which indicate to the situation that may happen in the future, with the uncertainty and the actual result may be differenced from the expectation.

### Risks in Business Operation

#### 1) Risk from Uncertainty of Revenues

Since the Company's core revenues derived from the original equipment manufacturing (OEM) (made to order), the Company get the job directly from the hirer as the hiring contract to manufacture. So, the company has the risk incurred from the non-going concern revenues. The Company's revenues may be decreased from the new order or new project in replacement of the production or project that had been delivered to the customers. In the meantime, the company still has the burden of regularly expenses or fixed expenses like: personnel expenses, administration expenses, and financial expenses. In 2015, the Company reported the contract revenues equal to 972.73 million baht, and sales and services equal to 169.90 million baht, therefore the total revenues equal to 1,142.63 million baht.

However, the Company aware to the above mentioned risk, and has determined the plan in preventing such risk by applying the policy of budgeting management. The Company prepares and sets the target, and annually budget. This enable for the Company in acknowledging of income target, expenditure plan, and the expectation of annual profits. The accounting department collects all the information, and presents to the executive managements and the board of directors of the company, for the consideration of determining annually budget. It is also used, through all departments monthly meeting, in the monitoring and comparing to the monthly operation results. The results will, then, be collected and presented to monthly meeting of the executive committee. The information will be analyzed and planned by the executive managements for getting the job or bidding for new project in replacement of the production or job that has been finished and delivered. Then, the company can have the OED contract and project management in continuous, making the risk incurred from the non-going concern revenues to be reduced

## 2) Risk Reliance Industries Limited.

In 2015, the most of the company's revenues derived from the sales of special designed products especially for the ground support equipment ("GSE") such as: catering hi-loaders truck. In 2015, the customers who purchase this product group are those in the industry of airline catering and aviation. So, the company faces the risk from depending on the industry in limitation level. In case that there is the problem in aviation industry concerning the drop in passenger number as significant, or the customers in the group of airline catering business have turned to purchase the competitor's products with the problem either of the quality of products, pricing, or quality of services, and the drop in purchasing of the company's products or not being sold to the customer. All of these risks must have the significant impact to the company's operation and financial position. Moreover, the company is seeing the trend of environmentally friendly products and focusing on products development that uses electricity renewable energy from diesel fuel. The change of selling goods and products are environmentally friendly basis in Airline business.

However the company aware to the above mentioned risks, in 2015 the company plans to expand our 7 services centers that services our specifically customers to more 8 One Stop Services centers by various services to the group of large transportation customers. And also focus in internal standards services, fast services, and good efficiency to cover all areas, along with good relationship with our customer continuously. For increased in others group of revenues portion and balance to reduce risk of reliance on a limited group of industry.

## 3) Risk from Bidding the new project (BMTA) (๖๓๓.)

The company has been affected by the Bangkok Mass Transit (BMTA) project auction Arising from the cancellation of the auction. The announcement of the board's BMTA dated December 2, 2015. The company has sought to the bank fee for the auction. And costs to prepare for raw materials due to the delivery period of the TOR. Determine the 90 day delivery after signed contract has to be prepared to implement many aspects. Improving plant to accommodate the production, the company has loosed the opportunity to get jobs from other customers in our standard products, services sector and the company's reputation.

The Company has undertaken to file an appeal with the board of BMTA and performed sue the board of BMTA with debts totaling Baht 1,500 million and filed a lawsuit with the Administrative Court further.

## Risk Concerning the Production

### 1) Risk from importing raw materials from alliance partner which is the component of the main raw materials

The Company has effected from importing raw materials from alliance partner, Germany which increase prices and delay delivery made our missing production plan and effect to our delivery.

The Company has the risk reduction policy for the above matters by searching for the replacement by the new raw material suppliers from both domestic and overseas to minimum order for the same quality as the alliance partner. The searching domestic production materials are gather requirements from materials provided by the Company. The sales plans from sales' meeting will be reported to the procurement and production department in order to prepare the main raw material for production in advance. The Company has also specified the over and under estimated on material's prices for the sales price calculation. This will help reducing the above mentioned risk.

### 2) Risk from prototypes production

The Company has effected from prototypes production, as a result of the hours of work of the project , rather than defined . And the company couldn't negotiations to request the additional costs for the overhaul of the workers affected to the profit portion decreased from the estimated cost. There is a risk in the period of the contract, which is configured to pay fines.

However, the company is aware of the above mentioned risk. A prototype of a new technology combined with an innovative new product development as a channel of selling in special design products. For setting the criteria of work, If the customer has changed apart from the agreement as it will need to be evaluated additional costs. Before take action, it has to approve. And charges of the additional costs to customers future. To reduce such risks before making any changes for new products .

## **Risk Concerning the Administration**

### **1) Risk from cancellation of purchase order or the termination of contract before maturity**

Since the Company's products are the products which made to order, or the project management and services. There are the agreements of production or the agreements of project management. The Company may have the risk incurred from the damage of the termination of the agreement of production or the agreement of project management before maturity.

However, the Company aware to such risk, since it affects to the company's operation result, financial position, and the Company's image, these are the key successes to the business operation. So, the Company has the policy of having the customers open the irrevocable letter of credit for full amount after deducting the deposits. Furthermore, the company also lends the significant of maintaining the quality of products and services. The Company's products must meet the designated standard. The products must be delivered within time frame as per the production contract. The Company has 1 cancellation job, however the management can be performed for customers in other projects to produce renewable.

### **2) Risk from recruitment**

In 2015, the Company has reduced their production. The recruitment plan can

also be managed in a normal. The 22 % resigned of the staff, mostly cannot pass the probations in three months, mainly on the production line because of made to order production that requires skill and practice that requires diligent and pay attention to their knowledge regularly. The recruitment department cannot find a replacement operations on the same resigned, and then affected to lack of continuity of work operations.

However, the Company is aware of such cost of living compared to the employment base in local and center and focus on the public relations of the welfare benefits that are different from the other and the company have a savings fund through cooperative savings and provident fund. Alongside the growth of the company, the training provides employees with the skills knowledge from CHO School, the executive management who see the importance of creating of knowledge. The budget plan for the year 2016 to provide 6 increase sales positions equal to 12 %, 7 operations positions equal to 14 %, 38 production positions equal to 74%, due to the increase production in 2016 if the order achieving on the sales plan.

## **Financial Risk**

### **1) Risk from foreign currency exchange**

Since the Company has imported supplies, equipment, or components from abroad, and has exported its products to the foreign customers in many foreign currency. Then, the Company has the risk incurred from foreign currency exchange.

However, the Company aware to such risk, the Company has determined the policy in preventing the risk from foreign currency exchange under the responsibility of the fund management department. The fund will calculate the money received under the contract in the time period as per the condition of the delivery, and calculate for the payment amount in purchasing of supplies, equipment, or components from abroad. Each currency exchange being determined at market price in that time. The buying or the selling of foreign currency will be made only at the bank that the Company using service of Forward contract facility with the maturity is not exceed than one month to four months to comply with the related purchase obligation. The Company has determined in reviewing the policy in preventing risk from foreign currency exchange every year, at the time of preparing annual budget, or in case of the essential situation or emergency.

### **2) Risk from interest Rate**

Since the Company needs a loan from the financial institutions in order to invest in many projects according to the sales contract which is necessary to make an order for raw materials for production before receiving all payments. In order to have the liquidity production to deliver the customer's order on time, the Company needs a loan from the financial institutions.



The Company aware of such above mentioned risk, the Company therefore sets a risk diversification of interest rate from each financial institutions approving by the Chief Financial Officer before any transactions.

### **3) Risk from delay received payment from customers**

The Company's products are made to order from the customers. The delivery of products and the receiving of payment are under the condition agreed as per the contract. So, the Company has the risk incurred from the delay or the trouble of received payment from the customers. This kind of risk will affect to the liquidity of the company, since the Company has the fixed expenditure which is monthly expenses, or the Company must pay for supplies, equipment, or components.

However, the Company aware to such risk, in order for the risk to be reduced, the Company has determined plan in preventing the risk by having the policy in evaluating the potential of the customers or the contractors before getting orders or providing services. The customers have to pay in advanced the down payment at the rate of 20%-30% of total contract amounts. In case of OEM agreement, there is the requirement for the project owner to pay monthly fee or periodic payment in accordance with the completion of job. The finance department responsible for the summarization of the receiving of payment report. In case of overdue payment, the finance department will follow up for the payment, and inform to the related department and the executives immediately. The Company has never found the delay in payment from the domestic and foreign customers in the business of airline catering.

## **Risk Concerning the Investment of Shareholders**

### **1) Risk from having the major shareholder holding more than 20% of shares**

As from the latest date of closing the registration list of shareholders (30th December 2015), the group of Mr. Suradech Taweesaengsakulthai and Mrs. Vassana Taweesaengsakulthai held in total of 329,107,200 shares or 39.915 % of total shares. So, it makes the group of Mr. Suradech Taweesaengsakulthai not able to control almost all of the resolutions in the shareholders meeting, for example: the resolution in appointing the director, the resolution in other subject required the majority votes in the shareholders meeting, except for the subject required by law or the Company's regulations in having 3/4 of the shareholders' votes. So, the other shareholders are unable to collect the votes for check and balance of the matters being presented by major shareholders.

However, the Company aware to such risk, the company has 3 independent directors, from the total of 7 directors of the

Company, who are the audit committee. All of the audit committee is the professional, knowledgeable, competent, well-known, and being accepted in the social. The audit committee performs the duties assigned by the Company's directors, complied to the notification from SET subjected: "The qualification and the scope of the audit committee's operation B.E. 2551". The audit committee is the independent directors with the qualification in accordance with clause 16 of the notification No. TOR JOR 28/2551 from The Board of Capital Market Supervision. This is the way in supporting to the effectiveness and building check and balance. It also includes the building of transparency in the Company's management. In addition, the Company's board of directors also concern to the importance of good supervision and control by strictly and regularly practicing in compliance with the direction of code of conduct and best practice. So, the Company has the confidence that the shareholders including the stakeholders will be treated with fairness and equitableness

### **2) Risk concerning the fault to the condition of credit facility**

Since a bank that offered credit facility to the Company and its subsidiary, has determined in credit facility agreement in maintaining debt to equity ratio (D/E ratio) of not over than 3 times, and the ability to pay debts (D-SCR) of not less than 1.2 times. The bank will consider from the consolidated financial statements in each accounting period.

As from the 2015 financial reports, the Company has D/E ratio equal to 1.32 times, Anyway, the Company expects that, in the future, the Company and its subsidiary can maintain the financial ratio designated by the bank, In case that the company's credit facility has been terminated, the Company's operation will not be affected, since the company and its subsidiary also has net cash flow enough to repay the debts

## Securities and Shareholder Information

### 1. Securities

As at December 31, 2015, the company had a registered capital of 270.00 million baht (Two hundred seventy million baht) divided to common stock of 1.08 billion shares, at the par value of 0.25 baht (Twenty-five satang) with a paid-up capital of 206,127,675 baht (Two hundred six million one hundred twenty-seven thousand six hundred seventy-five baht.) divided to common stock of 824,510,700 shares (Eight hundred twenty-four million five hundred ten thousand seven hundred shares), and the exercise of the company's warrants on January 7, 2016 of 89,402,100 shares or 22,350,525 baht at the par value of 0.25 baht (Twenty-five satang). Therefore, the remaining registered capital on January 7, 2015 of 41,521,800 baht (Forty-one million five hundred twenty-one thousand eight hundred baht) was reserved for the exercise of the company's warrants CHO-W1.

### 2. Shareholders

List company Shareholder December 30, 2015 as follow

Rank	Major Shareholder	Shares	% Shares
1.	Group of Mr. Suradech Taweesaengsakulthai	329,107,200	39.915
	1.1 Mr. Suradech Taweesaengsakulthai	287,507,200	34.870
	1.2 Mrs. Wadsana Taweesaengsakulthai	41,600,000	5.045
2.	Thailand Securities Depository Company Limited for Depositor	36,021,400	4.369
3.	Ms. Asana Taweesaengsakulthai	35,767,600	4.338
4.	PTLT Intertrade LLC <sup>/1</sup>	26,000,000	3.153
5.	Mr. Puttipat Vejvarut	23,447,250	2.844
6.	Mr. Surapol Thaveesangskulthai	19,600,000	2.377
7.	Thai NVDR Company Limited.	12,257,800	1.487
8.	Mr. Kitimeth Vejvarut	5,776,000	0.701
9	Group of DOLL <sup>/2</sup>	9,460,000	1.148
	9.1 DOLL FAHRZEUGBAU GmbH	4,730,000	0.574
	9.2 KALSTAR (S) PTE LTD	4,730,000	0.574
Total major Shareholder for top 11		497,437,250	60.332

Rank	Major Shareholder	Shares	% Shares
Minor Shareholders		6,551	
Thai Nationality Shareholders		6,557	
Foreign Nationality Shareholders		5	

Remarks : <sup>/1</sup> = PTLT Intertrade LLC. is the company in USA

<sup>/2</sup> = Group of DOLL Fahrzeugbau GmbH which consist DOLL Fahrzeugbau AG is the company in Germany and KALSTAR (S) PTE LTD is the company in Singapore.

<sup>/3</sup> = Thai NVDR Co., Ltd. (Thai NVDR) is a subsidiary owned by the Stock Exchange of Thailand (SET) and regarded as listed securities in the SET who is responsible for issuing and selling Non-Voting Depository Receipts (NVDRs) to investors. The service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares (i.e. dividends, rights, and warrants) but there are no voting rights for NVDR holders. Further information regarding Thai NVDR Co., Ltd. can be found on [www.set.or.th](http://www.set.or.th).

### 3. Issuance of other Securities

#### 1. Information relating to the issuance and allocation of the warrants to conversion of common stock share

Type of Securities	:	Warrants for rights to purchase ordinary shares of Cho Thavee Dollasien Public Company Limited, Phase 1 ("Warrant" or "CHO-W1")
Type of Warrants	:	Namely and transferable
Listing Date	:	As of November 20, 2013 (Trading commencement on November 20, 2013)
Secondary Market	:	The Market for Alternative Investment (mai)
Number of Issuing Warrants	:	360,000,000 units
Offering Price	:	0.00 THB (zero THB) Offer to the existing shareholder by the ratio of 2 existing ordinary share per 1 units of the warrant for free.
Number of offering securities	:	359,899,980 units
Underlying Shares	:	359,899,980 shares (par value THB 0.25 each)
Distribution of Warrants	:	As of October 28, 2013
Term of Warrants	:	3 years from the date of issuance and offering of Warrants
Date of Maturity	:	On October 27, 2016 (Last Exercise Date is on October 27, 2016 and warrants will be delisted on the next day.)

Rights of Warrants	:	<u>Exercise Ratio **</u> 1 unit of warrant has the right to purchase 1 unit of ordinary share <u>Exercise Price **</u> THB 0.50 (Fifty Satang) per one unit of newly issued ordinary share ** Exercise ratio and exercise price subject to change as per right adjustment conditions** (Please see the detail of terms and duties of right at Company website or SET. website)
Term of Exercise	:	First exercise date on December 30, 2014 and next exercise date on the last working day of quarter, until the last exercise date on October 27, 2016

## 2. Details of the allocation of the warrants

	Thai Investors		Foreign Investors		Total
	Juristic person	Individuals	Juristic person	Individuals	
Number of warrant holders	4	3,242	4	2	3,252
Number of allocation warrants	2,097,800	339,782,580	17,854,500	165,100	359,899,980
% of number of allocation warrants	0.58%	94.41%	4.96%	0.05%	100.00%

Remark : Information of warrants as of allocation October 28, 2013

## 4. Securities holding of Directors

The securities holding of Board of Directors and Executive Administrators in Cho Thavee Dollasien Public Company Limited (CHO) between years 2014-2015 detailed as follows:

Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
	As at 30 Dec 2015	%	As at 30 Dec 2016	%	
<b>Committees</b>					
1. Ms. Phenphimol Vejvarut	200,000	0.028	300,000	0.036	Purchased 100,000 shares
Spouses and immature child	0	0	0	0	
2. Mr. Suradech Taweesaengsakulthai	326,507,200	45.348	287,507,200	34.870	Purchased 1 million shares and transferred to Equity First Holdings LLC. 40 million shares
Spouses and immature child	0	0	0	0	

Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
	As at 30 Dec 2015	%	As at 30 Dec 2016	%	
3. Ms. Asana Taweessangsakulthai	20,167,600	2.63	35,767,600	4.338	Transferred from Ms. Rungtiwa Taweessangsakulthai
Spouses and immature child	-	-	-	-	
4. Mr. Siriwat Taveesangskulthai	0	0	0	0	-
Spouses and immature child	0	0	0	0	
5. Mr. Anusorn Tamajai	0	0	0	0	-
Spouses and immature child	0	0	0	0	
6. Mr. Asa Prateepasen	0	0	0	0	-
Spouses and immature child	0	0	0	0	
7. Mr. Chatchawan Triamvicharnkul	0	0	0	0	-
Spouses and immature child	0	0	0	0	

## Directors

Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
	As at 30 Dec 2015	%	As at 30 Dec 2016	%	
1. Ms. Somnuk Sangin	0	0	40,000	0.005	Purchased
Spouses and immature child	0	0	0	0	
2. Mr. Nititorn Deeumpai	0	0	0	0	
Spouses and immature child	0	0	0	0	
3. Mr. Prasobsuk Boonkwan	0	0	0	0	

Committees and Directors	Numbers of shares (CHO) held				Changing Remarks
	As at 30 Dec 2015	%	As at 30 Dec 2016	%	
Spouses and immature child	0	0	0	0	
4. Mr.Sven Markus Gaber	0	0	0	0	
Spouses and immature child	-	-	-	-	
5. Ms. Pattarin Anukunananchai	0	0	0	0	
Spouses and immature child	-	-	-	-	
6. Mr. Nopparat Sangsawang	0	0	0	0	
Spouses and immature child	0	0	0	0	
7. Mr. Apichai Chumsri	0	0	6,000	0.007	Purchased
Spouses and immature child	0	0	0	0	
8. Mr. Nirut Sumongkol	0	0	0	0	
Spouses and immature child	0	0	0	0	
9. Mr.Padungdetch Euasookkul	0	0	0	0	
Spouses and immature child	0	0	0	0	
10. Mr. Bamrung Chinsombat	0	0	0	0	
Spouses and immature child	0	0	0	0	
11. Mr. Sakarin Unnim	0	0	25,000	0.003	Purchased
Spouses and immature child	0	0	0	0	

Remark : Mr. Padungdetch Euasookkul, Mr. Bamrung Chinsombat and Mr. Sakarin Unnim were appointed on 22<sup>nd</sup> July 2015.



## 5. Dividend Policy & Payment

The Company has the policy to pay dividend each year at the rate of not less than 40% of the net profit deduction of all types of reserved fund as required in the Company's Articles of Association and as required by law. If unnecessary, the payment of such dividend shall not significantly affect the Company's normal business operation.

Nevertheless, the dividend payment policy may change, depending on investment plan, necessity, and other suitable factors in the future based on condition that the operation must yield highest benefit to shareholders, such as use the money as investment fund to expand Company's business, as reserve for loan repayment or there may be change of market condition which may adversely affect the Company's future cash flow. The Company's Board of Directors shall be empowered to consider the option. Moreover, the Board of Directors' resolution approving dividend payment shall be proposed for final approval with shareholders' meeting. Exemption is on interim dividend payment which the Company's Board of Directors shall be authorized to make decision and report the decision at the next shareholders' meeting.

In 2014, the Company has the policy to pay dividend each year at the rate of not less than 40% of the net profit before deduction of all expenses in accordance with the International Financial Reporting Standard No.2 (2014 edition) of Share based payment after deduction of all types of reserved fund as required in the Company's Articles of Association and as required by law. If unnecessary, the payment of such dividend shall not significantly affect the Company's normal business operation.

The dividend yield for 2015 was followed the company's dividend policy. However, it will be proposed to the shareholders for approval at the upcoming Shareholder's Meeting on April 28, 2015 in dividend stock and cash (The amount of cash dividend will be announce after the exercise of CHO-W1 warrants on March 31, 2016).

1. Cash dividend payment (Baht per share) : 0.0058
2. Ratio of stock dividend payment (existing share : stock dividend) as 10:1 and stock dividend payment rate (Baht per share) : 0.025
3. Total dividend payment (Baht per share) : 0.0308

Thus, all the articles above will be validated after an approval of the Annual General Meeting of Shareholders 2016 on April 21, 2016

### Dividend Payment Historical Compared to net profit (Separate financial statements) 2013-2015

Detail	Year 2013	Year 2014	Year 2015
Net Profit (Loss) (Separate financial statements) (million baht )	35.06 <sup>/2</sup>	79.71	36.81
Dividend Payment (million baht )	10.80 <sup>/3</sup>	49.00	<sup>/4</sup>
Dividend rate <sup>/1</sup> (%)	24.76% <sup>/4</sup>	61.47%	<sup>/4</sup>

Remark : <sup>/1</sup>= Net profit (Separate financial statements) was adjusted in 2014

<sup>/2</sup>= Dividend payment in 2013 result from The Board, will effect when the 2014 AGM on April 9, 2014

<sup>/3</sup>= The appropriated for dividend payment compare to allocated retained earnings in accordance with law equals rate of 69.98% (unallocated retained earnings as at December 2013 was 15.66 million baht)

<sup>/4</sup>= Dividend payment will be signified after the exercise of the company's stock warrants (CHO-W1) on March 31, 2016 and will be notified to the shareholders through The Stock Exchange of Thailand (SET) channel.

# 16

## Social Responsibilities

The Company has disclosed the policy and operation plans for social and environment responsibilities considering all the stakeholders on the Sustainability Report 2015, also online at [www.ctvdoll.co.th](http://www.ctvdoll.co.th). The content for this report applied the materiality assessment of the international standard of Global Reporting Initiatives (GRI) 4.

The Company has its policy and aspiration aiming at the leader in designing, creating, and manufacturing, innovative designs world-class technologies with professional management integration with unique knowledge, in order to reach the excellence building the confident and the satisfaction to the customers with the consciousness in social responsibilities and environmental concern. The company has its target in offering the quality products under the brand “CHO” to the international level with the proud and the happiness to the stakeholders and to build the competition power in reaching to be the leader in technology innovations for Thailand, with 8 guidelines of social responsibilities as follows.

### 1. Sustainable Corporate Governance

The Company concern to the designing of the products in the future as being friendly to the environment. The company has done the research and development of VR7 robot with the objective of reducing the effect to its employees for the job which cause danger to the health, reducing

labor costs, in order to deliver the quality products to the customers. The development has been planned for sending the jobs to SMEs business.

The Company has operated its business together with the social concerns by concentrate on all stakeholders such as shareholders, joint venture's company, customers, employees and surrounding society

### 2. Anti-Corruption

To affirm that CHO has a proper policy determining responsibility, guideline, and regulation as a tool to prevent corruption from all business transactions, CHO has arrange a written guideline called Anti-Corruption Policy considered approving by the Corporate Governance, Risk Management, Nomination and Compensation Committees in order to carefully make a decision on any course of action that could possibly lead to corruption and to serve as an apparent guideline in performing business and effectively developing to sustainability organization. In 2015, the company has updated its Anti-Corruption measure then informed to all the staff, partners and outsiders in order to enhance the corporate governance. More information can be found at [http://cho.listedcompany.com/anti\\_corruption\\_policy.html](http://cho.listedcompany.com/anti_corruption_policy.html)

#### Anti-Corruption Policy

Cho Thavee Dollasien Public Company Limited and Cho Thavee Thermotech Company Limited (“The Company” or “CHO”) is committed to conduct business with integrity, transparency and conformable to the principles of good corporate governance. The Company has resisted all kind of corruptions with well aware of the threat of corruption that undermines free and fair competition and also caused damage to the economic and social development.

This Anti-Corruption policy

(The Policy) is a part of the Company's Code of Business Conduct and approved by the Board of Directors.

#### Objective

1. To set rules and guidelines to prevent the Company, the Company employees as well as another person (e.g., a third party) who perform duties related to the Company contravene the Anti-Corruption law including determine a reviewing process and governance to ensure the policy compliance.

2. To ensure that the company adheres to the policy and regulations to prevent corruption entirely (Zero-Tolerance Policy) in business activities that may risk to Corruption.

#### Definition

Corruption is referred to bribery in any form by offering the promise of receiving or claim benefits (e.g., cash, gifts, loans, awarded, compensation, entertainment, donations, sponsorships, or other benefits.) to motivate a person to act any illegal or contrary to good morals as well as the use of power which derived from positions and duties and/or the use of information obtained from the Company duties to do anything that benefits themselves and/or others both direct and indirect Including any act that is inconsistent with ethical principles except for the executable cases of laws, rules, regulations, local traditions or trade conservative.

### Channel of Complaint for all stakeholders

Independent Director and Audit Committee Contact Info.

Email address : auditcom@ctvdoll.co.th  
Letter : Independent Director and Audit Committee  
Cho Thavee Dollasien Public Company Limited  
265 Moo 4 Klang Muang Road, Muangkhaio, Muang Khon Kaen, Khon kaen, 40000

### Board of Directors Contact Info.

Email address : info@ctvdoll.co.th  
Letter : The Board of Directors  
Cho Thavee Dollasien Public Company Limited  
265 Moo 4 Klang Muang Road, Muangkhaio, Muang Khon Kaen, Khon kaen, 40000

### Investor Relation Contact Info.

The investor Relation department is responsible for providing service and information to all the stakeholders, staffs, shareholders, customers, partners, creditors and analysts equally

Email address : ir@ctvdoll.co.th  
Letter : Investor Relation  
Cho Thavee Dollasien Public Company Limited  
265 Moo 4 Klang Muang Road, Muangkhaio, Muang Khon Kaen, Khon kaen, 40000

## 3. Respect of Human Right

The Company follows the law and constitution of human rights by focusing on equity treatment of employees and non-discrimination because of birth origin, language, age, education, gender, disability or health, personal status and social or economy positions. The Company has imposed that the employees must not be younger than 18 years old and accepted to work with their willingness. In addition, the company has widely opened in disabled employment in accordance with the empowerment of persons with disabilities Act by monthly subsidized and quality of disabled life development in order to support opportunities development in society.

## 4. Fair Labor Treatment

The Company respects on fair treatment to all employees equally by building resections and follow the laws and ethics, also treating the labors in accordance with occupation health and safety and working environment and this regulation helps in stable business operation. The Company has established the CSR committee and staff which considered 7% of all the staffs to corporate social responsibility. Furthermore, the company has also provided the meeting for the CSR committee and the senior manager invariably



- Disabled Employment

The Company offered work opportunity, special helps and welfare to disabled and also provided the proper job for the capabilities and potential of the workforce

- Receipt of Complaint

CHO has a receipt of complaint policy for all groups of stakeholders by providing a receipt of complaint channel for both internal and external organization's stakeholders. The report of complaints will be investigated and recorded then passed through an internal auditor in order to report to CHO's independent audit committees to consider procedures to be undertaken by protecting and maintaining confidentiality of complainant and keeping confidential the name of complainant also prohibiting from disclosing such information in order to protect the complainant. Accordingly, the audit committees will make a report to the Board of Directors then CHO will consider investigating information relating to the complaint. In case of breach the code of business conduct by stakeholders, trading partners or customers, CHO will take corrective action without any compromise.

- The Company organized the project of Debt relief without interest payment for employees
- The Company against the early-retirement policy.
- Happy Mother's Day activities: Photo shoot and poetry competition
- Making Merit Activities: Monthly making merit on employees' birthday

- Employee training and development

the Company offered opportunity for all employees to be trained from inside and outside organization in order to enhance and develop understanding of their roles and characteristics of work. The most obviously seen benefits were the improvement of their work efficiency by applying the knowledge of work and also building loyalty to organization. For the individual benefits for each employees were their improvement of knowledge, skills and work development opportunity according to the monitor and observation found that the employees tend to focus to their works resulted more efficient of works.

- The Company employed only Thai nationality

by employing only Thai nationality in the production department.

- Entertainment and celebration welfares

the Company organized entertainment and celebration activities for all employees every year in order to create happiness to all employees after hard working.



- Annual Medical examination

all employees entitled to the annual medical examination from the reliability

## 5. Products and consumers Responsibilities

The Company affirmed in product operations and customer services, by continuously learning and developing from local level into international level as well as leading the social economy and environmental growths with the Company's strategic plans in order to response the stakeholders' needs from both internal and external organization. Appropriately collaborative from each party in order to build and return the advantages as fairness, transparency and accountability to



society and community. The Company has its operating plans of model scheme for 10 years which reviewing once a year in building good relationship between trading partners, customers, public dealer and the Company's employees by doing a survey of customers' satisfaction every year, also communicating and working with all stakeholders from all parties in order to collect the information for product- designed efficiency and services improvement and to summarize the responsibilities aspect and communication progress according to each group of the stakeholders.

## 6. Environmental Operation



The Company has recognized the importance of the environment and determined the corporate governance together with environment responsibility. In addition, the company has managed the resources sustainably, such as shutting the air conditioners off at the lunch break and installing more clean energy devices in 2015.

- solar cells installing – reducing energy used by applying employees knowledge from the mechatronics class generating the street lights within the company's area. The project is success and gets the high levels of satisfaction from the complacent measurement.

The environment effects for surrounding area of the Company, in 2009, although the Company has been noticed from The Khon Kaen Industrial Bureau in improving the factory that caused the smell from spray painting and the noise from the cutting and the knocking of metals. At the present, the company has already improved as per the advice from The Khon Kaen Industrial Bureau.

The company concerns much to the effect from the production process. The company has determined the direction in managing the environment within the factory, such as the method in removing dust from the paint, in order to avoid the troubles to the neighbor and the environmental effect to the employees and the community around the factory. The company has also open for suggestions and advices offered from the channel of facebook.

## 7. Society and Community Development

The Company organized the activities for benefits of the society and environment (CSR- After Process) as follows;

- Project of “CHO Thavee Football Junior Cup”

The Company has organized a youth football competition once a year since 2011 for the age between 12 – 14 years old, under the name of “Football CHO Thavee Junior Cup”, in order to support youth playing sport activities and stay away from drugs. The added benefit is, as youth are our nation future, to offer opportunities for them to be our future employees also their parents who are interested in sports would get to know more about CHO.



- Community support activities

The Company supports and helps to participate activities such as school playgrounds including community and traditions activities, donate money, products and goods for benefits of the foundation, school, university and community.

## Internal Control and Risk Management

**Internal Control and Risk Management**  
The Company continuously emphasized on essential Internal Control and Risk Management. The Company clearly defines management and employees operating authority at all levels in accordance with relevant internal and external regulations and laws, covers financial control, operations, management, and supervision.

In order to strengthen the effectiveness of the internal control and risk management systems and provide reasonable assurances to the achievement of the following objectives:

1. Strategies and objectives are clearly stated, practical and aligned with the Company's mission.
2. Outcomes are achieved to stated objectives, while resources are managed and used efficiently and economically.
3. All reports, including financial, management and operational information are accurate and reliable.
4. Business operations are in line with the Company's policies, regulations, laws, and other related to business operation.
5. Safeguarding systems are implemented to protect physical assets, personnel and information systems data.
6. Established Corporate Governance system with an effective quality management system.
7. Continuous high quality improvements are made to operations.

The Company has proper and effective internal control and risk management systems, aligned with the integrated framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) concept, also, the Company has improve the internal control system in accordance with the line of COSO 2013, 5 main components and 17 sub-components as follows;

### 1) Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.
2. The Board of Directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
3. Management establishes, with board oversight, structure, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

### 2) Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.
9. The organization identifies and assesses changes that could significantly impact the system of internal control.

### 3) Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
11. The organization selects and develops general control activities over technology to support the achievement of objectives.
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into place



#### 4) Information & Communication

13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
15. The organization communicates with external parties regarding matters affecting the functioning of internal control.

#### 5) Monitoring Activities

16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board of Directors, as appropriate.

Moreover, in 2015, there was a fluctuation from other risk factors such as investment deceleration from transportation dealer, political situation, rules and regulations from the National Peace and Order Maintaining Council (NPOMC) of the operating of container production and truck repair and maintenance in Thailand. The Company emphasizes the importance and value of risk management. Therefore, the Company appoints the Risk Management Team, together with the Audit committees hold the meeting quarterly to identify risks throughout the Company, rate the risks, define the risk management concept, and assign responsibilities to those in charge of managing and controlling the risks to its risk appetite levels. This enabled the Company to accomplish its goals and strategies and create confidence for all shareholders and stakeholders. Moreover, the Company assigned the Executive officer to attend the Anti-Corruption for Executive Program and Anti-Corruption: the Practice Guide in order to let the executive officers and employees in every level following as the guideline of operating risk management.

Every quarter, the Risk Management Committee submits risk management report results to the Audit Committee, the Board of Directors and the Executive Committee for closely monitoring to ensure that its risk appetite is acceptable and the Company is able to accomplish its goals. Please refer to the “Risk Factors” section, which summarized the risk factors affecting the Company’s operation and financials.

At the Board of Director’s Meeting No. 2/2016 on 19 February, 2016, the 3 independent auditor attended the meeting, acknowledged and agree with the Board of Directors and the Audit Committees has assessed the internal control system and related processes by reviewed the effectiveness of internal control process and by questioned the management. The result from the adequate evaluate found that the Company has implemented an appropriate and effective Internal Control System.

In addition, PricewaterhouseCoopers ABAS Limited, the Company’s external auditor in 2015, evaluated the effectiveness of the Company’s internal control system and concluded that there were no material deficiencies.

## Internal Audit

The Internal Auditor performs its duties independently and objectively and reports functionally and directly to the Audit Committee and administratively to the Chief Executive Officer. The Company regularly updates the Internal Audit Charter (vision, mission, strategy, scope, objectives, responsibilities, accountability and authority), and also updates the Internal Audit Manual as its primary source of reference.

The Internal Auditor evaluates and improves the effectiveness of internal control, processes according to annual audit plan after consideration of the Risk Based Audit Approach, including key control points and management opinions. The Internal Audit Office also consults and advises to ensure that company performance follows its strategies and achieves its goal and objectives. Furthermore, the Internal Audit Office regularly performs monitoring activities to ensure the effective and continuous improvement of internal control, risk management, and governance processes.

In assessing the effectiveness of internal control, the Internal Auditor has developed an adequate evaluation questionnaire for each internal control process, which is used to review the performance of each operation to ensure that the Company's objectives are achieved efficiently and effectively, rules and regulations are strictly adhered to and that financial reports are accurate and reliable.

In assessing the effectiveness of Corporate Governance, the Internal Auditor performs regular Corporate Governance evaluation, according to principles of good corporate governance set by of the Organization for Economic Co-Operation and Development (OECD) and the Stock Exchange of Thailand (SET). This ensures that the Company provides the necessary infrastructure and processes to support good corporate governance, transparency, fairness for all and accomplishes its objectives by using resources effectively to ensure the greatest benefit for all concerned stakeholders.

Furthermore, the Chief Internal Auditor acts as the secretary to the Audit Committee to support the effective achievement of its responsibilities and ensure accountability, as assigned by the Board of Directors in the Audit Committee by monthly holding a meeting and to provide professional advice to the Company, concerning the Risk Management and the Information Security of the Company.

The Internal Auditor adheres to the Standard for the Professional Practice of Internal Auditing, COSO 2013 and ISO 9001: 2008 frameworks and to perform their duties independently objectively according to the code of ethics. The Company emphasized on the Individual Coaching Plan, also the professional program qualified at different level.

## Chief of Internal Audit and Chief of Compliance

### 1) Chief of internal audit

The company has the internal audit section, with Mrs. Apsorn Suriya being Chief of internal audit, with the agreement from the audit committee No.1/2012 on November 14, 2012. The audit committee agree that the internal audit manager has the educational background, experiences, training as sufficient to the performance of internal audit in all aspects according to the standard of internal audit and risk factor analysis, preparing of audit plan, preparing of internal audit report complied to standard, reviewing to the sufficiency completeness of the evidence referred in the report, proposing or suggesting of the methodology in correction, adding, or reducing of audited transaction, preparing of working paper in collecting audited information, and performing other assigned duty and understanding of the Company activities and operating.

However the audit committee authorizes to nominate, discharge, move and evaluate the performance fo internal audit manager.

## 2) Chief of compliance

The board of directors has appointed Mr. Nattaporn Muangchantra (Legal assistant manager) to be chief of compliance, and has agreed that chief of compliance unit has the educational background, experiences, training as sufficient to the performance of governing the company and the subsidiary company in performing complied to regulations, act, notice from related organization such as the SEC and the SET; corporate governance for the public company and private firm in the group; preparing of document and the registration of correction, amendment of rules and regulations, resolutions to government sector; coordinating of transaction, legal act, registration agreement concerning the company's assets, providing the advice relating to civil case and criminal case, monitoring of debt collection and the enforcement of case.

## 3) Accounting Manager

The Company considered appointing Mrs. Panthong Nova (the Company's accountant No. 40100454 from July 27, 2008 – present) as the Accounting Manager by responsible for budget management, disclose accurately and completely financial statement information. The accounting manager complies with the qualification, educational background, experiences, training as sufficient to the performance.

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Related  
Transactions

The Company and the subsidiary company has done the transactions with the person(s) which may have the conflict of interests, such transactions have been done with the Company's shareholders and the related person(s) according to provision 258. The transactions have been disclosed in the remark to financial statements and interim financial statements audited and reviewed by the auditor of the company. The audit committee has expressed the opinion about the appropriateness of such transactions that: the transactions were in corresponded with the Company's normal business, or with the reasonableness. The prices and other conditions were quoted complied to market price according to the fair and at arm's length price, the same as quoted to other person(s) or other business which have no relationship. There was no transaction of the benefits among the Company, the subsidiary company, and the person(s) which may have conflict of interest.

## 1. Related Transactions

The related transactions of the Company and the subsidiary company with the person(s) which may have conflict of interest for the accounting period of 2014-2015 ending 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2015 shown as follows:

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
1. Knon kaen Cho Thavee (1993) Co., Ltd. - Mr. Suradech Taweesaengsakulthai (major shareholders/ director) holds 97.385% and being the director of such company	• The Company sales the products and services of repairing of truck's body, trailer/ semi-trailer	6.89	0.08	- The Company sales the products and spare parts and provide the services of repairing as normal trade with trade condition not differed from doing with the other	- Being appropriate and complied to the market price and normal trade according to the fair and at arm's length price with the price closed to that of the others
	- The Company rented the office building space to Khon Kaen Cho Thavee (1993) Co., Ltd to be office	0.36	0.36	- The company bought truck's head and spare parts as per normal trade by having price compared with that of other seller, price and condition on market basis	- The rental fee based on market rate with appropriate
	- The Company sales of vehicle	0.234	0.00	- The Company sold rickshaw which has not been used and with the problem of repairing in many times to Khon kaen Cho Thavee (1993) Co., Ltd. at the selling price equal to net book value after deducting accumulated depreciation	- The determination of price as per net book value was appropriated, with the price evaluation in equivalent to market price

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
1.Knon kaen Cho Thavee (1993) Co., Ltd.	<ul style="list-style-type: none"> <li>The fee from using the security of Khon Kaen Cho Thavee (1993) Co.,Ltd., for being pledged to the Company's credit line</li> </ul>	0.60	0.60	- The company has granted credit line from the bank by pledging the security of Khon kaen Cho Thavee (1993) Co., Ltd.	- Being the security of the related company to be pledged to credit line from bank for the operating of business of the company as necessary, and the fee equal to the fee of other financial institution
	- The Company has other account payable relating to such transaction at the end of period	0.05	0.03	- The Company has granted credit terms as per normal trade	Being essential and appropriated with the consideration of the transaction and the appraisal of value from independent appraiser



Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
2. Volrep Truck and Bus Co., Ltd. -Ms. Asana Taweesangsakulthai (director) holds 0.50% and being the director of such company	<ul style="list-style-type: none"> <li>The Company sales products and services in repairing of the body of truck, trailer/semi-trailer</li> <li>The Company has account receivables and advance from such transaction at the ending of period</li> </ul>	0.05	0.05	<ul style="list-style-type: none"> <li>The Company has sold the products and spare parts as normal business, with the comparison of price with other seller, the price and condition offered based on market price basis</li> <li>The Company has received the credit terms as per normal business</li> </ul>	- Being appropriated as per normal business, the price and condition closed to that of other person
	<ul style="list-style-type: none"> <li>The Company has bought the products, raw materials, and equipment.</li> <li>The Company has account payables from such transaction at the end of period</li> </ul>	22.23	3.95	<ul style="list-style-type: none"> <li>The Company has bought spare parts and equipment at the agreed price, and the price was closed to market price</li> <li>The Company has received the credit terms as per normal business</li> </ul>	- There was the comparison of price as appropriated and as per normal business, the price and condition closed to that of other person
	<ul style="list-style-type: none"> <li>The Company has offered the managements service, accounting software, and paid the expenses in advanced</li> <li>The Company has account receivable from such transaction at the end of period</li> </ul>	0.30	0.25	<ul style="list-style-type: none"> <li>Volrep Truck and Bus Co., Ltd. ;has no accounting software of its own, and has hired the company for the service of accounting software and others with the service fee of 80,000 baht/month, there has the collection of statistical data of the usage in evaluation the frequency of the usage and being used as the computation of service fee which shall be compared with other business, the project has finished in July 2013</li> </ul>	- Being the appropriated service fee with the comparison with other external person

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
3. Doll Fahrzeugbau GmbH - The Company's shareholder in the portion of 0.574% of paid-up registered capitals as at closing date on 30/12/2015	<ul style="list-style-type: none"> <li>The Company has purchased raw material from Doll Fahrzeugbau GmbH</li> <li>The Company has account payables from such transaction at the end of period</li> </ul>	119.97	62.94	- The Company has bought raw material from Doll Fahrzeugbau GmbH as to normal trade, for being the manufacturing of products as per the condition in the agreement in transferring of mutual technology under the trade condition as to normal trade of Doll Fahrzeugbau GmbH	- Being appropriated with trade condition as per normal trade, the price and condition was closed to that of the other person
	<ul style="list-style-type: none"> <li>The Company has provided other service and has sold the products</li> <li>The Company has account receivables from such transaction at the end of period</li> </ul>	0.004	22.67		
4. Ruamthavee Khon kaen Co., Ltd. - Mr. Siriwat Taveesangskulthai (director) holds 19.16% and being the director of such company	<ul style="list-style-type: none"> <li>The Company has sold the products and provided the services of repairing the truck's body, trailer/semi-trailer</li> </ul>	0.02	0.00	- The Company has sold spare parts and provided the services of repairing as to normal trade with the comparison with other seller, the offered price and condition was under market price basis	- Being appropriated as to normal trade, the price closed to that of other person
	<ul style="list-style-type: none"> <li>The Company has bought raw materials and spare parts</li> </ul>	0.58	6.39		
	<ul style="list-style-type: none"> <li>The Company has trade account payables from such transaction at the end of accounting period, and was the purchase in the past prior to be the related business</li> </ul>	0.32	0.05		

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
5. Tang Hua Sing Nakhon Pathom Limited Partnership - Mrs. Penphimol Vejvarut, major shareholder and managing partner	<ul style="list-style-type: none"> <li>The Company has sold the products and provided the service of repairing the truck's body, trailer/semi-trailer</li> <li>The Company has bought the products, raw materials</li> </ul>	0.14	0.02	<ul style="list-style-type: none"> <li>The Company has sold spare parts and provided repairing service as to normal trade, with the comparison of the price with other seller, the price and condition under market price basis</li> <li>The company has bought raw materials and spare parts as to normal trade</li> </ul>	<ul style="list-style-type: none"> <li>Being appropriated as to normal trade, the price was closed to that of other person</li> </ul>
6. TSP-CTV JOINT VENTURE. The Company has signed the joint venture agreement with T.S.P energy saving lighting Co., Ltd. with joint responsibility	<ul style="list-style-type: none"> <li>The Company has sold the products of LED and stock controls</li> <li>The Company has realized revenues from management</li> <li>The Company has other account receivables from such transaction at the end of account period</li> <li>The Company has account receivable from advanced payment</li> </ul>	76.60 6.75 18.77 0.51	12.53 4.21 36.38 2.89	<ul style="list-style-type: none"> <li>The company has charged for the management fee and the payment on behalf of Joint Venture as necessary, since the joint venture has no personal of its own in present the project under control of Ministry of Defense</li> </ul>	<ul style="list-style-type: none"> <li>Being appropriated and the necessity and the determination of price</li> </ul>
7. JVCC JOINT VENTURE. The Company has signed joint venture agreement with Khon kaen Cho Thavee (1993) Co., Ltd. with joint responsibility	<ul style="list-style-type: none"> <li>The Company has other account receivables from such transaction at the end of account period</li> </ul>	0.30	2.41	<ul style="list-style-type: none"> <li>The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and private sector with the condition in having the company's registered capitals of more than 270 million baht.</li> </ul>	<ul style="list-style-type: none"> <li>Being appropriated and corresponded with short-term necessity, with not much amount as significant</li> </ul>

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
8. KHON KAEN THINK TANK Co., Ltd. Mr. Suradech Taweesaengsakulthai (director) holds 6.86% and being the director of such company	<ul style="list-style-type: none"> <li>The company has provided making video presentations and other tasks.</li> </ul>	0.00	0.38	- The company has provided making video presentations for the Khon Kaen Think Tank Co., Ltd. and billing to them	- Being appropriated as to the company's pricing policy
9. Mr. Suradech Taweesaengsakulthai - The major shareholders of the company with the portion of 39.915% of paid-up registered capitals as at closing date on 30/12/2015 - Director - Chief Executive Officer - President and Chief Executive Officer	- Being the guarantor for the subsidiary company's credit line with bank	Guarantee line with 2 banks in total of 76.00 million baht	Guarantee line with 2 banks in total of 26.00 million baht	- The subsidiary company has the loans agreement with the bank with the condition that the director being guarantor to such credit line beside to other collateral, and the director did not charge any compensation for such guarantee	- The transaction was reasonable and benefited to the company business, and the company have to do as to the bank's condition

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
10. Ms. Asana Taweangsakulthai - The Company's shareholder in the portion of 4.338% of paid-up capitals as at 30/12/2018 - Director -The executive committee -Senior Vice President	<ul style="list-style-type: none"> <li>Being the guarantor for the subsidiary company's credit line with bank</li> </ul>	Guarantee line with 2 banks in total of 76.00 million baht	Guarantee line with 2 banks in total of 26.00 million baht	- The subsidiary company has the loans agreement with the bank with the condition that the director being guarantor to such credit line beside to other collateral, and the director did not charge any compensation for such guarantee	- The transaction was reasonable and benefited to the company business, and the company have to do as to the bank's condition
	<ul style="list-style-type: none"> <li>The Company has paid for rental fee at the Bangkok office</li> <li>The creditor from such transaction at the end of accounting period</li> </ul>	-none-  -none-	1.20  0.20	- The Company has rented the Bangkok office space at 100,000 baht per month	- The transaction was reasonable and benefited to the company business, and the company have to do as the bank's condition
11. Ms. Rungrit Taweangsakulthai - The sister of Mr. Suradech Taweangsakulthai	<ul style="list-style-type: none"> <li>The Company has paid for rental fee at the Bangkok office</li> <li>The creditor from such transaction at the end of accounting period</li> </ul>	1.20  0.20	-none-  -none-	- The Company has rented the Bangkok office space at 100,000 baht per month	- The transaction was reasonable and benefited to the company business, and the company have to do as the bank's condition
	<ul style="list-style-type: none"> <li>Being the guarantor to the subsidiary company's credit line with bank</li> </ul>	Guarantee line with 1 bank in total of 65.00 million baht	Guarantee line with 1 bank in total of 5.00 million bath	- The subsidiary company has loans agreement with bank with the condition that the director being the guarantor to such credit line beside to other collateral, Mr. Surapol has resigned from the company's director but still being the guarantor from such guarantee	- The transaction was reasonable and benefited to the company's business, and the company have to do as to the bank's condition
12. Mr. Surapol Taweangsakulthai - The Company's shareholder with the portion of 2.377% of paid-up capitals as at 30/12/2015 - The father of Mr. Siriwat Taweangsakulthai (director)					

Name of the related person/ relationship	Characteristic of related transactions	Value (million baht)		The essential and the reasonable	The opinion of audit committee
		31 December 2014	31 December 2015		
13. Mr. Surachai Taweangsakulthai - The brother of Mr. Surachai Taweangsakulthai	<ul style="list-style-type: none"> <li>Being the guarantor to the subsidiary company's credit line with bank</li> </ul>	Guarantee line with 1 bank in total of 65.00 million baht	Guarantee line with 1 bank in total of 5.00 million baht	<ul style="list-style-type: none"> <li>The subsidiary company has loans agreement with bank with the condition that the director being the guarantor to such credit line beside to other collateral, Mr. Surachai has been resigned from the company's director but still being the guarantor without charging any compensation from such guarantee</li> </ul>	<ul style="list-style-type: none"> <li>The transaction was reasonable and benefited to the company's business, and the company have to do as to the bank's condition</li> </ul>

## 2. Audit committee's opinion

The audit committee's meeting No. 2/2016 on 19<sup>th</sup> February 2016 has considered and reviewed with company's managements, expressed the opinion that the related transactions with the person(s) or juristic person which may have the conflict of interest for the 2015 accounting period were reasonable, the determination of price or the condition of such transactions were fairness and compared with the appraised price by the independent appraiser, or the comparative market price whoever deem appropriated. So, it did not cause the disadvantage to the company

## 3. Measure or the procedure in appraising related transactions

The Board of Directors' meeting No. 1/2556 on 4<sup>th</sup> January 2013 has approved in principles about the policy and procedure in doing related transaction, in order to have the transaction between person (s) or juristic person (s) which may have conflict of interest being transparency, and to save the company's benefits.

In case of the related transaction of the company or the subsidiary company with person (s) which may have conflict of interest, with interest, or may have the conflict of interest in the future, the company shall prepare for the opinion expressed by the audit committee concerning the essential and the appropriate of such transaction. In case that the audit committee has no expertise in considering such related transaction, the company will let the independent expert or the auditor of the company in expressing the opinion, for the decision of the board or the shareholders. The company shall disclose related transaction in remark to the audited financial statements and in form 56-1.

## 4. Policy or trend in doing related transaction

In the future, the company may have the related transaction as deem appropriate under the normal trade condition and can be referred to the trade condition of the same business which the company operates with the outside person (s). The company shall act as to rule of law pertaining to securities and stock exchange market, and regulations, notices, orders, of the market for alternative investment (MAI), including the performance as to regulations and disclose the information of doing related transaction, and the acquisition or disposal of significant assets of the listed company and the subsidiary company corresponded with accounting standard defined by the council of accounting profession.

In case that there will be the related transaction, the company and the subsidiary company shall act as to the announcement about the regulation dealing with procurement. The company shall also act as to the procedure of approving the related transaction mentioned there must be the comparison of price and condition from the distributors or other contractors who are not the related persons, and must have the quotation which clearly defines the price and condition, and being brought together in submitting to



the audit committee for the expressing of opinion about the necessary and the appropriate of such transaction, before being proposed for the approval as per the measure of doing related transaction.

## 5. Measure in the future for the protection of Conflict of Interest

For the firm that has or may have the opportunity to perform business related to the company or the subsidiary company, and meets the measure of being the firm related to the company from having the affiliated directors and/or shareholders under the related regulation of the SEC, the company has not adjusted the structure by combining such firm to be under controlling power of the company. In order for the transparency in management, and in corresponded with the direction under the regulation of securities and stock exchange market act B.E. 2535 relating to the protection of minor shareholders' interests, the company has signed the agreement with such firm in defining the scope in operating business of each company, in order to remove the opportunity of having conflict of interest with the company. The followings are the related company, including the substance of agreements:

1. Khon kaen Cho Thavee (1993) Co., Ltd. ("CTV-1993")	
Group of shareholders/person(s) with control power	: <u>The holding of shares</u> - Mr. Suradech Taweesaengsakulthai holds 97.38% of registered capitals <u>The director</u> Mr. Suradech Taweesaengsakulthai
Business model	: Selling of truck's head, every type of trailer, and leasing for truck
Assets in ownership (Audited financial statements as at 31 December 2014)	: 305.68 million baht
Reason of not being in the group	: The difference in business model with the company
Measure in protecting conflict of interest	: Agreement dated 15 June 2011 with the major point as follows: 1. CTV-1993 will not do business in the same or like that of CTV-DOLL 2. CTV-Doll and CTV-1993 agree and guarantee to each other that; any operation between both contractor under this agreement must complied to law, regulation, notice, including rules and regulations of the SEC and the SET 3. CTV-Doll and CTV-1993 agree and accept that each party is unable to utilize human resources and assets of the other party for the benefits of its own
The binding time	: Start from date of signing agreement until the related contractor agree on the change

2. Volrep Truck and Bus Co., Ltd. ("Volrep")	
Group of shareholders/person(s) with control power	: <u>Holding of shares</u> - Ms. Asana Taweesaengsakulthai holds 0.50% of registered capitals <u>The directors</u> Ms. Asana Taweesaengsakulthai
Business model	: Selling of truck's head, trailer, spare parts of truck, and engine repairing

## 2. Volrep Truck and Bus Co., Ltd. ("Volrep")

Assets in ownership (Audited financial statements as at 31 December 2014)	:	61.46 Million baht
Reason of not being in the group	:	The difference in business model with the company
Measure in protecting conflict of interest	:	Agreement dated 15 June 2011 with the major point as follows: 1. Volrep will not operate business in the same or like that of CTV-DOLL 2. CTV-Doll and Volrep agree and guarantee to each other that; any operation between both contractor under this agreement must complied to law, regulation, notice, including rules and regulations of the SEC and the SET 3. CTV-Doll and Volrep agree and accept that each party is unable to utilize human resources and assets of the other party for the benefits of its own
The binding time	:	Start from date of signing agreement until the related contractor agree on the change

In case of the related transaction between the company or the subsidiary company with the above mentioned related company, including the amendment of contract or agreement, such transaction shall be treated as transaction with the person (s) which may have conflict, and must have the opinion from audit committee and presented to the company board of directors for the consideration. Any director with interest or may have conflict of interest in related transaction, is unable to involve in the consideration of approving the related transaction complied to the regulation of the SET concerning related transaction, and will be disclosed in remark to the financial statements FORM 56-1, and annual report.



**"CHO 2023 STRONG BRAVE DIFFERENT**

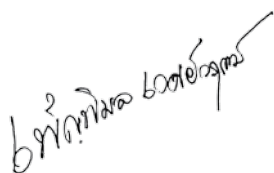
# Report on Responsibilities of the Board of Directors towards the financial Report

The Board of Directors of Cho Thavee Dollasien Public Company Limited are responsible for the financial statement and the consolidated financial statement of Cho Thavee Dollasien Public Company Limited and its subsidiary including to the financial information which presented in this annual report. The financial statements have been prepared in accordance with general financial reporting standards. The accounting policies pursued and deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statements for the purpose of the transparency and benefits to the shareholders and general investors.

The Board of Directors have provided risk management system and appropriate and efficient internal controls to ensure reasonable confidence that accounting records are accurate, reliable and sufficient to protect the assets in order to prevent fraud or materially irregular operations. In this regards, the Board of Directors have appointed an Audit Committee to be responsible for reviewing the accounting policy, quality of financial reports, review internal controls, internal audit, risk management system and also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statement of the Company and the consolidated financial statement of the Company and its subsidiary have been examined by an external auditor, PricewaterhouseCoopers ABAS Limited. To conduct the audits and express on opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related information as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believe that the Company's overall internal control system is satisfactory and offer reasonable confidence in the credibility of Cho Thavee Dollasien Public Company Limited's financial statement and Cho Thavee Dollasien Public Company Limited and its subsidiary's consolidated financial statement for the year ended December 31, 2015. The Board of Directors also believe that all these financial statements have been prepared in accordance with general financial reporting standard, laws and related regulations, the Board of Directors are responsible towards the financial report.



(Ms. Phenphimol Vejvarut)  
Chairman



(Mr. Suradech Taweesaengsakulthai)  
President and Chief Executive Officer

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# 20

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Financial position  
and Operation  
Results

## Major financial information

### (A) Auditor and summary of Auditor opinion

The auditor has audited financial reports of the company and the subsidiary company for the year 2013-2015 with the summary as follows:

Audited	: accounting period for year 2013 ending 31 <sup>st</sup> December 2013
Auditor	: M. R. and Associates Co., Ltd. by Mr. Methee Ratanasrimetha CPA No. 3425 the auditor with the permission from the SEC
Auditor's Opinion	:Express the opinion without condition that the consolidated financial statements show the financial positions of consolidate and separated, operation results of consolidated and separated, and cash flow of consolidated and separated accurately as it should be in significant according to general accounting principles. Draw attention to Note 2. The Group has adopted Thai Accounting Standard No.12 "Income tax" starting from January1, 2013. The corresponding figures presented are based on the financial statements for the years ended December 31, 2012 and 2011 audited by another auditor in the same office, and after the adjustments described in Note 2. an audit of the adjustments that were applied to restate the corresponding figures. And show opinion, such adjustments are appropriate and have been properly applied.

Audited	: accounting period for year 2014 ending 31st December 2014
Auditor	:PricewaterhouseCoopers ABAS Limited by Mr. Mr. Sudwin Panyawongkhanti CPA Registration No.3534 the auditor with the permission from the SEC
Auditor's Opinion	:Express the opinion without condition that the consolidated and company financial statement referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Dollasien Public Co., Ltd. and its subsidiaries and of Cho Thavee Dollasien Public Co., Ltd. as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Audited	: accounting period for year 2015 ending 31st December 2015
Auditor	:PricewaterhouseCoopers ABAS Limited by Mr. Mr. Sudwin Panyawongkhanti CPA Registration No.3534 the auditor with the permission from the SEC
Auditor's Opinion	:Express the opinion without condition that the consolidated and company financial statement referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Dollasien Public Co., Ltd. and its subsidiaries and of Cho Thavee Dollasien Public Co., Ltd. as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(B) Summary of financial positions and operation results (consolidated financial statements)

Cho Thavee Dollasien Public Company Limited and its subsidiaries.

Statement of Financial Position

As at 31 December 2015

Unit : Million Baht

	2015	%	2014	%	2013	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	49.30	3.04	23.70	2.13	3.69	0.36
Trade and other accounts receivable (net)	468.38	28.92	374.01	33.61	344.21	33.89
Current portion of employee receivables under finance lease agreements (net)	0.19	0.01	-	-	-	-
Contract work in progress in excess of progress	1.43	0.09	0.61	0.06	6.25	0.62
Inventories (net)	295.49	18.25	297.77	26.76	260.09	25.61
Financial instrument assets	-	-	0.22	0.02	-	-
Value added tax	20.09	1.24	10.55	0.95	9.45	0.93
<b>Total current assets</b>	<b>834.88</b>	<b>51.56</b>	<b>706.87</b>	<b>63.53</b>	<b>623.69</b>	<b>61.41</b>
<b>Non-current assets</b>						
Prepaid withholding tax	-	-	-	-	3.78	0.37
Restricted deposit at financial institution	2.00	0.12	3.90	0.35	3.90	0.38
Employee receivables under finance lease agreements (net)	0.71	0.04	-	-	-	-
Held-to-maturity investment	1.00	0.06	1.00	0.09	1.00	0.10
Investment property	81.58	5.04	-	-	-	-
Property, plant and equipment (net)	663.71	40.99	361.32	32.47	336.99	33.18
Intangible assets (net)	27.45	1.70	31.95	2.87	38.57	3.80
Deferred tax asset (net)	7.31	0.45	7.47	0.67	7.44	0.73
Prepaid income tax	0.45	0.03	-	-	-	-
Refundable deposits	0.29	0.02	0.21	0.02	0.28	0.03
<b>Total non-current assets</b>	<b>784.50</b>	<b>48.44</b>	<b>405.85</b>	<b>36.47</b>	<b>391.95</b>	<b>38.59</b>
<b>Total assets</b>	<b>1,619.38</b>	<b>100.00</b>	<b>1,112.72</b>	<b>100.00</b>	<b>1,015.64</b>	<b>100.00</b>



**Cho Thavee Dollasien Public Company Limited and its subsidiaries.**

**Statement of Financial Position**

**As at 31 December 2015**

Unit : Million Baht

	2015	%	2014	%	2013	%
<b>Liabilities and Shareholders' Equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	729.56	45.05	305.91	27.49	332.32	32.72
Trade and other accounts payable	110.22	6.81	97.41	8.75	132.39	13.04
Current portions of						
- long-term borrowings from financial institutions	0.92	0.06	0.92	0.08	0.92	0.09
- liability under finance lease agreements (net)	9.96	0.62	1.39	0.12	3.61	0.36
Progress billings in excess of contract work in progress (net)	-	-	18.76	1.69	23.97	2.36
Financial instrument liabilities	0.11	0.01	-	-	0.81	0.08
Provision for warranty	6.76	0.42	9.59	0.86	4.99	0.49
Accrued income tax	3.35	0.21	19.17	1.72	1.75	0.17
Other current liabilities	1.53	0.09	3.06	0.28	0.99	0.10
<b>Total current liabilities</b>	<b>862.42</b>	<b>53.26</b>	<b>456.21</b>	<b>41.00</b>	<b>501.76</b>	<b>49.40</b>
<b>Non-current liabilities</b>						
Long-term borrowings from financial institutions	2.54	0.16	3.46	0.31	4.38	0.43
Liability under finance lease agreements (net)	41.30	2.55	3.30	0.30	1.58	0.16
Employee benefit obligations	16.12	1.00	13.50	1.21	9.90	0.97
<b>Total non-current liabilities</b>	<b>59.96</b>	<b>3.70</b>	<b>20.26</b>	<b>1.82</b>	<b>15.87</b>	<b>1.56</b>
<b>Total liabilities</b>	<b>922.38</b>	<b>56.96</b>	<b>476.47</b>	<b>42.82</b>	<b>517.63</b>	<b>50.97</b>
<b>Shareholders' Equity</b>						
Share capital						
Authorised share capital	270.00		270.00		270.00	
Issued and paid-up share capital	206.13	12.73	180.00	16.18	180.00	17.72
Share premium	317.33	19.60	291.36	26.18	291.36	28.69
Share premium from share-based payment	29.01	1.79	29.01	2.61	-	-
Advance received from share subscription	44.68	2.76	22.71	2.04	-	-
Discount from increment of investments in subsidiary	(5.63)	(0.35)	(5.63)	(0.51)	(5.63)	(0.55)
Retained earnings						
Appropriated - Legal reserve	6.82	0.42	5.51	0.50	1.52	0.15
Unappropriated	98.66	6.09	113.28	10.18	30.76	3.03
<b>Total parent's equity</b>	<b>697.00</b>	<b>43.04</b>	<b>636.24</b>	<b>57.18</b>	<b>498.01</b>	<b>49.03</b>
Non-controlling interests	0.00	0.00	0.01	0.00	0.00	0.00
<b>Total shareholders' equity</b>	<b>697.00</b>	<b>43.04</b>	<b>636.25</b>	<b>57.18</b>	<b>498.01</b>	<b>49.03</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,619.38</b>	<b>100.00</b>	<b>1,112.72</b>	<b>100.00</b>	<b>1,015.64</b>	<b>100.00</b>

Noted : Adjusting in 2015 for compare with 2016

**Statement of Comprehensive Income**  
**For the year ended 31 December 2015 2014 and 2013**

Unit : Million Baht

	2015	%	2014	%	2013	%
<b>Revenues</b>						
Revenues from contract work	972.73	85.13	1,215.92	80.36	767.46	88.17
Revenues from sales and services	169.90	14.87	297.10	19.64	102.95	11.83
<b>Total Revenues</b>	<b>1,142.63</b>	<b>100.00</b>	<b>1,513.02</b>	<b>100.00</b>	<b>870.41</b>	<b>100.00</b>
Cost of contract work	(805.09)	(70.46)	(964.85)	(63.77)	(594.05)	(68.25)
Cost of sales and services	(87.34)	(7.64)	(214.70)	(14.19)	(79.32)	(9.11)
<b>Total Costs</b>	<b>(892.43)</b>	<b>(78.10)</b>	<b>(1,179.55)</b>	<b>(77.96)</b>	<b>(673.36)</b>	<b>(77.36)</b>
Gross profit	250.20	21.90	333.47	22.04	197.05	22.64
Other income	16.34	1.43	7.67	0.51	4.46	0.51
<b>Profit before expense</b>	<b>266.54</b>	<b>23.33</b>	<b>341.13</b>	<b>22.55</b>	<b>201.51</b>	<b>23.15</b>
Selling expenses	(57.88)	(5.07)	(56.96)	(3.76)	(35.23)	(4.05)
Administrative expenses	(137.19)	(12.01)	(133.05)	(8.79)	(80.12)	(9.21)
Other expenses - net gain (loss) on exchange rates	2.82	0.25	5.29	0.35	(3.10)	(0.36)
Other expenses - net gain (loss) on disposal fixed	(0.18)	(0.02)	0.27	0.02	-	-
Finance costs - interest expense	(28.86)	(2.53)	(19.31)	(1.28)	(26.59)	(3.05)
<b>Profit before income tax</b>	<b>45.25</b>	<b>3.96</b>	<b>137.37</b>	<b>9.08</b>	<b>56.48</b>	<b>6.49</b>
Income tax	(9.51)	(0.83)	(38.79)	(2.56)	(8.14)	(0.94)
<b>Profit for the year</b>	<b>35.74</b>	<b>3.13</b>	<b>98.58</b>	<b>6.52</b>	<b>48.34</b>	<b>5.55</b>
<b>Other comprehensive income (expense)</b>						
Items that not reclassified to profit or loss						
• Remeasurements of post-employment benefit obligations	(0.03)	(0.00)	(1.58)	(0.10)	-	-
• Income tax on remeasurements of post-employment benefit obligations	0.01	0.00	0.32	0.02	-	-
Other comprehensive expense for the period, net of tax	(0.03)	(0.00)	(1.27)	(0.08)	-	-
<b>Total comprehensive income for the year</b>	<b>35.71</b>	<b>3.13</b>	<b>97.31</b>	<b>6.43</b>	<b>48.34</b>	<b>5.55</b>
<b>Profit attributable to:</b>						
Equity holders of the parent	35.74	3.13	98.58	6.52	48.33	5.55
Non-controlling interests	(0.00)	(0.00)	0.00	0.00	0.00	0.00
	<b>35.74</b>	<b>3.13</b>	<b>98.58</b>	<b>6.52</b>	<b>48.34</b>	<b>5.55</b>
<b>Comprehensive income attributable to:</b>						
Equity holders of the parent	35.71	3.13	97.31	6.43	48.33	5.55
Non-controlling interests	(0.00)	(0.00)	0.00	0.00	0.00	0.00
	<b>35.71</b>	<b>3.13</b>	<b>97.31</b>	<b>6.43</b>	<b>48.34</b>	<b>5.55</b>
<b>Earnings per share for profit attributable to the equity holders of the parent</b>						
Basic earnings per share (Baht)	0.0444		0.1369		0.0746	
Diluted earnings per share (Baht)	0.0349		0.1001		0.0529	

Noted : Adjusting in 2015 for compare with 2016

**Cho Thavee Dollasien Public Company Limited and its subsidiaries.**

**Statement of Comprehensive Income**

**For the year ended 31 December 2015**

Unit : Million Baht

	2015	2014	2013
<u>Changes in par value of ordinary share for comparision</u>			
Earnings per share for the equity holders of the parent(Baht/share)	0.0433	0.1369	0.0671
Par Value (Baht/Share)	0.25	0.25	0.25
Amount of ordinaries shares (million shrares)	824.51	720.00	720.00
<u>Ordinaries shares base calculated adjustment after IPO. and after fully dilute of CHO-w1 exercised</u>			
Fully dilute earnings per share for the equity holders of the parent(Baht/share)	0.0331	0.0901	0.0448
Par Value (Baht/Share)	0.25	0.25	0.25
Amount of ordinaries share after IPO. (million shrares)	1,079.90	1,079.90	1,079.90

\* Earnings per share (Fully Dilute) : Calculated from Net profit divided by fully dilute of total amount of ordinaries shares after issued warrant exercised therefore the amount of exercised issueing warrant 1,079.9 million shares, par value is 0.25 baht/share.

**Cho Thavee Dollasien Public Company Limited and its subsidiaries.**

**Statement of Cash Flows**

**For the year ended 31 December 2015, 2014 and 2013**

Unit : Million Baht

	2015	2014	2013
<b>Cash flows from operating activities</b>			
Profit before income tax	<b>45.25</b>	<b>137.37</b>	<b>56.48</b>
Adjustments			
Depreciation expenses	27.24	23.19	24.14
Amortisation charge	4.80	6.01	4.01
Revenue from finance lease agreement	(0.93)	-	-
Allowance for doubtful accounts	0.91	0.93	0.21
Allowance for obsolete and slow moving inventories	(0.87)	(2.16)	(1.25)
Allowance for project loss	0.33	0.25	0.08
Provision for warranty	(2.83)	4.60	1.93
Transfers intangible assets to research expenses	-	1.76	-
Loss from write-off of property, plant and equipment	0.19	0.00	0.00
Gain from disposal of property, plant and equipment	(0.01)	(0.27)	-
Unrealised (gain) loss from financial instrument	0.11	(0.22)	0.81
Employee benefit obligations	2.59	2.02	2.50
Interest income	(9.20)	(0.27)	(0.29)
Interest income from finance lease agreement	(0.00)	-	-
Share-based payment expenses	-	29.01	-
Finance costs			
- Interest expense for borrowings from finance institutions	28.60	19.07	26.12
- Interest expenses under finance lease agreements	0.26	0.24	0.46
Changes in operating assets and liabilities			
Trade and other accounts receivable	(95.28)	(30.73)	(128.16)
Contract work in progress in excess of progress billings	(1.14)	5.39	(6.33)
Inventories	2.04	(35.52)	(47.32)
Financial instrument	0.22	(0.81)	0.11
Value added tax	(9.54)	(1.10)	(4.70)
Deposits at financial institutions under pledge	-	-	9.50
Refundable deposits	(0.08)	0.07	3.20
Trade and other accounts payable	12.81	(34.13)	4.20
Progress billings in excess of contract work in progress	(18.76)	(1.74)	9.72
Other current liabilities	(1.53)	2.07	(1.04)
Cash receipts (payments) from operating activities before			
interest income received, finance costs paid and income tax paid	(14.83)	125.03	(45.62)
Interest income	9.20	0.27	0.29
Cash receipts from receivables under finance lease agreements (net)	0.03	-	-
Finance costs paid			
- Interest expense for borrowings from finance institutions	(5.03)	(18.38)	(27.06)
Income tax paid	(25.61)	(17.31)	(7.35)
<b>Net cash receipts (payment) from operating activities</b>	<b>(36.23)</b>	<b>89.61</b>	<b>(79.74)</b>

**Cho Thavee Dollasien Public Company Limited and its subsidiaries.**

**Statement of Cash Flows**

**For the year ended 31 December 2015, 2014 and 2013**

**Unit : Million Baht**

	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Cash flows from investing activities</b>			
Restricted deposit at finance institution	1.90	-	-
Cash paid for purchase of investment properties	(81.58)	-	-
Cash paid for purchase of fixed assets	(279.63)	(49.44)	(28.27)
Cash received from disposal of fixed assets	0.03	0.28	-
Cash paid for purchase of intangible assets	(0.30)	(1.16)	(8.48)
<b>Net cash receipts (payments) from investing activities</b>	<b>(359.58)</b>	<b>(50.32)</b>	<b>(36.75)</b>
<b>Cash flows from financing activities</b>			
Short-term borrowings from financial institutions			
- proceeds	6,726.21	4,092.71	3,397.66
- repayments	(6,327.30)	(4,119.12)	(3,598.75)
Long-term borrowing from financial institutions			
- repayments	(0.92)	(0.92)	(20.27)
Cash payments for liabilities under finance lease agreements	(1.65)	(3.86)	(7.71)
Cash payments for dividend	(48.99)	(10.80)	-
Cash received from share subscription	74.06	22.71	341.36
<b>Net cash receipts (payments) from financing activities</b>	<b>421.41</b>	<b>(19.28)</b>	<b>112.29</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25.60</b>	<b>20.00</b>	<b>(4.20)</b>
Cash and cash equivalents - opening balance	23.70	3.69	7.90
<b>Cash and cash equivalents - closing balance</b>	<b>49.30</b>	<b>23.70</b>	<b>3.69</b>
<b>Non-cash transactions:</b>			
An outstanding payable arising from purchases of fixed assets as at 31 December	0.62	-	4.27
Retention payable as at 31 December	1.84	1.32	2.07
An outstanding liability under finance lease agreement arising from purchase of fixed assets as of 31 December	-	3.11	2.54
Dividend payable	0.03	-	-
Inventories transfer to fixed assets	1.10	-	-

## (C) Summary of major financial ratio

### Summary of major financial ratio

Financial Ratio of Cho Thavee Dollasien Public Company Limited and its subsidiaries.

		Consolidated		
		2015	2014	2013
<b><u>Liquidity ratio</u></b>				
Current ratio	Time	0.97	1.55	1.24
Quick ratio	Time	0.60	0.87	0.69
Cash flow liquidity ratio	Time	(0.05)	0.19	(0.13)
Account receivables turnover ratio	Time	2.68	4.76	3.41
Collection period	Days	134	76	106
Inventory turnover ratio	Time	3.01	4.23	2.99
Average day sales	Days	120	85	121
Account payables turnover ratio	Time	8.60	10.27	5.94
Payment period	Days	42	35	61
Cash cycle	Days	212	126	166
<b><u>Profitability ratio</u></b>				
Gross profits	(%)	21.90%	22.04%	22.64%
Operating profits	(%)	6.25%	9.99%	9.90%
Other profits	(%)	1.64%	0.87%	0.16%
Cash to earning	(%)	-50.69%	59.30%	-92.54%
Net profits	(%)	3.08%	6.48%	5.52%
Earning per share	(%)	5.36%	17.38%	15.94%
<b><u>Efficiency ratio</u></b>				
Return on assets	(%)	2.62%	9.26%	5.23%
Return on fixed assets	(%)	6.97%	28.23%	14.53%
Assets cycle	Time	0.85	1.43	0.95
<b><u>Financial policy ratio</u></b>				
Debts to equity ratio	Time	1.32	0.75	1.04
Interest coverage ratio	Time	0.07	7.65	(1.69)
Cash basis	Time	(1.16)	2.17	(1.14)
Dividend payout ratio	(%)	93.07% *	49.70%	22.34%

Noted \* Due to some of the CHO-W1 warrant will be exercised on March 31, 2016 and the CHO-W1's shareholders have the purchasing right for the ordinary shares. In order to have the right of getting the dividend payment, therefore the said payment of dividend has uncertainty regarding to this mater. However, the right to receive such dividend is uncertain because the Company has to seek prior approval from the 2016 AGM on 21<sup>st</sup> April, 2016. Then, the dividend payout ratio calculated from the total amount of issued ordinaries shares and the total of CHO-w1, in the case of fully exercised.



## Management's Analysis and Description

The company operates the business in designing, creating, manufacturing, combining and installing of engineering system relating to vehicle for commercial. The company also combines World-class technology about rail system, logistics, and defense industry, with professional management such as: catering hi-loaders truck, fire-fighting truck, rescue truck, beverage loading truck, trailer/semi-trailer, OPV project management, project of maintenance services and services center for Linfox's truck, trailer/semi-trailer of Tesco-Lotus.

The company manufactures of products as to the customers' order (made to order) by design suitably for the work and budget in private sector and government sector within the country and oversea. The company has one subsidiary company who operates the business in designing, manufacturing, assembling, and installing of light-weighted fiber glass container for loading of fresh and dry cargo. In consideration of the company's operation results during past three years, the company and its subsidiary reported of revenues from 2 business models which were revenues from contract at the portion of 80%-88% of total revenues, and revenues from sales and services at the portion of 12%-20% of total revenues.

In the year 2013-2015, the company and its subsidiary reported total revenues equal to, 847.87 million baht, 1,520.69 million baht and 1,158.97 million baht respectively. In 2013-2015 The company reported the comprehensive profits equal to, 48.34 million baht 97.31 million baht, and 35.71 million baht respectively.

As at 31st December 2015, the company and its subsidiary have backlog for 429.95 million baht comprised of 421.35 million baht for the company, and 8.60 million baht for the subsidiary company, the company set the revenues growth target in 2016 of not less than 5%-10% of revenues in 2015 excluding special projects.

Thus, the total comprehensive profit for the year 2015 had deducted the cost of NGV public transportation buses project preparation by Bangkok Mass Transit Authority which has been canceled and the Company is in the process of filing a court to recall the cancellation.

### .1.1 Operation results

#### Revenues

Total revenues of the company and its subsidiary for accounting period of 2013-2015 equal to 874.87 million baht, 1,520.69 million baht, and 1,158.97 million baht respectively. The changes as per type of revenues shown as follows:

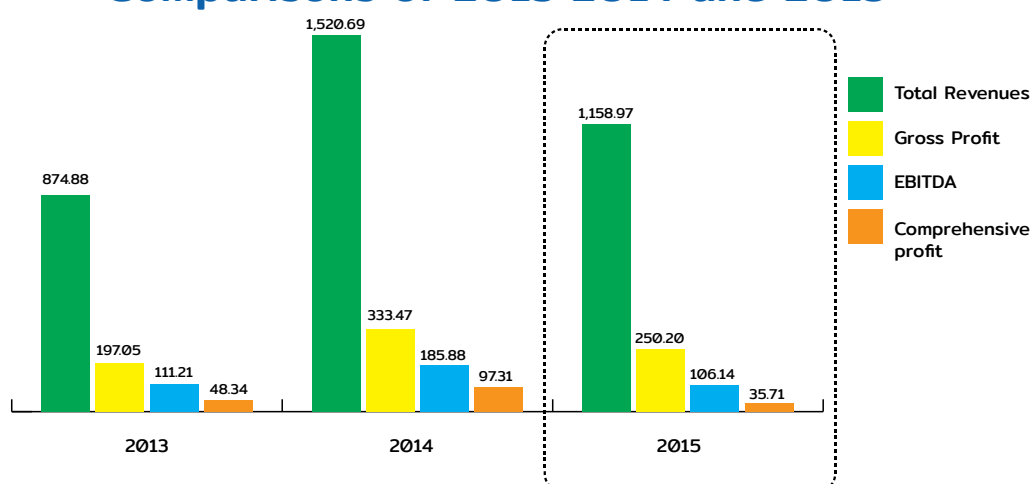
Type of revenues	2013		2014		2015	
	Million baht	%	Million baht	%	Million baht	%
Revenues from contract	767.46	88.17%	1,215.92	80.36%	972.73	85.13
Revenues from sales & Services <sup>/1</sup>	102.95	11.83%	297.10	19.64%	169.90	14.87
Total revenues	870.41	100.00%	1,513.02	100.00%	1,142.63	100.00%
Other revenues <sup>/2</sup>	4.46	0.51%	7.67 <sup>/3</sup>	0.50%	16.34	1.43
Grand total revenues	874.87		1,520.69		1,158.97	

Remarks: <sup>/1</sup> –revenues from sales comprised of sales of spare parts, sales of sample product (prototype), sales of inventory

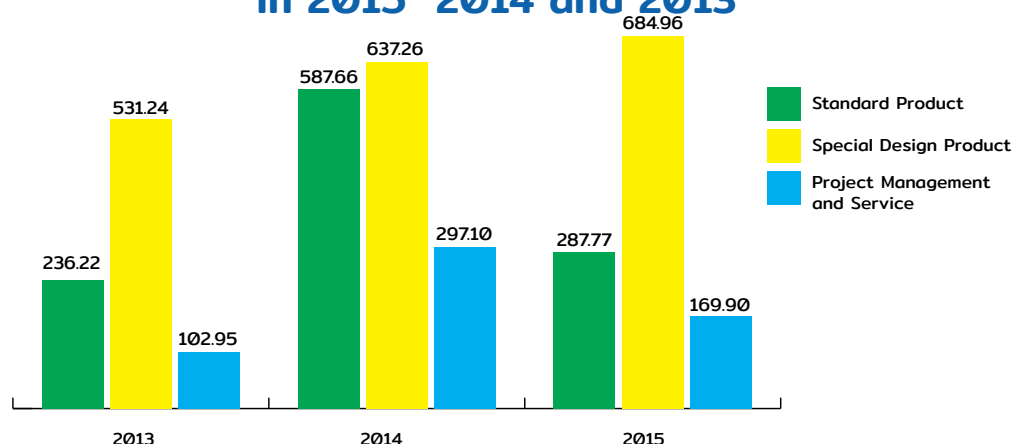
<sup>/2</sup> –other revenues comprised of other management fee, rental income, interest income, and others

<sup>/3</sup> the financial statement of 2014 had been adjusted

## Consolidated Financial Statements Comparisons of 2013 2014 and 2015



## Revenues proportion in each product group in 2015 2014 and 2013



## Revenues sourced by country 2013-2015

clime	2013		2014		2015	
	Million baht	%	Million baht	%	Million baht	%
Thailand	505.75	58.10%	1,017.47	67.25%	672.40	58.85
United Arab Emirates	122.65	14.09%	239.68	15.84%	101.68	8.90
Singapore	28.72	3.30%	3.20	0.21%	0	0.00%
Korea	22.33	2.57%	13.00	0.86%	60.09	5.26
Other	190.96	21.94%	239.67	15.84%	308.46	26.99
Total revenues	870.41	100.00%	1,513.02	100.00%	1,142.63	100.00%

In 2013-2015, the Company and its subsidiary reported the portion of decreased in domestic sales for the product of Semi-Trailer resulting from 2014 the company had received a special purchase order to modify the old vehicles. In 2015, the order is on usually based economy which was growing up compared with regular orders annually from the year 2012 onwards. The Company has continuously sold the Special Design Product as; Catering Hi Loaders Truck and defense products to overseas market with the main customers in United Arab Emirates in the portion of 14.09%, 15.84% and 8.90% of the total revenues in 2013-2015 respectively, and the customers in Asia such as Singapore, Korea, Malaysia, Vietnam, and Hong Kong. In apart of project management and services, the Company has expands the center in customer area, then effected increase to revenues continuously.

## Revenues from contract

Revenues from contract are revenues from OEM with definitely price specified in agreement. The company realization of revenues as per Percentage of Completion Method that is; whenever the performance as per contract can be reliably estimated as to the completion of work, the revenues from contract will be realized in the statements of comprehensive income by computing from the percentage of completion at date of reporting. The stage of completion as per contract computed from the portion of the cost of completion until date of reporting with total estimated cost of work as per contract. In case that there was the quite exact feasibility that the total costs of the project exceeding value of revenues as per contract, the company will realize such estimated loss as the expenses in the statement of comprehensive income. The revenues that have been realized before the maturity of collection as per contract will be shown as value of completion work pending for collection from customers in the financial positions.

Revenues from contract comprised of: revenues from the designing of the body and installing of engineering system relating to vehicle for commercial. There are three groups of product which are the group of standard products, the group of special designed product. and revenues from project management and services incurred from the designing, manufacturing, and installing of light-weighted fiber glass container of the subsidiary company that will be classified as the group of standard product. The company and its subsidiary reported revenues from contact classified as group of product in 2013-2015 shown as follows:

Type of revenues	operated by	2013		2014		2015	
		Million baht	%	Million baht	%	Million baht	%
1) Standard Product		236.22	27.14%	578.62	38.24%	287.77	25.18%
- truck,trailer/ semi-trailer	Company / its subsidiary	218.39	25.09%	578.62	38.24%	234.77	20.54%
- fiber glass container and etc.	Company / its subsidiary	17.83	2.05%	0.00	0.00%	53.00	4.64%
2) Special Designed Product		531.24	61.03%	637.30	42.12%	684.96	59.95%
- catering hi-loaders truck	company	376.72	43.28%	584.64	39.04%	376.50	32.95%
- vehicle for the army	company	154.52	17.52%	52.66	3.08%	308.46	27.00%
3) Project Management	company	102.95	11.83%	297.10	19.64%	169.90	14.87%
Total		870.41	100.00%	1,513.02	100.00%	1,142.63	100.00%

In 2013-2015, the company and its subsidiary reported the most ultimate value of contract revenues from special designed product in continuous, with the revenues of 531.24 million baht, 637.30 million baht and 684.96 million baht or 61.03%, 42.12% and 59.95% respectively. From 2012 until present, catering hi-loaders truck generated revenues ranking No. 1 in special designed product group. Since the company emphasizes much more on the marketing of catering hi-loaders truck which is the product that company has the expertise, with the improving of diversification

models for every airplane model and every size of containing of passenger. The company has developed the technology and production process for more rapidly, and has been accepted by the customers in airline catering business worldwide. The company has also designed and developed catering hi-loaders truck for airbus A380 which is the largest airplane at the present; this requires knowledge in engineering and technology of accuracy engineering. The company is one of the two manufacturers in the world. In 2014, the company and DOLL Fahrzeugbau GmbH sold such product ranking No. 1 of the world. For the vehicle for army, the company granted new order from 2013 until 2015. The company also emphasizes on the production of manufacturing the catering hi-loaders truck, and large trailer for the domestic business of logistics with the purchase in large quantity and in continuous.

In 2013-2015, the company and its subsidiary reported revenues from contract in group of standard product for 236.22 million baht, 578.62 million baht, and 287.77 million baht or 27.14%, 38.24% and 25.18% of total revenues from contract respectively. The products being sold comprised of: trucks, trailers/semi-trailers which required the specialization such as: the truck capable in transportation of large products and with heavy weights as special, which required modern designing and technology in engineering system. The company can make the differentiation from other competitors, and capable of building value added to such production. The other main product in this group is light-weighted fiber glass container which is the subsidiary company's product and marketing, this kind of product has the growth in revenues in continuous since 2012.

As for revenues from project management, since 2009 until present, the company has participated in project management and was the consultant for the navy OPV product to Bangkok Dock Co., Ltd. In 2011-2013, the company reported revenues from project management for 91.66 million baht, 1.79 million baht, and 9.49 million baht or 14.39%, 0.29% and 1.09% of total revenues from contract respectively. This project has been finished already in 2013.

From 2012 to present, the company received the agreement of project management in Maintenance trailer and semi-trailer from Linfox transport (Thailand) Co., Ltd. ("Linfox") and Ekkachai distribution system Co., Ltd. ("Tesco-Lotus"). The company has recoded as revenues from services (details under the passage of revenues from sales and services). Also, The Company service center has been increased, both in the area of customer and common areas by the year 2016 – 2018. The company has planned to expand the One Stop Service Center for maintenance service for eight additional centers across the country.

## Revenues from sales and services

The Company and its subsidiary company realization of revenues from sales in the statement of comprehensive income upon the transferring of risk and return with the substance of being owner of product with significant, to the customer. Revenues from sales comprised of sales of some type of spare parts which imported from abroad for being used in manufacturing as normal. More than 80% were sold to foreign customers who requested for the production of truck from the company especially for catering hi-loaders truck, and the rest of 20% were sold to domestic customers. Revenues from sales also include sales of sample product (prototype) or sales of inventory. In 2013, the company realized revenues in the amount of 37.23 million baht or 36.16% of revenues from sales and services, from selling of navy OPV project to Bangkok Dock Co., Ltd. In 2014 and 2015, the Company realized revenues in the amount of 133.46 million baht and 44.21 million baht respectively. From the sales of LED from Jointly-Venture that non-related companies for private sectors to the government agency.

The Company realization of revenues from services upon providing of services, such revenues derived from providing of repairing the product, most of the repairing is for the customers' truck after the warranty period, and for the truck purchased from the company and its subsidiary only. The company normally guarantee for the product in average of 1 year. Since 2012, the company received the contract from Linfox transport (Thailand) Co., Ltd. ("Linfox") and Ekkachai distribution system Co., Ltd. ("Tesco-Lotus") for maintenance management project total more than 1,000 trailers and semi-trailers for 5 services centers of Tesco-Lotus at Lamlukka center, Wangnoi center, Samkoke center, Bangbuathong center and Surat Thani center. The Company foresees the opportunity in increasing revenues from service sector by renting of land for 4 rai at Amphur Wangnoi, Phranakornsriyudhya as the center for maintenance the truck in case of long time of caused by accident, and also provide the maintenance service for other customers and general customers. This enable to the increased of the potential in taking care of the customers at Wangnoi center which is located near Bangkok Metropolitan Region. It also increased the opportunity in providing more maintenance services for Linfox and Tesco-Lotus. Currently, there are many customers would like to do the agreement with the company, and under the negotiation on the condition. The proportion of revenues from sales and services in 2013-2015 being shown as follows:

Type of revenues	2013		2014		2015	
	Million baht	%	Million baht	%	Million baht	%
Revenues from sales	49.43	48.01%	97.74	10.02%	76.46	45.00%
Revenues from services	53.52	51.99%	199.36	89.98%	93.44	55.00%
Total	102.95	100.00%	297.10	100.00%	169.90	100.00%

## Other revenues

Other revenues comprised of revenues from management, rental revenues, and interest income. In 2013-2015, the Company and its subsidiary reported other revenues for 4.46 million baht, 7.93 million baht and 16.34 million baht or 0.51%, 0.52% and 1.43% of total revenues respectively.

## Costs and Gross Profits

Costs from the contract comprised of: raw material costs, salary and production wages in various sections, outsourcing costs, and manufacturing overhead costs. The company recorded costs from contract in the statement of comprehensive income by referring to percentage of completion based on the reliability of the estimation of performance as per contract at the reporting date. In case of the exact feasibility that all of the contract costs exceeding revenues, the company shall realize the expected loss as expenses in the statement of comprehensive income. In case that the company cannot reliably estimate to the performance as per contract, the company shall realize costs from contract as expenses in the statement of comprehensive income in the period of incurring of such costs.

Costs from sales and services comprised of: costs of goods sold, salary and wages of related section, and allocation costs from central.

The Company defines policy in determining contract price with margin of not under 15%, and reviews, in each quarter or whenever there is the factor affected significantly to the costs, the estimation of production costs corresponded to actual costs.

In 2013-2015, the Company and its subsidiary reported costs from contract equal to 594.05 million baht, 965.65 million baht, and 805.09 million baht or 68.25%, 63.82% and 69.46% of total revenues respectively. The proportion of costs has been decreased in 2013 and 2014 but increased in 2015 because the Company has the increasing of marketing in group of standard product, for the purpose of expanding and increasing markets from last year, in order to reduce the risk from depending only on special group of business and also to help increasing of productions but the margin is less than that of other products.

The increased proportion of services; cost of goods sold and services equal to 79.32 million baht, 241.86 million baht and 87.34 million baht or 77.04%, 72.32% and 51.40% of sale and service revenues respectively. The company's revenues in the repair center services sector are expanding continuously, making costs in this segment decreased from the year 2013 onwards.

In 2013-2015, the Company and its subsidiary reported gross profits equal to 197.04 million baht, 333.47 million baht, and 250.20 million baht or 22.64%, 21.98% and 21.09% of total revenues respectively. From the above information, the company's gross profit has slightly decreased since 2013. According to the restructuring of the company's revenue which focused on expanding its market. In 2015, the Company's labor costs increased due to the adjusting in the wages of employees.

## Selling and administrative expenses

Selling and administrative expenses comprised of: personnel expenses, expenses from exporting of goods to foreign customers, domestic transportation expenses, and other administrative expenses.

In 2013-2015, the Company and its subsidiary reported selling and administrative expenses equal to 118.45 million baht, 185.35 million baht and 195.07 million baht respectively. The increased of expenses in 2015 was due to the increased of salary and fringe benefits including employees' benefits, payment of fees in acting in accordance with the regulations of being listed company, promotional expenses, and expenses relating to the management of collecting of payment from debtors including the cost of NGV public transportation buses project preparing, which was canceled and the company has filed a court action

## Earnings before interests and taxes

Consideration of operation profit before interests and taxes (Earnings before interests and tax : EBIT) . In 2013-2015, the company and its subsidiary reported profits from operation equal to 83.60 million baht, 156.67 million baht,

and 74.10 million baht or 9.54%, 10.30%, and 6.39% from the total revenue respectively. If exclude the expenses due to the canceled of NGV public transportation buses project, the earnings before interest and taxes for an average of three years would be a similar rate

## Financial costs

In 2013-2015, the company and its subsidiary reported financial costs equal to 26.59 million baht, 19.31 million baht and 28.86 million baht respectively. Financial costs incurred from the company and its subsidiary has much of loans obligation with finance institutions for the manufacturing of goods. Since the company's products have high value, and take longer time of 3-6 months in production. Furthermore, the delivery of products is not made in each unit, but to be delivered in some part of purchase order. So, the company has the necessity in utilizing of short-term loans for purchasing of equipment, supplies, and components from abroad. In 2013-2015, the company and its subsidiary reported short-term loans from financial institution for 332.32 million baht, 305.91 million baht and 729.56 million baht respectively. In 2013, the Company has been registered in the SET and has raised the additional capitals for working capitals plus surplus of shares value equal to 341.36 million baht, caused to the decreased in financial costs. In 2015, the company received an approval from the Board of Directors to invest in the land for its future expansion in the amount of 296.56 million baht, with 214.99 million baht recorded in the land and the company's excess demand land. Also, the company is planning to sell an investment property record of 81.58 million baht.

## Corporate income tax

In 2013-2015, the Company has paid the corporate income tax for 8.14 million baht, 38.47 million baht and 9.51 million baht or 14.42%, 28.33% and 21.01% of earnings before tax respectively. In 2013, the company has sold and has profits from the products granted BOI which was metal and aluminum container, and government policy. In 2014, the Company and its subsidiary recorded the expenses by using a share based payments at 29.01 million Baht recognizing as the expenses in financial statement in accordance with the International Financial Reporting Standards No. 2 which the transaction was not considered for tax payment and only recognized in year 2014. In 2015, the effective tax rate was normally recorded in the accounts standard which is different from the Revenue standard.

## Net profits and net profits ratio

In 2013-2015, the Company and its subsidiary reported comprehensive income (for the parent company only) equal to 48.33 million baht, 97.31 million baht and 35.71 million baht equal to the company's net profits ratio (for the parent company only) of 5.55%, 6.43% and 3.08% of total revenues respectively. In 2015, the gross profit margin decreased due to the record of the pre-production costs in the canceled project, as was mentioned above.

## Rate of return on equity

The Company and its subsidiary reported rate of return on equity in 2013-2015 equal to 15.94%, 17.16% and 5.36% respectively. The Company has the equity (only for the parent company) equal to 498.01 million baht, 636.24 million baht and 697 million baht respectively. The reason that return on equity was decreased in 2013 due to the Company and its subsidiary (only for the parent company) reported higher of shareholders from the fund raising in 2013 from the Company registered in the Stock Exchange of Thailand and the return in 2014 and 2015 increased or decreased due to the results of operation profit that mentioned above.

# 1.2 Financial status of company.

## Assets

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported total assets equal to 1,015.64 million baht, 1,112.72 million baht and 1,319.38 million baht respectively with the details as follows:

### ➤ Cash and cash equivalent

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported of cash and cash equivalent equal to 3.69 million baht, 23.70 million baht and 49.30 million baht respectively comprised of petty cash and cash deposited in bank as saving account, current account, and fixed account which were decreased or increased based on cash management at the end of each accounting period. Since December 30, 2014, the Company has increased its bank deposits due to the exercise of the company's warranty CHO-W1 quarterly financial arrangements which will be ended on October 27, 2016.

### ➤ Account receivables and allowance for bad debts

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported account receivables –net equal to 132.76 million baht, 179.17 million baht and 239.45 million baht respectively. The Company and its subsidiary offers credit terms to the debtors in average of 30-60 days from invoice date. The average collection period in 2013-2015 equal to 106 days, 76 days, and 134 days respectively, the company has the better effectiveness in managing of debts collection.



The following is the summary of account receivables as per aging as at 31<sup>st</sup> December 2013-2015

(unit :million baht)

Aging	31 <sup>st</sup> December 2013	31 <sup>st</sup> December 2014	31 <sup>st</sup> December 2015
Current	36.22	86.19	51.68
Not over 3 months	85.53	71.39	67.93
Over 3 months – 6 months	5.93	1.10	76.07
Over 6 months – 12 months	4.14	19.78	20.54
Over 12 months	3.58	4.29	27.71
Total	135.41	182.75	243.94
Less allowance for doubtful account	(2.65)	(3.58)	(4.49)
Account receivables – net	132.76	179.17	239.45

The Company and its subsidiary has estimated the allowance for bad debts from the estimation of uncollectable account receivables and the analysis of historical payment, and the estimation of payment in the future, as the basis in considering for the aging overdue payment. The company will record the allowance for bad debts account in full amount for the account receivables with the overdue more than 12 months, except in the case of the estimation that the company will definitely receive the payment. As at 31<sup>st</sup> December 2013-2015, the allowance for bad debts account equal to 2.65 million baht, 3.58 million baht and 4.49 million baht respectively. At the end of 2013-2015, there were account receivables with the overdue more than 12 months for 3.58 million baht 4.29 million baht and 27.71 million baht respectively. Since 2015, the company has had its foreign debtor which still expected for the payment. The executive managements perceived that the record of allowance for doubtful account was sufficient.

➤ Unbilled contract work in progress from customers

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary has the value of completion work pending for collection from customers equal to 203.19 million baht, 190.26 million baht and 192.88 million baht respectively, due to the realization of revenues as per the percentage of completion but not reach the maturity to the due of collection which the transaction already deducted from the advanced deposit.

➤ Inventory

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported inventory equal to 260.09 million baht, 297.77 million baht and 295.49 million baht respectively. Most of the inventory comprised of raw material, equipment and components in warehouse or in transit to warehouse, work in process, finished goods, and supplies as well as pledges for the purchase of raw materials needed to be produced and the pledges.

➤ Deposits at financial institutions under pledge

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported fix deposits at financial institutions under pledge equal to 3.90 million baht, 3.90 million baht and 2 million baht respectively. There were used as collateral for credit facility from finance institution such as: O/D, bank guarantees. In 2015, the company has release of guarantee obligations of 1 million baht.

➤ Property, plant, and equipment

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported property, plant, and equipment equal to 336.99 million baht, 361.32 million baht and 663.71 million baht comprised of: property at the location of the company's head office, plant, head office building and the improvement of building, office equipment, office supplies, and vehicles. In 2015, the Company acquired approximately 272 rai of land in Tha Pra, Muang Khon Kaen for the expansion of its factory in the future with the value of 296.56 million baht. The property which is the location of factory and head office with total areas of 48-2-16.1 rai recorded in the report of financial positions with the cost value of 28.00 million baht, the Company has not made the adjusted the value of property as per market value.

## Sources of funds

### Liabilities

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported total liabilities equal to 517.63 million baht, 476.47 million baht and 922.38 million baht respectively, with the details as follows:

➤ Short-term loans from financial institution

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported short-term loans from financial institution equal to 332.32 million baht, 305.91 million baht and 729.56 million baht respectively, short-term loans being debt obligations as per credit facility supported by financial institution to the company and its subsidiary for using as working capitals such as: O/D, T/R, P/C, P/N. The company and its subsidiary reported the increased of debts obligation in 2015 from the increased of the utilization credit facility for the purchasing of equipment or components for many projects that the company has received order and L/C from domestic and overseas customers Due to the low interest rate equal to 4.1% per year.

➤ Account payables

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported account receivables equal to 109.41 million baht, 55.93 million baht and 66.28 million baht respectively. Most of account payables were trade account payables with the credit terms in average of 60 days, the average payment period in 2013-2015 equal to 69 days, 35 days, and 42 days respectively.

➤ Estimation of employees' benefits liabilities

Since 1<sup>st</sup> January 2011, the company and its subsidiary has adopted the Thai accounting standard edition 19th subject: the employees' benefits, the insurance mathematician has estimated the employees' benefits, and the executive managements has recorded employees' benefits liabilities incurred before 2011 by adjusting the accumulated profits at the beginning of 2011 accounting period.

As at 31<sup>st</sup> December 2013-2015, the company and its subsidiary company recorded the estimation of employees' benefits liabilities equal to 9.90 million baht, 13.50 million baht and 16.12 million baht respectively.

➤ Shareholders' equity

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary reported shareholders' equity equal to 498.01 million baht, 636.24 million baht and 697 million baht respectively. At 31<sup>st</sup> December 2015, the company has registered capitals equal to 270 million baht and paid up capital equal to 266.13 million baht Increased by the exercise of CHO-W1 warranty, surplus of stocks value and others equal to 490.87 million baht, separately to share premium equal to 317.33 million baht, share based payment equal to 29.01 million baht and advanced received from exercised shares equal to 44.68 million baht, discounts from investments in the subsidiary company equal to 5.63 million baht, the unappropriated retained earnings profits of 98.66 million baht, and legal reserved equal to 6.82 million baht.

➤ Structure of funds

As at 31<sup>st</sup> December 2013-2015, the Company and its subsidiary has D/E ratio equal to 1.04 times, 0.75 times and 1.32 times respectively. D/E ratio at the end of 2013 and 2014 has been continuously decreased from the decreased of total liabilities but increased in 2015 due to loan for purchase land properties, while shareholders' equity has been increased from paid-up capitals in 2013 for 50 million baht including the excess of share value from sales of IPO shares. In 2013-2015, the profits from operation were growing continuously. Also, the Company has issued warrants No. 1 (CHO-W1) for 359,899,980 units with the convertible ratio of 1 warrant to 1 common stock, the first exercise date was on 30th December 2014, and the last date of next quarter until 27th October 2016 for the price of 0.50 baht per share which would result the increased of shareholders in case of CHO-W1 have been exercised for 41.50 million baht.

		31 <sup>st</sup> December		
		2013	2014	2015
Cash and cash equivalent	million baht	3.69	23.70	49.30
Current assets	million baht	623.69	706.87	834.88
Current liabilities	million baht	501.76	455.98	862.42
Liquidity ratio (Current assets/current liabilities)	time	1.24	1.55	0.97
Cash flow from operation activity	million baht	(79.74)	89.61	(36.23)

Liquidity ratio as at the end of 2013-2015 equal to 1.24 times, 1.55 times and 0.97 times respectively. In 2013-2015, the current assets have been constantly increased while the liabilities have been constantly increased due to the investing in the land properties in 2015.

In 2013-2015, the Company and its subsidiary reported cash flows from operating activity at (79.74) million baht, 89.61 million baht and (36.23) million baht respectively. In 2013 and 2015, the Company and its subsidiary reported minus of cash flows from operating activity from unbilled contract work in progress from customers in order to expand the inbound market. The Company has funds raised from its net profit and the proceeds of the exercise of the CHO-W1 warranty at the end of 2014 to the end of the third quarter of 2016 for better liquidity and fund management.

➤ Financial ratio regulations

A bank who granting credit facility to the company and its subsidiary has determined the regulation in maintaining D/E ratio not over than 3 times, and DSCR not less than 1.2 times of consolidated financial statements because the company had the huge amount of accounts payable and advances received from customers at the end of the year which might cause the bank ratio to rise significantly. Thus The Company has informed the financial institution and will define the specific interest-bearing liabilities for the calculating basis instead of total liabilities further.

➤ Capital expenditures

In 2013 and 2014, the Company has normal expense on business operation and has no significant capital expenditures. In 2015, the Company received an approval from the Board of Directors for the purchase of land for its factory expansion in the future

## Factor which might have impact to the operation or financial positions in the future

The factor and the influence which might have impact to the operation or financial positions in the future beside to those mentioned under the clause of risk factor is:

### The decreased of earnings per share from dilution effect

From the accounting period ending 31st December 2014, the company has registered capitals of 270 million baht, and paid-up capitals for 180 million baht comprised of 720 million common stocks with par value of 0.25 baht per share. The company reported net profits for the parent company equal to 48.34 million baht or earnings per share of 0.07 baht/share. The Company has issued warrants for 359.90 million units with the convertible ratio of 1 warrant to 1 common stock, the first exercise date was on 30th December 2014, and the last date of next quarterly until 27th October 2016, which will be the last exercise day. This may affect to the company's earnings per share to be decreased in the future in case that the Company cannot generate revenues and net profits with the growth rate much more than the increased of the number of common stocks. Incidentally, in 2015, the Company had net profit attributable to the parent company of 95.71 million baht representing a profit per share of 0.0444 baht and earnings per share diluted by the exercise of the CHO-W1 warranty was equal to 0.0349 Baht

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# Financial Statement 2015

## AUDITOR'S REPORT

To the Shareholders of Cho Thavee Dollasien Public Co., Ltd.

I have audited the accompanying consolidated and company financial statements of Cho Thavee Dollasien Public Co., Ltd. and its subsidiaries and of Cho Thavee Dollasien Public Co., Ltd., which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company 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 notes.

### 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 consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Cho Thavee Dollasien Public Co., Ltd. and its subsidiaries and of Cho Thavee Dollasien Public Co., Ltd. as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Sudwin Panyawongkhanti  
Certified Public Accountant (Thailand) No. 3534  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
19 February 2016

**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Financial Position**  
**As at 31 December 2015**

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	49,296,449	23,696,349	48,498,762	23,291,506
Trade and other accounts receivable (net)	9	468,383,034	374,012,896	466,324,669	369,701,696
Current portion of employee receivables under finance lease agreements (net)	10	185,595	-	185,595	-
Contract work in progress in excess of progress - billings (net)	11 a)	1,427,962	614,847	1,427,962	548,641
Short-term loans to subsidiary	37 c)	-	-	58,600,000	25,500,000
Inventories (net)	12	295,494,475	297,766,999	253,994,226	262,328,402
Financial instrument assets	38 a)	-	222,217	-	222,217
Value added tax	13	20,090,676	10,552,089	19,632,401	10,783,283
<b>Total current assets</b>		<b>834,878,191</b>	<b>706,865,397</b>	<b>848,663,615</b>	<b>692,375,745</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution	14	2,000,000	3,900,000	-	3,900,000
Employee receivables under finance lease agreements (net)	10	711,447	-	711,447	-
Investments in subsidiary	15	-	-	22,599,950	22,599,950
Held-to-maturity investment	17	1,000,000	1,000,000	1,000,000	1,000,000
Investment property	18	81,577,261	-	81,577,261	-
Property, plant and equipment (net)	19	663,706,442	361,320,963	589,669,240	285,074,650
Intangible assets (net)	20	27,454,963	31,950,122	27,099,027	31,177,675
Deferred tax asset (net)	21	7,306,063	7,468,091	6,187,530	6,999,579
Prepaid income tax		450,900	-	-	-
Refundable deposits		293,803	213,800	293,803	213,800
<b>Total non-current assets</b>		<b>784,500,879</b>	<b>405,852,976</b>	<b>729,138,258</b>	<b>350,965,654</b>
<b>Total assets</b>		<b>1,619,379,070</b>	<b>1,112,718,373</b>	<b>1,577,801,873</b>	<b>1,043,341,399</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.



**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2015**

		<b>Consolidated</b>		<b>Company</b>	
		<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Notes</b>		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	23	729,564,016	305,910,269	726,314,511	275,260,497
Trade and other accounts payable	22	110,216,234	97,405,870	105,101,910	96,977,426
Current portions of					
- long-term borrowings from financial institutions	24	924,000	924,000	-	-
- liability under finance lease agreements (net)	25	9,964,995	1,389,763	9,751,696	1,024,623
Progress billings in excess of contract work in progress (net)	11 b)	-	18,755,209	-	18,755,209
Financial instrument liabilities	38 a)	106,367	-	106,367	-
Provision for warranty		6,759,242	9,592,830	6,519,361	8,803,288
Accrued income tax		3,354,568	19,171,866	3,354,568	16,848,664
Other current liabilities	26	1,526,270	3,061,258	1,416,775	2,937,523
<b>Total current liabilities</b>		<b>862,415,692</b>	<b>456,211,065</b>	<b>852,565,188</b>	<b>420,607,230</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	24	2,536,047	3,460,047	-	-
Liability under finance lease agreements (net)	25	41,304,162	3,301,419	41,304,162	3,088,120
Employee benefit obligations	27	16,122,130	13,500,040	14,855,616	12,422,334
<b>Total non-current liabilities</b>		<b>59,962,339</b>	<b>20,261,506</b>	<b>56,159,778</b>	<b>15,510,454</b>
<b>Total liabilities</b>		<b>922,378,031</b>	<b>476,472,571</b>	<b>908,724,966</b>	<b>436,117,684</b>

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2015**

	Notes	Consolidated		Company	
		31 December	31 December	31 December	31 December
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Liabilities and Shareholders' Equity (Cont'd)</b>					
<b>Shareholders' Equity</b>					
Share capital					
Authorised share capital					
1,080,000,000 ordinary shares of Baht 0.25 each		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital					
720,000,000 ordinary shares of Baht 0.25 each			180,000,000		180,000,000
824,510,700 ordinary shares of Baht 0.25 each		206,127,675		206,127,675	
Share premium		317,327,131	291,360,242	317,327,131	291,360,242
Share premium from share-based payment	39	29,013,488	29,013,488	27,067,992	27,067,992
Advance received from share subscription		44,677,801	22,710,359	44,677,801	22,710,359
Discount from increment of investments in subsidiary		(5,633,115)	(5,633,115)	-	-
Retained earnings					
Appropriated - Legal reserve	30	6,820,000	5,510,000	6,820,000	5,510,000
Unappropriated		98,663,085	113,279,701	67,056,308	80,575,122
<b>Total parent's equity</b>		696,996,065	636,240,675	669,076,907	607,223,715
Non-controlling interests		4,974	5,127	-	-
<b>Total shareholders' equity</b>		697,001,039	636,245,802	669,076,907	607,223,715
<b>Total liabilities and shareholders' equity</b>		1,619,379,070	1,112,718,373	1,577,801,873	1,043,341,399

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2015**

		Consolidated		Company	
		2015	Restated	2015	Restated
	Notes	Baht	2014 Baht	Baht	2014 Baht
<b>Revenues</b>					
Revenues from contract work		972,726,577	1,215,920,558	919,491,006	1,212,277,103
Revenues from sales and services		169,904,248	297,102,171	173,601,639	302,756,901
Cost of contract work		(805,089,930)	(964,851,276)	(767,890,641)	(994,355,943)
Cost of sales and services		(87,343,424)	(214,703,685)	(92,749,348)	(228,830,120)
<b>Gross profit</b>		250,197,471	333,467,768	232,452,656	291,847,941
Other income	32	16,342,416	7,665,500	24,333,942	17,065,477
<b>Profit before expense</b>		266,539,887	341,133,268	256,786,598	308,913,418
Selling expenses		(57,878,759)	(56,958,251)	(53,448,721)	(52,691,392)
Administrative expenses		(137,190,817)	(133,054,423)	(130,710,915)	(129,578,728)
Other expenses - net gain (loss) on exchange rates		2,815,422	5,286,814	2,805,433	4,822,524
Other expenses - net gain (loss) on disposal fixed asset		(182,341)	265,406	(182,341)	265,406
Finance costs - interest expense	33	(28,855,882)	(19,307,491)	(28,168,318)	(17,391,318)
<b>Profit before income tax</b>		45,247,510	137,365,323	47,081,736	114,339,910
Income tax	35	(9,508,322)	(38,787,797)	(10,175,593)	(33,437,343)
<b>Profit for the year</b>		35,739,188	98,577,526	36,906,143	80,902,567
<b>Other comprehensive income (expense)</b>					
Items that not reclassified to profit or loss					
• Remeasurements of post-employment benefit obligations		(34,287)	(1,582,253)	(120,537)	(1,491,766)
• Income tax on remeasurements of post-employment benefit obligations		6,857	316,450	24,107	298,353
<b>Other comprehensive expense for the period, net of tax</b>		(27,430)	(1,265,803)	(96,430)	(1,193,413)
<b>Total comprehensive income for the year</b>		35,711,758	97,311,723	36,809,713	79,709,154
<b>Profit attributable to:</b>					
Equity holders of the parent		35,739,347	98,575,689	36,906,143	80,902,567
Non-controlling interests		(159)	1,837	-	-
		35,739,188	98,577,526	36,906,143	80,902,567
<b>Comprehensive income attributable to:</b>					
Equity holders of the parent		35,711,911	97,309,893	36,809,713	79,709,154
Non-controlling interests		(153)	1,830	-	-
		35,711,758	97,311,723	36,809,713	79,709,154
<b>Earnings per share for profit attributable to the equity holders of the parent</b>					
Basic earnings per share (Baht)	36 a)	0.0444	0.1369	0.0459	0.1123
Diluted earnings per share (Baht)	36 b)	0.0349	0.1001	0.0360	0.0821

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

Cho Thavee Dollasien Public Co., Ltd.  
Statements of Changes in shareholders' Equity  
For the year ended 31 December 2015

Consolidated (Baht)										
Attributable to owners of the parent										
	Authorised, issued and fully paid-up share capital	Share premium	Share premium from share-based payment	Advance received from share subscription	Retained earnings		Discount from increment of investments in subsidiary	Total owners of the parent	Non- controlling interests	Total
Note		premium			Appropriated - legal reserve	Restated Unappropriated				
Opening balance as at 1 January 2014										
Changes in shareholder's equity for the year 2014										
	180,000,000	291,360,242	-	-	1,520,000	30,759,808	(5,633,115)	498,006,935	3,297	498,010,232
	-	-	29,013,488	-	-	-	-	29,013,488	-	29,013,488
28	-	-	-	22,710,359	-	-	-	22,710,359	-	22,710,359
	-	-	-	-	-	(1,265,796)	-	(1,265,796)	(7)	(1,265,803)
Total comprehensive income for the year										
3	-	-	-	-	-	98,575,689	-	98,575,689	1,837	98,577,526
29	-	-	-	-	-	(10,800,000)	-	(10,800,000)	-	(10,800,000)
30	-	-	-	-	3,990,000	(3,990,000)	-	-	-	-
Closing balance as at 31 December 2014										
	180,000,000	291,360,242	29,013,488	22,710,359	5,510,000	113,279,701	(5,633,115)	636,240,675	5,127	636,245,802
Opening balance as at 1 January 2015										
Changes in shareholder's equity for the year 2015										
	-	-	-	74,062,006	-	-	-	74,062,006	-	74,062,006
28	26,127,675	25,966,889	-	(52,094,564)	-	-	-	-	-	-
	-	-	-	-	-	(27,436)	-	(27,436)	6	(27,430)
	-	-	-	-	-	35,739,347	-	35,739,347	(159)	35,739,188
29	-	-	-	-	-	(49,018,527)	-	(49,018,527)	-	(49,018,527)
30	-	-	-	-	1,310,000	(1,310,000)	-	-	-	-
Closing balance as at 31 December 2015										
	206,127,675	317,327,131	29,013,488	44,677,801	6,820,000	98,663,085	(5,633,115)	696,996,065	4,974	697,001,039

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

**Cho Thavee Dollasien Public Co., Ltd.**  
**Statements of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2015**

Company (Baht)							
	Authorised, issued and fully paid-up share capital	Share premium	Share-based premium	Advance received from share subscription	Retained earnings		Total
Notes	share capital	premium	premium		Appropriated - legal reserve	Unappropriated	
<b>Opening balance as at 1 January 2014</b>							
<b>Changes in shareholders' equity for the year 2014</b>							
Share-based payment	-	-	27,067,992	-	-	-	27,067,992
Warrant exercised	-	-	-	22,710,359	-	-	22,710,359
Loss from remeasurements of post-employee benefit obligations	-	-	-	-	-	(1,193,413)	(1,193,413)
Total comprehensive income for the year - restated	-	-	-	-	-	80,902,567	80,902,567
Dividend payment	-	-	-	-	-	(10,800,000)	(10,800,000)
Legal reserve	-	-	-	-	3,990,000	(3,990,000)	-
<b>Closing balance as at 31 December 2014</b>							
	180,000,000	291,360,242	27,067,992	22,710,359	5,510,000	80,575,122	607,223,715
<b>Opening balance as at 1 January 2015</b>							
<b>Changes in shareholders' equity for the year 2015</b>							
Advance received from share subscription	-	-	-	74,062,006	-	-	74,062,006
Warrant exercised	26,127,675	25,966,889	-	(52,094,564)	-	-	-
Loss from remeasurements of post-employee benefit obligations	-	-	-	-	-	(96,430)	(96,430)
Total comprehensive income for the year	-	-	-	-	-	36,906,143	36,906,143
Dividend payment	-	-	-	-	-	(49,018,527)	(49,018,527)
Legal reserve	-	-	-	-	1,310,000	(1,310,000)	-
<b>Closing balance as at 31 December 2015</b>							
	206,127,675	317,327,131	27,067,992	44,677,801	6,820,000	67,056,308	669,076,907

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Cash Flows**  
**For the year ended 31 December 2015**

	Notes	Consolidated		Company	
		2015	Restated 2014	2015	Restated 2014
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		45,247,510	137,365,323	47,081,736	114,339,910
Adjustments					
Depreciation expenses	19	27,243,618	23,191,479	20,603,174	16,840,116
Amortisation charge	20	4,795,159	6,014,678	4,378,648	5,599,007
Revenue from finance lease agreement		(927,975)	-	(927,975)	-
Allowance for doubtful accounts		909,085	932,245	(267,415)	932,245
Allowance for obsolete and slow moving inventories		(870,510)	(2,157,972)	(1,004,087)	(2,127,250)
Allowance for project loss		328,096	248,096	328,096	248,096
Provision for warranty		(2,833,588)	4,603,288	(2,283,927)	4,603,288
Transfers intangible assets to research expenses		-	1,761,273	-	1,761,273
Loss from write-off of property, plant and equipment		192,247	1	192,247	-
Gain from disposal of property, plant and equipment		(9,906)	(265,406)	(9,906)	(265,406)
Unrealised (gain) loss from financial instrument		106,367	(222,217)	106,367	(222,217)
Employee benefit obligations	27	2,587,803	2,016,115	2,312,745	1,763,692
Interest income	32	(9,199,297)	(273,109)	(13,062,958)	(2,730,934)
Interest income from finance lease agreement	32	(3,797)	-	(3,797)	-
Share-based payment expenses	39	-	29,013,488	-	27,067,992
Finance costs					
- Interest expense for borrowings from finance institutions		28,598,988	19,065,548	27,938,360	17,199,302
- Interest expenses under finance lease agreements		256,894	241,943	229,958	192,016
		96,420,694	221,534,773	85,611,266	185,201,130
Changes in operating assets and liabilities					
Trade and other accounts receivable		(95,279,223)	(30,734,221)	(96,505,799)	(35,221,692)
Contract work in progress in excess of progress billings		(1,141,211)	5,386,278	(1,207,417)	5,452,484
Inventories		2,043,034	(35,521,318)	8,238,263	(21,458,664)
Financial instrument		222,217	(805,322)	222,217	(805,322)
Value added tax		(9,538,587)	(1,104,424)	(8,849,118)	(773,480)
Refundable deposits		(80,003)	65,500	(80,003)	65,500
Trade and other accounts payable		12,812,150	(34,125,805)	8,316,704	(23,828,231)
Progress billings in excess of contract work in progress		(18,755,209)	(1,737,435)	(18,755,209)	(1,737,435)
Other current liabilities		(1,534,988)	2,069,043	(1,520,748)	2,118,393
Cash receipts (payments) from operating activities before interest income received, finance costs paid and income tax paid		(14,831,126)	125,027,069	(24,529,844)	109,012,683
Interest income		9,199,297	273,109	13,213,199	7,725,402
Cash receipts from receivables under finance lease agreements (net)		34,730	-	34,730	-
Finance costs paid					
- Interest expense for borrowings from finance institutions		(5,026,164)	(18,384,822)	(4,365,536)	(16,672,371)
Income tax paid		(25,607,635)	(17,305,332)	(22,833,533)	(16,026,027)
Net cash receipts (payments) from operating activities		(36,230,898)	89,610,024	(38,480,984)	84,039,687

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.



**Cho Thavee Dollasien Public Co., Ltd.**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2015**

		Consolidated		Company	
			Restated		Restated
		2014	2014	2014	2014
Notes		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Restricted deposit at finance institution		1,900,000	-	3,900,000	-
Short-term loans to related companies					
- proceeds	37	-	-	(58,500,000)	(30,584,868)
- payments	37	-	-	25,400,000	39,369,989
Cash paid for purchase of investment properties	18	(81,577,261)	-	(81,577,261)	-
Cash paid for purchase of fixed assets		(279,632,677)	(49,441,226)	(275,391,778)	(45,661,290)
Cash received from disposal of fixed assets		27,990	276,635	27,990	276,635
Cash paid for purchase of intangible assets	20	(300,000)	(1,159,736)	(300,000)	(1,134,626)
Net cash receipts (payments) from investing activities		(359,581,948)	(50,324,327)	(386,441,049)	(37,734,160)
<b>Cash flows from financing activities</b>					
Short-term borrowings from financial institutions					
- proceeds	23	6,726,209,562	4,092,709,219	6,571,399,808	3,784,088,444
- repayments	23	(6,327,296,365)	(4,119,121,624)	(6,145,086,344)	(3,818,252,337)
Long-term borrowing from financial institutions					
- repayments	24	(924,000)	(924,000)	-	-
Cash payments for liabilities under finance lease agreements		(1,646,657)	(3,856,060)	(1,254,581)	(3,463,984)
Cash payments for dividend	29	(48,991,600)	(10,800,000)	(48,991,600)	(10,800,000)
Cash received from share subscription	28	74,062,006	22,710,359	74,062,006	22,710,359
Net cash receipts (payments) from financing activities		421,412,946	(19,282,106)	450,129,289	(25,717,518)
<b>Net increase (decrease) in cash and cash equivalents</b>		25,600,100	20,003,591	25,207,256	20,588,009
Cash and cash equivalents - opening balance		23,696,349	3,692,758	23,291,506	2,703,497
Cash and cash equivalents - closing balance		49,296,449	23,696,349	48,498,762	23,291,506
<b>Non-cash transactions:</b>					
An outstanding payable arising from purchases of fixed assets as at 31 December		620,933	-	430,499	-
Retention payable as at 31 December		1,838,983	1,320,903	1,838,983	1,320,903
An outstanding liability under finance lease agreement arising from purchase of fixed assets as of 31 December		-	3,110,669	-	3,110,669
Dividend payable		26,927	-	26,927	-
Inventories transfer to fixed assets		1,100,000	-	1,100,000	-

The accompanying notes on pages 10 to 63 are an integral part of the financial statements.

## **1 General information**

Cho Thavee Dollasien Public Company Limited, ("the Company"), is incorporated in Thailand on 18 November 1994. The Company registered the legal transformation of juristic person from being limited company to limited public company with the Ministry of Commerce on 2 January 2013.

The Company was listed on the Stock Exchange of Thailand in the Market for Alternative Investment (MAI) on 13 May 2013.

The registered offices are as follows:

Head office : 265 Moo 4, Klang Muang Road, Tambol Muang Khao, Amphur Muang, Khon Kaen  
Branch 1 : 96/25 Moo 3, Vibhavadi Rangsit Road, Talat Bang Khen, Laksi, Bangkok  
Branch 2 : 66/5 Moo 2, Tambol Pong, Amphur Bang Lamung, Chonburi  
Branch 3 : 62/25 Moo 2, Tambol Lam Sai, Amphur Wang Noi, Phra Nakhon Si Ayutthaya

The principal business operations of the Company and subsidiaries are engaged in manufacturing, selling and providing service of trailer assembly, vehicles and special equipments.

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

These consolidated and company financial statements have been approved by the Board of Directors on 19 February 2016.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except disclosed be other in accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 5.

Comparative figures have been adjusted to conform with changes in presentation in the current year (Note 3).

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards

2.2.1 New financial reporting standards and revised financial reporting standards are effective on 1 January 2015.

a) Financial reporting standards, which have a significant changes are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This standard has no impact to the Group's financial statements.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. This standard has no impact to the Group's financial statements.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no impact to the Group's financial statements.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements. This standard has no impact to the Group's financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method. This standard has no impact to the Group's financial statements.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. This standard has no impact to the Group's financial statements.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.1 New financial reporting standards and revised financial reporting standards are effective on 1 January 2015. (Cont'd)

a) Financial reporting standards, which have a significant changes are as follows: (Cont'd)

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group's financial statements.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group's financial statements.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group's financial statements.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group's financial statements, except for disclosures.

TFRIC 14 this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group's financial statements.

TFRIC 20 this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Group's operations.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.1 New financial reporting standards and revised financial reporting standards are effective on 1 January 2015. (Cont'd)

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 New financial reporting standards and revised financial reporting standards are effective on 1 January 2016. These standards are not early adopted:

a) Financial reporting standards, which have a significant impact to the group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21	Levies

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This standard has no impact to the Group's financial statements.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group's financial statements.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Group's financial statements.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. This standard has no impact to the Group's financial statements.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. This standard has no impact to the Group's financial statements.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model. This standard has no impact to the Group's financial statements.

## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 New financial reporting standards and revised financial reporting standards are effective on 1 January 2016. These standards are not early adopted: (Cont'd)

a) Financial reporting standards, which have a significant impact to the group: (Cont'd)

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the Group's financial statements.

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell. The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16. This standard has no impact to the Group's operations.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. This standard has no impact to the Group's financial statements.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11. This standard has no impact to the Group's financial statements.

TFRS 4 (revised 2015) applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. This standard is not relevant to the Group's operations.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group's financial statements.

TFRS10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. This standard has no impact to the Group's financial statements.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. This standard has no impact to the Group's financial statements.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced). This standard has no impact to the Group's financial statements.

TFRIC 21, 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37 (revised 2015). It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. This interpretation has no impact to the Group's financial statements.



## 2 Accounting policies (Cont'd)

### 2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2.2 New financial reporting standards and revised financial reporting standards are effective on 1 January 2016. These standards are not early adopted: (Cont'd)

- b) Financial reporting standards with minor changes and do not have impact to the group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

## 2 Accounting policies (Cont'd)

### 2.3 Group Accounting - Investments in subsidiaries and interests in joint arrangements

#### a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method 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 to the former owners of acquiree 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.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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.

In the company's separated financial statements, 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.

#### b) 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 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.

#### c) Disposal of subsidiaries

When the Group ceases to have control, 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.

## 2 Accounting policies (Cont'd)

### 2.3 Group Accounting - Investments in subsidiaries and interests in joint arrangements (Cont'd)

#### d) Joint ventures

The group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

### 2.5 Cash and cash equivalents

Cash comprises cash on hand, deposit held at call with banks but exclude deposits with banks that are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalents comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

In the consolidated and company statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

In the consolidated and company statements of financial position bank overdrafts are shown within borrowings in current liabilities.

### 2.6 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within selling & marketing costs.

## **2 Accounting policies (Cont'd)**

### **2.7 Inventories**

Inventories are presented in the statement of financial position at the lower of cost or net realisable value. Cost is determined on the weighted average method. 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 charge, less all attributable discounts. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete, slow-moving, defective and excessive inventories.

### **2.8 Construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

### **2.9 Held-to-maturity investment**

Investment other than investments in subsidiaries is classified into the held-to-maturity investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.

Held-to-maturity investment is initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Held-to-maturity investment is carried at amortised cost using the effective yield method less impairment loss.

## 2 Accounting policies (Cont'd)

### 2.10 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

The investment property of the Group comprises land held for long-term rental yields and land for capital appreciation.

Investment property is recorded at cost less provision for impairment. Cost is measured at related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalized while acquisition as construction is actively underway and cease once the asset is substantially complete, or suspended if development of the asset is suspended. Land is not depreciated.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

### 2.11 Property, plant and equipment

Property, plant and equipments are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land has not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset, except land which is considered to have an indefinite useful life, to their residual value over the estimate useful lives as follows:

Land improvements	5 Years
Buildings	20 Years
Buildings improvements	20 Years
Furniture, fixtures and office equipment	5 Years
Computer equipment	5 Years
Motor vehicles	5 - 10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses, respectively. On disposal of revalued assets, the related revaluation surplus is transferred to retained earnings.

### 2.12 Intangible assets

#### 2.12.1 Research and development - Patents

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 10 years.

## 2 Accounting policies (Cont'd)

### 2.12 Intangible assets (Cont'd)

#### 2.12.2 Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

#### 2.12.3 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

### 2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.14 Leases

#### 2.14.1 Where a Group Company is the lessee

##### Finance leases

Leases of assets where the lessee has substantially 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 principal and to 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 other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease is depreciated over the shorter of the useful life of the asset or lease term.



## 2 Accounting policies (Cont'd)

### 2.14 Leases (Cont'd)

#### 2.14.1 Where a Group Company is the lease (Cont'd)

##### Operating leases

Leases where the lessor has substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

#### 2.14.2 Where a group company is the lessor

##### Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

##### Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Company. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### 2.15 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### 2.16 Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.



## 2 Accounting policies (Cont'd)

### 2.16 Current and deferred taxes (Cont'd)

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investment in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.17 Employee benefits

#### Retirement benefits

Group companies operate various retirement benefit schemes. The Group has both defined benefit and defined contribution plans.

- For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.
- A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related plan.

Actuarial gains and losses arising from experience adjustments and changed in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

### 2.18 Share-based payment

The group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for options of the Group (or its shareholders). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the statement of comprehensive income and other reserve in the shareholder's equity. The total amount to be expensed is determined by reference to the fair value of the options on the date that the Group (or its shareholders) expresses their desires.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

## **2 Accounting policies (Cont'd)**

### **2.19 Financial assets and financial liabilities**

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts receivable and other accounts receivable, short-term loans to other company, associate, and related person, certain parts of other current assets and restricted deposits at financial institutions and other non-current assets. Financial liabilities carried on the statement of financial position include short-term loans from financial institutions, trade accounts payable and other accounts payable certain parts of other current liabilities, long-term loans from financial institutions and liability under finance lease agreements. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

### **2.20 Provisions - general**

Provisions are recognised 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 the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.21 Revenue recognition**

Revenue comprises the fair value for consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts. Revenue from sale of goods is recognised when significant risks and reward of ownership of goods are transferred to the buyer, services income is recognised as revenue in the period in which they are rendered.

Revenue from contract is based on the stage of completion determined by reference to service performed to date as a percent age of total service to be performed. See accounting policy 2.8 on construction contracts.

Other revenues earned by the Company are recognised on the following basis:

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

### **2.22 Finance costs**

Finance costs comprise interest expense from bank loans and liabilities under finance lease contracts.

### **2.23 Dividends**

Dividends payment to the Company's shareholders is recognised as a liability in the consolidated and company's financial statements in the period in which they are approved by the Company's shareholders.

### **2.24 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### 3 Effects from revised accounting policy

#### Revised accounting policy

During the year ended 31 December 2015, accounting policy related to employee benefits used in consolidated and company financial statements are consistent with that used in the annual financial statements for the year ended 31 December 2014, except changes by the revised accounting standard as follows:

- The group recognised actuarial gains and losses in other comprehensive income in the period in which they arise.

The effects from revised accounting policy to the statement of comprehensive income for the year ended 31 December 2014 is summarised as follows:

#### **Consolidated statement of comprehensive income**

	<b>Consolidated</b>		
	<b>As previously reported Baht</b>	<b>Increase (decrease) from revised accounting policy Baht</b>	<b>After adjustment Baht</b>
<b>Statement of comprehensive income for the year period ended 31 December 2014</b>			
- Cost of contract work	965,645,367	(794,091)	964,851,276
- Cost of sales and services	214,862,032	(158,347)	214,703,685
- Selling expenses	57,058,390	(100,139)	56,958,251
- Administrative expense	133,584,099	(529,676)	133,054,423
- Income tax	38,471,347	316,450	38,787,797
- Profit for the period	97,311,723	1,265,803	98,577,526
- Loss from remeasurements of post-employment benefit obligations			
- Remeasurements of post-employment benefit obligations	-	1,582,253	1,582,253
- Income tax on item that will not be reclassified	-	(316,450)	(316,450)
- Basic earnings per share (Baht)	0.1351	0.0018	0.1369
- Diluted earnings per share (Baht)	0.0988	0.0013	0.1001

#### **Company statement of comprehensive income**

	<b>Company</b>		
	<b>As previously reported Baht</b>	<b>Increase (decrease) from revised accounting policy Baht</b>	<b>After adjustment Baht</b>
<b>Statement of comprehensive income for the year period ended 31 December 2014</b>			
- Cost of contract work	995,088,066	(732,123)	994,355,943
- Cost of sales and services	228,988,467	(158,347)	228,830,120
- Selling expenses	52,780,488	(89,096)	52,691,392
- Administrative expense	130,090,928	(512,000)	129,578,928
- Income tax	33,138,990	298,353	33,437,343
- Profit for the period	79,709,154	1,193,413	80,902,567
- Loss from remeasurements of post-employment benefit obligations			
- Remeasurements of post-employment benefit obligations	-	1,491,766	1,491,766
- Income tax on item that will not be reclassified	-	(298,353)	(298,353)
- Basic earnings per share (Baht)	0.1107	0.0021	0.1123
- Diluted earnings per share (Baht)	0.0809	0.0012	0.0821

However, the Group has no effects from revised accounting policy to the statement of financial position as at 1 January 2014.

## 4 Financial risk management

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

#### 4.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain goods from overseas.

#### 4.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets.

#### 4.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to one financial institution.

#### 4.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

### 4.2 Fair value estimation

The different levels of fair value defined by valuation method are as follows:

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

The fair value of investment properties and long-term borrowings from financial institutions are presented in Note 18 and 24, respectively.

## 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### (a) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

#### (b) Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

#### (c) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 27.

## 6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

7 Segment information

Segment information

Consolidated statements of comprehensive income					
For the year ended 31 December 2015					
	Revenues from contract work Baht	Revenues from sales Baht	Revenues from services Baht	Revenues from joint venture Baht	Total Baht
Revenue	972,726,577	32,245,871	93,444,047	44,214,330	1,142,630,825
Gross profit	167,636,647	18,301,199	44,365,143	19,894,482	250,197,471
Unallocated selling and administrative expenses and finance costs					(222,741,907)
Unallocated other income					16,342,416
Unallocated gain (loss) on exchange rate					2,815,422
Unallocated gain (loss) on disposal of fixed asset					(1,365,892)
Unallocated income tax					(9,508,322)
Unallocated other comprehensive income (expense)					(27,430)
Total comprehensive income for the year					35,711,758
Less Non-controlling interest					153
Total comprehensive income - equity holders of the parent					35,711,911

Consolidated statements of comprehensive income (Restated)					
For the year ended 31 December 2014					
	Revenues from contract work Baht	Revenues from sales Baht	Revenues from services Baht	Revenues from joint venture Baht	Total Baht
Revenue	1,215,920,558	89,853,253	73,785,381	133,463,537	1,513,022,729
Gross profit	251,069,282	30,547,825	40,010,134	11,840,527	333,467,768
Unallocated selling and administrative expenses and finance costs					(209,320,165)
Unallocated other income					7,665,500
Unallocated gain (loss) on exchange rate					5,286,814
Unallocated gain (loss) on disposal of fixed asset					265,406
Unallocated income tax					(38,787,797)
Unallocated other comprehensive income (expense)					(1,265,803)
Total comprehensive income for the year					97,311,723
Less Non-controlling interest					(1,830)
Total comprehensive income - equity holders of the parent					97,309,893

The group does not allocated its assets by business segment.

The group's revenue from major customers for the year ended 31 December 2015 and 2014 were Baht 326.10 million and Baht 473.00 million, respectively.

The group's segment revenues based on the geographic location of customers for the year ended 31 December 2015 and 2014 are as followings:

	2015 Thousand Baht	2014 Thousand Baht
Thailand	672,396	1,017,467
The United Arab Emirates	101,675	239,678
Others	368,560	255,878
Total	1,142,631	1,513,023

**8 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Cash on hand	188,312	201,347	154,046	171,347
Cash at banks - current accounts	45,170,129	23,495,002	44,406,708	23,120,159
- savings accounts	28,008	-	28,008	-
- fixed deposits	3,910,000	-	3,910,000	-
	<u>49,296,449</u>	<u>23,696,349</u>	<u>48,498,762</u>	<u>23,291,506</u>

As at 31 December 2015, savings accounts and fixed deposits which represent 3-month to 12-month fixed deposit carrying interest at the rates of 0.028% - 1% per annum and 0.8% - 1.5% per annum, respectively (31 December 2014 : 0.125% per annum and none, respectively)

**9 Trade and other accounts receivable (net)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Trade accounts receivable				
- other	195,869,894	163,982,411	194,120,781	162,426,061
- related companies (Note 37 b)	48,072,238	18,766,145	48,150,382	19,904,173
	<u>243,942,132</u>	<u>182,748,556</u>	<u>242,271,163</u>	<u>182,330,234</u>
<u>Less</u> Allowance for doubtful accounts				
- trade accounts receivable - other	(4,487,664)	(3,578,579)	(3,311,164)	(3,578,579)
	<u>239,454,468</u>	<u>179,169,977</u>	<u>238,959,999</u>	<u>178,751,655</u>
Trade accounts receivable - unbilled	192,881,017	190,255,288	191,225,654	185,861,042
Other accounts receivable				
- other	273,367	17,385	230,973	17,385
- related companies (Note 37 b)	4,210,776	40,000	4,298,387	199,193
Advance payment				
- other	1,132,527	1,057,273	952,817	1,044,058
- related companies (Note 37 b)	3,538,312	805,297	3,538,312	805,297
Deferred front end fee	22,990,969	-	22,990,969	-
Interest receivable - related companies (Note 37 b)	-	-	348,389	498,630
Prepaid expenses	3,805,227	2,089,587	3,682,798	1,946,347
Loans receivable to employee	96,371	578,089	96,371	578,089
	<u>468,383,034</u>	<u>374,012,896</u>	<u>466,324,669</u>	<u>369,701,696</u>

Trade accounts receivable classified by aging are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Accounts receivable not overdue	51,677,842	86,187,268	51,495,301	85,768,946
Overdue				
1 - 30 days	60,518,350	28,270,248	60,370,690	28,270,248
31 - 60 days	5,844,808	41,514,514	5,680,540	41,514,514
61 - 90 days	1,573,754	1,610,416	1,573,754	1,610,416
91 - 180 days	76,074,752	1,099,560	76,074,752	1,099,560
181 - 365 days	20,540,815	19,775,672	19,364,315	19,775,672
Over 365 days	27,711,811	4,290,878	27,711,811	4,290,878
	<u>243,942,132</u>	<u>182,748,556</u>	<u>242,271,163</u>	<u>182,330,234</u>



**9 Trade and other accounts receivable (net) (Cont'd)**

Trade accounts receivable from related companies classified by aging are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Account receivable - related companies				
not overdue	15,883,588	1,020	15,961,732	1,139,048
Overdue				
1 - 30 days	668	-	668	-
31 - 60 days	-	-	-	-
61 - 90 days	19,020	-	19,020	-
91 - 180 days	13,403,837	-	13,403,837	-
181 - 365 days	-	18,765,125	-	18,765,125
Over 365 days	18,765,125	-	18,765,125	-
	<u>48,072,238</u>	<u>18,766,145</u>	<u>48,150,382</u>	<u>19,904,173</u>

**10 Employee receivables under finance lease agreements (net)**

As at 31 December 2015 and 2014, the average contract period of employee receivables under finance lease agreements are 5 years with interest charged at the fixed rate as specified in the contracts. The remaining receivables under finance lease agreements classified by due date are as follows:

	Consolidated and Company		
	2015		
	Amounts due under contracts		
	Less than 1 year Baht	1 - 5 years Baht	Total Baht
Employee receivables under finance lease agreements	208,380	798,790	1,007,170
Unearned interest income	(22,785)	(87,343)	(110,128)
	<u>185,595</u>	<u>711,447</u>	<u>897,042</u>
<u>Less</u> Allowance for doubtful accounts	-	-	-
	<u>185,595</u>	<u>711,447</u>	<u>897,042</u>
	Consolidated and Company		
	2014		
	Amounts due under contracts		
	Less than 1 year Baht	1 - 5 years Baht	Total Baht
Employee receivables under finance lease agreements	-	-	-
Unearned interest income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for doubtful accounts	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2015 and 2014, the Group had no overdue amount for the purchase receivables.

# 11 Contract work in progress

## a) Contract work in progress in excess of progress billings (net)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Contract work in progress	162,942,287	153,053,437	160,743,470	148,317,157
Attributable profit	37,500,848	57,391,951	37,065,189	56,973,699
Attributable loss	(277,942)	(1,084,685)	(277,942)	(1,084,685)
	200,165,193	209,360,703	197,530,717	204,206,171
<u>Less</u> Progress billings	(198,737,231)	(208,417,760)	(196,102,755)	(203,329,434)
	1,427,962	942,943	1,427,962	876,737
<u>Less</u> Provision for project loss	-	(328,096)	-	(328,096)
	1,427,962	614,847	1,427,962	548,641

## b) Progress billings in excess of contract work in progress (net)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Progress billings	-	139,983,884	-	139,984,039
<u>Less</u> Contract work in progress	-	(90,610,265)	-	(90,610,264)
Attributable profit	-	(30,618,410)	-	(30,618,566)
	-	18,755,209	-	18,755,209

# 12 Inventories (net)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Finished goods	28,940,220	9,857,212	23,330,535	6,057,834
Work in progress	42,938,519	45,851,520	28,943,283	41,643,211
Raw materials	195,460,406	230,936,471	173,831,992	203,699,056
Spare parts and supplies	9,224,368	8,182,451	8,677,802	7,606,105
<u>Less</u> Allowance for obsolete and slow-moving inventories	(6,982,578)	(7,853,088)	(6,278,524)	(7,282,611)
	269,580,935	286,974,566	228,505,088	251,723,595
Deposits for purchase of raw materials	13,901,996	5,141,200	13,811,152	4,953,574
Raw materials in transit	12,011,544	5,651,233	11,677,986	5,651,233
	295,494,475	297,766,999	253,994,226	262,328,402

# 13 Value added tax

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Value added tax refundable	17,778,805	8,581,141	17,340,210	8,581,141
Undue input tax	2,311,871	2,241,040	2,292,191	2,202,142
Value added tax	-	(270,092)	-	-
	20,090,676	10,552,089	19,632,401	10,783,283

# 14 Restricted deposits at financial institution

As at 31 December 2015 and 2014, restricted deposits at financial institutions represent 3-month to 12-month fixed deposits with interest rate of 1.10% per annum (2014 : 1.13% per annum). The fixed deposits are held as collateral against short-term borrowings from financial institutions (Note 23).

**Cho Thavee Dollasien Public Co., Ltd.**  
**Notes to the Consolidated and Company Financial Statements**  
**For the year ended 31 December 2015**

**15 Investments in subsidiary**

Company name	Type of business	Incorporated in	Percentage of shareholding		Paid-up share capital (ordinary shares)		Company cost method	
			2015 %	2014 %	2015 Million Baht	2014 Million Baht	2015 Baht	2014 Baht
Cho Thavee Thermo Tech Co., Ltd.	Manufacturing, fabrication, assembly for panel and container	Thailand	99.99	99.99	20	20	22,599,950	22,599,950

## 16 Joint operations

On 2 August 2013, the Company entered into an agreement with another company to establish "Joint Venture TSP-CTV" (Joint operation) for propose to install electric system and LED lighting in buildings under supervision of Ministry of Defence Project. Under the term of the agreement, the Company shares 50% profit or loss of the joint venture. The agreement is valid for five years ending in August 2018, and renewable for another one year.

The registered office address of the Joint venture is located at 96/25 Moo 3, Vibhavadi Rangsit Road, Talat Bang Khen, Laksi Bangkok.

On 25 December 2013, the "Joint Venture TSP-CTV" entered into an agreement for the project to sell and install electric system and LED lighting in buildings under the supervision of Ministry of Defence with the office of the Defence Permanent Secretary Office, Ministry of Defence. The value of the agreement is Baht 393 million in which the "Joint Venture TSP-CTV" must complete the project by 20 December 2014 and comply with other conditions provided in the agreement.

On 1 July 2014, the "Joint Venture TSP-CTV" was suspended from contractual operation with the counterparty under an order from the Committee to Follow up on and Scrutinize the Spending of State Budget (Kor Tor Ror) to put off the project's operation. The management has negotiated with the counterparty and they agreed to fully pay for the completed installation part and pay for remaining inventories at its cost. Despite to this, the "Joint Venture TSP-CTV" has to maintain its active status for at least three years according to a retention condition provided in the agreement.

However, on 14 July 2015, the "Joint Venture TSP-CTV" received a consent letter from the Office of the Permanent Secretary for Defence to continue and complete the project's operation. The "Joint Venture TSP-CTV" delivered all remaining inventories to the Office of the Permanent Secretary for Defence on 10 October 2015. Despite to this, the "Joint Venture TSP-CTV" has to maintain its active status for at least two years according to a retention condition provided in the agreement.

The information related to joint operations is as follows:

	The joint operations is Business	Country of Incorporation	% Ownership Interest	
			2015	2014
Joint venture TSP-CTV	Propose to install electric System and LED lighting In building under supervision of Ministry of Defence Project	Thailand	50	50

The Group has 50% interest in a "Joint Venture TSP-CTV", which provides products and services in the electric system and LED lighting. The following amounts represent the group's share of the assets and liabilities and sales and results of the joint venture and are included in the statement of financial position and statements of comprehensive income:

	Joint operation financial statements	
	2015 Baht	2014 Baht
Current assets	75,304,868	41,828,927
Current liabilities	48,123,262	25,372,864
Net assets	27,181,606	16,456,063
Revenue	44,214,640	133,465,530
Expenses	33,435,536	126,662,080

## 17 Held-to-maturity investment

Held-to-maturity investment as at 31 December 2015 and 2014 are as follows :

Security name	Consolidated and Company					
	Units held		Cost (Baht) per unit		Total cost (Baht)	
	2015	2014	2015	2014	2015	2014
Subordinated debenture with maturity dates of 10 years on 18 May 2022	1,000	1,000	1,000	1,000	1,000,000	1,000,000

**17 Held-to-maturity investment (Cont'd)**

The movement of held-to-maturity investment for the year ended 31 December 2015 and 2014 is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening net book amount	1,000,000	1,000,000	1,000,000	1,000,000
Additions	-	-	-	-
Ending net book amount	1,000,000	1,000,000	1,000,000	1,000,000

**18 Investment property**

	<b>Consolidated and Company Land Baht</b>
<b>As at 1 January 2014</b>	
Cost	-
<u>Less</u> Accumulated depreciation	-
Net book amount	-
<b>For the year ended 31 December 2014</b>	
Opening net book amount	-
Depreciation (Note 34)	-
Closing net book amount	-
<b>As at 31 December 2014</b>	
Cost	-
<u>Less</u> Accumulated depreciation	-
Net book amount	-
<b>For the year ended 31 December 2015</b>	
Opening net book amount	-
Additions	81,577,261
Closing net book amount	81,577,261
<b>As at 31 December 2015</b>	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	81,577,261
Fair value as at 31 December 2014	-
Fair value as at 31 December 2015	79,382,040

The fair value of investment properties are based on the sales comparison approach using the valuation by independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and categories of the investment properties value. The fair values are within level 2 of the fair value hierarchy.

As at 31 December 2015, the Group has no amounts recognised in profit and loss that are related to investment properties.

19 Property, plant and equipment (net)

	Consolidated (Baht)						
	Land	Land for lease improvements	Building improvements	Machinery and equipment	Furniture, fixtures office equipment and computer equipment	Vehicles	Construction in progress
<b>As at 1 January 2014</b>							
Cost or revalued amount	150,693,277	5,414,511	137,285,687	124,560,950	9,214,620	21,059,679	518,681,114
Less Accumulated depreciation	-	(1,643,739)	(42,315,565)	(102,314,006)	(5,195,669)	(14,396,777)	(181,690,481)
Net book value	150,693,277	3,770,772	94,970,122	22,246,944	4,018,951	6,662,902	336,990,633
<b>For the year ended 31 December 2014</b>							
Opening net book value	150,693,277	3,770,772	94,970,122	22,246,944	4,018,951	6,662,902	336,990,633
Additions	-	-	-	6,184,458	2,468,524	2,211,472	35,384,025
Transfers from construction in progress	-	-	-	2,162,560	202,209	4,441,919	(36,882,546)
Disposal - cost	-	-	-	-	-	(1,152,720)	(1,152,720)
- accumulated depreciation	-	-	-	-	-	1,141,491	1,141,491
Write-off - cost	-	-	-	(113,573)	-	-	(113,573)
- accumulated depreciation	-	-	-	113,572	-	-	113,572
Depreciation charge	-	(661,653)	(6,912,757)	(7,454,664)	(1,801,771)	(2,890,022)	(23,191,479)
Closing net book value	150,693,277	3,109,119	88,057,365	23,139,297	4,887,913	10,415,042	361,320,963
<b>As at 31 December 2014</b>							
Cost or revalued amount	150,693,277	5,414,511	137,285,687	132,794,395	11,885,353	26,560,350	564,947,860
Less Accumulated depreciation	-	(2,305,392)	(49,228,322)	(109,655,098)	(6,997,440)	(16,145,308)	(203,626,897)
Net book value	150,693,277	3,109,119	88,057,365	23,139,297	4,887,913	10,415,042	361,320,963

19 **Property, plant and equipment (net) (Cont'd)**

Cho Thavee Dollasien PLC.



**Cho Thavee Dollasien Public Co., Ltd.  
Notes to the Consolidated and Company Financial Statements  
For the year ended 31 December 2015**

Property, plant and equipment (net) (Cont'd)	Company (Baht)								
	Land	Land for lease improvements	Building	Building for lease improvements	Machinery and equipment	Furniture, fixtures office equipment and computer equipment	Vehicles	Construction in progress	Total
<b>As at 1 January 2014</b>									
Cost or revalued amount	134,654,601	3,841,450	84,980,366	59,534,991	84,838,366	8,726,967	19,558,679	8,821,026	404,956,446
Less Accumulated depreciation	-	(1,560,558)	(40,456,794)	(15,037,867)	(72,807,175)	(4,878,152)	(13,869,577)	-	(148,610,123)
Net book value	134,654,601	2,280,892	44,523,572	44,497,124	12,031,191	3,848,815	5,689,102	8,821,026	256,346,323
<b>For the year ended 31 December 2014</b>									
Opening net book value	134,654,601	2,280,892	44,523,572	44,497,124	12,031,191	3,848,815	5,689,102	8,821,026	256,346,323
Additions	-	-	-	1,284,560	4,320,414	2,379,201	2,211,472	35,384,025	45,579,672
Transfers from construction in progress	-	-	-	30,075,858	2,162,560	202,209	4,441,919	(36,882,546)	-
Transfer to inventory - cost	-	-	-	-	-	-	(1,152,720)	-	(1,152,720)
- accumulated depreciation	-	-	-	-	-	-	1,141,491	-	1,141,491
Depreciation charge (Note 34)	-	(583,000)	(4,249,018)	(3,365,794)	(4,315,450)	(1,737,032)	(2,589,822)	-	(16,840,116)
Closing net book value	134,654,601	1,697,892	40,274,554	72,491,748	14,198,715	4,693,193	9,741,442	7,322,505	285,074,650
<b>As at 31 December 2014</b>									
Cost or revalued amount	134,654,601	3,841,450	84,980,366	90,895,409	91,321,340	11,308,377	25,059,350	7,322,505	449,383,398
Less Accumulated depreciation	-	(2,143,558)	(44,705,812)	(18,403,661)	(77,122,625)	(6,615,184)	(15,317,908)	-	(164,308,748)
Net book value	134,654,601	1,697,892	40,274,554	72,491,748	14,198,715	4,693,193	9,741,442	7,322,505	285,074,650

**Cho Thavee Dollasien Public Co., Ltd.**

19 **Property, plant and equipment (net)** (Cont'd)

As at 31 December 2015, the gross carrying amount of fully depreciated plant and equipment that are still in used and included in the consolidated and company financial statements were Baht 84,642,685 and Baht 55,194,738 (2014 : Baht 101,781,389 and Baht 76,447,155), respectively.

**19 Property, plant and equipment (net) (Cont'd)**

Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicle:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Cost - capitalised finance lease	61,714,655	7,196,353	60,213,655	5,695,353
<u>Less</u> Accumulated depreciation	(3,154,484)	(1,606,744)	(2,026,883)	(779,343)
Net book amount	<u>58,560,171</u>	<u>5,589,609</u>	<u>58,186,772</u>	<u>4,916,010</u>

**20 Intangible assets (net)**

	<b>Consolidated</b>				
	<b>Trademark Baht</b>	<b>Patent Baht</b>	<b>Computer software Baht</b>	<b>Know-how Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2014</b>					
Cost	4,752,897	6,485,503	37,772,556	4,000,000	53,010,956
<u>Less</u> Accumulated amortisation	-	-	(11,476,948)	(2,967,671)	(14,444,619)
Net book amount	<u>4,752,897</u>	<u>6,485,503</u>	<u>26,295,608</u>	<u>1,032,329</u>	<u>38,566,337</u>
<b>For the year ended 31 December 2014</b>					
Opening net book amount	4,752,897	6,485,503	26,295,608	1,032,329	38,566,337
Additions	-	-	1,159,736	-	1,159,736
Transfers to research expenses	-	(1,761,273)	-	-	(1,761,273)
Amortisation charge (Note 34)	-	(1,760,498)	(3,854,180)	(400,000)	(6,014,678)
Closing net book value	<u>4,752,897</u>	<u>2,963,732</u>	<u>23,601,164</u>	<u>632,329</u>	<u>31,950,122</u>
<b>As at 31 December 2014</b>					
Cost	4,752,897	4,724,230	38,932,292	4,000,000	52,409,419
<u>Less</u> Accumulated amortisation	-	(1,760,498)	(15,331,128)	(3,367,671)	(20,459,297)
Net book amount	<u>4,752,897</u>	<u>2,963,732</u>	<u>23,601,164</u>	<u>632,329</u>	<u>31,950,122</u>
<b>For the year ended 31 December 2015</b>					
Opening net book amount	4,752,897	2,963,732	23,601,164	632,329	31,950,122
Additions	-	-	300,000	-	300,000
Amortisation charge (Note 34)	-	(472,422)	(3,922,737)	(400,000)	(4,795,159)
Closing net book value	<u>4,752,897</u>	<u>2,491,310</u>	<u>19,978,427</u>	<u>232,329</u>	<u>27,454,963</u>
<b>As at 31 December 2015</b>					
Cost	4,752,897	4,724,230	39,232,292	4,000,000	52,709,419
<u>Less</u> Accumulated amortisation	-	(2,232,920)	(19,253,865)	(3,767,671)	(25,254,456)
Net book amount	<u>4,752,897</u>	<u>2,491,310</u>	<u>19,978,427</u>	<u>232,329</u>	<u>27,454,963</u>

20 Intangible assets (net) (Cont'd)

	Company			
	Trademark Baht	Patent Baht	Computer software Baht	Total Baht
<b>As at 1 January 2014</b>				
Cost	4,752,897	6,485,503	37,632,556	48,870,956
<u>Less</u> Accumulated amortisation	-	-	(11,467,627)	(11,467,627)
Net book amount	<u>4,752,897</u>	<u>6,485,503</u>	<u>26,164,929</u>	<u>37,403,329</u>
<b>For the year ended 31 December 2014</b>				
Opening net book amount	4,752,897	6,485,503	26,164,929	37,403,329
Additions	-	-	1,134,626	1,134,626
Transfers to research expenses	-	(1,761,273)	-	(1,761,273)
Amortisation charge (Note 34)	-	(1,760,498)	(3,838,509)	(5,599,007)
Closing net book value	<u>4,752,897</u>	<u>2,963,732</u>	<u>23,461,046</u>	<u>31,177,675</u>
<b>As at 31 December 2014</b>				
Cost	4,752,897	4,724,230	38,767,182	48,244,309
<u>Less</u> Accumulated amortisation	-	(1,760,498)	(15,306,136)	(17,066,634)
Net book amount	<u>4,752,897</u>	<u>2,963,732</u>	<u>23,461,046</u>	<u>31,177,675</u>
<b>For the year ended 31 December 2015</b>				
Opening net book amount	4,752,897	2,963,732	23,461,046	31,177,675
Additions	-	-	300,000	300,000
Amortisation charge (Note 34)	-	(472,422)	(3,906,226)	(4,378,648)
Closing net book value	<u>4,752,897</u>	<u>2,491,310</u>	<u>19,854,820</u>	<u>27,099,027</u>
<b>As at 31 December 2015</b>				
Cost	4,752,897	4,724,230	39,067,182	48,544,309
<u>Less</u> Accumulated amortisation	-	(2,232,920)	(19,212,362)	(21,445,282)
Net book amount	<u>4,752,897</u>	<u>2,491,310</u>	<u>19,854,820</u>	<u>27,099,027</u>

## 21 Deferred tax (net)

Deferred taxes as at 31 December 2015 and 2014 comprise the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	4,827,654	5,065,803	3,930,403	4,721,200
Deferred tax asset to be recovered after more than 12 months	3,224,426	3,227,045	2,971,123	2,968,415
	8,052,080	8,292,848	6,901,526	7,689,615
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	746,017	239,886	713,996	179,846
Deferred tax liabilities to be settled after more than 12 months	-	584,871	-	510,190
	746,017	824,757	713,996	690,036
Deferred tax assets (net)	7,306,063	7,468,091	6,187,530	6,999,579

The movement of deferred taxes for the year ended 31 December 2015 and 2014 comprises the following:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>Restated 2014 Baht</b>	<b>2015 Baht</b>	<b>Restated 2014 Baht</b>
Opening balance	7,468,091	7,440,153	6,999,579	5,261,679
Credits/(debits) to the statement of comprehensive income (Note 35)	(168,885)	27,938	(836,156)	1,737,900
Credits/(debits) to shareholder	6,877	-	24,107	-
Closing balance	7,306,063	7,468,091	6,187,530	6,999,579

21 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2015 and 2014 comprises the following: (Cont'd)

	Consolidated		
	1 January 2015 Baht	Credits/ (debits) to the statement of comprehensive income Baht	Credits/ (debits) to shareholder Baht
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	715,716	181,817	-
Allowance for obsolete and slow-moving inventories	1,570,617	(174,101)	-
Gain on disposal of inventories among related companies	584,499	(304,522)	-
Unrealised loss on financial instruments	-	21,273	-
Provision for warranty	1,918,567	(566,718)	-
Allowance for contract loss	65,619	(65,619)	-
Employee benefit obligations	2,700,008	517,561	6,857
Asset under finance lease agreements	-	687,320	-
Liability under finance lease agreements	737,822	(737,822)	-
Tax loss	-	193,186	-
	8,292,848	(247,625)	6,857
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	44,444	(44,444)	-
Asset under finance lease agreements	780,313	(676,189)	-
Liability under finance lease agreements	-	641,893	-
	824,757	(78,740)	-
	7,468,091	(168,885)	6,857
	Consolidated		
	1 January 2014 Baht	Credits/ (debits) to the statement of comprehensive income Baht	Credits/ (debits) to shareholder Baht
<b>Deferred tax assets:</b>			
Allowance for doubtful accounts	529,267	186,449	-
Allowance for obsolete and slow-moving inventories	2,002,212	(431,595)	-
Gain on disposal of inventories among related companies	-	584,499	-
Unrealised loss on financial instruments	161,065	(161,065)	-
Provision for warranty	997,909	920,658	-
Allowance for contract loss	16,000	49,619	-
Employee benefit obligations	1,980,334	403,224	316,450
Liability under finance lease agreements	-	737,822	-
Tax loss	1,753,366	(1,753,366)	-
	7,440,153	536,245	316,450
<b>Deferred tax liabilities:</b>			
Unrealised gain on financial instruments	-	44,444	-
Asset under finance lease agreements	-	780,313	-
	-	824,757	-
	7,440,153	(288,512)	316,450

21 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2015 and 2014 comprises the following: (Cont'd)

	Company			
	1 January 2015 Baht	Credits/ (debits) to the statement of comprehensive income Baht	Credits/ (debits) to shareholder Baht	31 December 2015 Baht
<b>Deferred tax assets:</b>				
Allowance for doubtful accounts	715,716	(53,483)	-	662,233
Allowance for obsolete and slow-moving inventories	1,456,522	(200,817)	-	1,255,705
Gain on disposal of inventories among related companies	584,499	(584,499)	-	-
Provision for warranty	-	21,273	-	21,273
Allowance for contract loss	1,760,658	(456,786)	-	1,303,872
Employee benefit obligations	65,619	(65,619)	-	-
Unrealised loss on financial instruments	2,484,467	462,549	24,107	2,971,123
Asset under finance lease agreements	-	687,320	-	687,320
Liability under finance lease agreements	622,134	(622,134)	-	-
	7,689,615	(812,196)	24,107	6,901,526
<b>Deferred tax liabilities:</b>				
Unrealised gain on financial instruments	44,444	(44,444)	-	-
Asset under finance lease agreements	645,592	(616,148)	-	29,444
Liability under finance lease agreements	-	684,552	-	684,552
	690,036	23,960	-	713,996
	6,999,579	(836,156)	24,107	6,187,530

	Company			
	1 January 2014 Baht	Credits/ (debits) to the statement of comprehensive income Baht	Credits/ (debits) to shareholder Baht	31 December 2014 Baht
<b>Deferred tax assets:</b>				
Allowance for doubtful accounts	529,267	186,449	-	715,716
Allowance for obsolete and slow-moving inventories	1,881,972	(425,450)	-	1,456,522
Gain on disposal of inventories among related companies	-	584,499	-	584,499
Provision for warranty	840,000	920,658	-	1,760,658
Allowance for contract loss	16,000	49,619	-	65,619
Employee benefit obligations	1,833,375	352,739	298,353	2,484,467
Unrealised loss on financial instruments	161,065	(161,065)	-	-
Liability under finance lease agreements	-	622,134	-	622,134
	5,261,679	2,129,583	298,353	7,689,615
<b>Deferred tax liabilities:</b>				
Unrealised gain on financial instruments	-	44,444	-	44,444
Asset under finance lease agreements	-	645,592	-	645,592
	-	690,036	-	690,036
	5,261,679	1,439,547	298,353	6,999,579



**21 Deferred tax (net) (Cont'd)**

The Royal Decrees issued on 21 December 2011, announces that a Company uses corporate income tax rate of 20% for two accounting periods beginning on or after 1 January 2013. Subsequently, a Royal Decrees was issued on 1 November 2014, to continue to use the corporate income tax rate of 20% for the accounting period beginning between 1 January 2015 and 31 December 2015. Then, deferred tax expected to be recovered more than 12 months after the fiscal year ended 31 December 2014 have been measured using a tax rate of 20%.

On 22 January 2016, the National Legislative Assembly approved the draft on Act to change the statutory corporate income tax rate in the Revenue Code from 30% to 20%. The change will be effective for companies and juristic partnerships with accounting periods beginning on or after 1 January 2016. Then deferred tax have been measured using tax rate of 20%.

**22 Trade and other accounts payable**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Trade accounts payable				
- other companies	62,300,738	52,187,407	58,463,225	46,481,956
- related companies (note 37 b))	3,976,511	3,739,911	5,011,637	11,038,162
Other accounts payable				
- other companies	790,056	2,094,109	787,916	2,051,705
- related companies (note 37 b))	230,000	250,000	230,000	250,000
Accrued expenses				
- Accrued staff expenses	15,271,217	12,215,799	15,271,217	12,215,799
- Accrued commission expense	7,645,199	9,555,415	7,645,199	9,555,415
- Accrued penalty from late delivery	6,407,444	4,391,511	6,407,444	4,391,511
- Accrued cooperatives expense	1,944,380	838,046	1,791,944	768,665
- Accrued electricity and water expense	605,928	571,562	605,928	571,562
- Accrued telephone expense	60,428	76,212	58,071	72,879
- Accrued interest expense	12,051	1,179,777	12,051	817,522
- Others accrued	6,481,141	5,489,572	4,586,137	3,945,701
Advance received from customer	2,637,157	3,480,646	2,377,157	3,480,646
Retention payable	1,838,984	1,320,903	1,838,984	1,320,903
Unearned revenue	15,000	15,000	15,000	15,000
	<b>110,216,234</b>	<b>97,405,870</b>	<b>105,101,910</b>	<b>96,977,426</b>

**23 Bank overdrafts and short-term borrowings from financial institutions**

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2015 and 31 December 2014 comprise the following:

Type of Short-term borrowings	Currency	2015				2014			
		Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within
Bank overdrafts	THB	-	19,434,011	7.36 - 7.68	-	-	28,319,504	3.75 - 8.28	-
			19,434,011				28,319,504		
Promissory notes	THB	-	-	-	-	-	40,000,000	5.37 - 7.40	January - February 2015
			-				40,000,000		
Trust receipts, Letter of credit and Domestic Letter of credit	THB	-	-	-	-	-	156,369,572	4.02 - 7.25	February - September 2015
	USD	-	-			1,455,359	47,448,295	3.86 - 5.75	January - April 2015
	EUR	378,667	15,070,763	1.75 - 3.51	April - May 2016	796,199	33,772,898	4.07 - 5.75	January - June 2015
			15,070,763				237,590,765		
Bills of exchange	THB	-	695,059,242	4.10 - 4.30	January - June 2016	-	-	-	-
			695,059,242				-		
Total			729,564,016				305,910,269		

The Group uses its land including construction (Note 19) and fixed deposit (Note 14) entitled to the Group as a collateral against these credit facilities.

**23 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)**

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2015 and 31 December 2014 comprise the following: (Cont'd)

Type of Short-term borrowings	Currency	Company				2014			
		2015		2014		2015		2014	
		Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within	Foreign currency	Baht or equivalent	Interest rate (% per annum)	Due within
Bank overdrafts	THB	-	16,184,506	7.36 - 7.50	-	-	26,830,974	3.75 - 7.78	-
			16,184,506				26,830,974		
Promissory notes	THB	-	-	-	-	-	40,000,000	5.37 - 7.40	January - February 2015
			-				40,000,000		
Trust receipts, Letter of credit and Domestic Letter of credit	THB	-	-	-	-	-	156,369,572	4.02 - 7.25	February - September 2015
	USD	-	-	-	-	557,634	18,287,054	4.16 - 5.75	January - April 2015
	EUR	378,667	15,070,763	1.75 - 3.51	April - May 2016	796,199	33,772,897	4.07 - 5.75	January - June 2015
			15,070,763				208,429,523		
Bills of exchange	THB	-	695,059,242	4.10 - 4.30	January - June 2016	-	-	-	-
			695,059,242				-		
Total			726,314,511				275,260,497		

The Group uses its land including construction (Note 19) and fixed deposit (Note 14) entitled to the Company as a collateral against these credit facilities.

23 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

The movement of short-term borrowings from financial institutions for the year ended 31 December 2015 is as follows:

	Consolidated						
	Trust			Bills of exchange			Total Baht
	Bank overdrafts Baht	Promissory notes Baht	and domestic receipts letter of credits Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht	
Opening net book value	28,319,504	40,000,000	237,590,765	-	-	-	305,910,269
Additions	4,290,658,259	136,021,433	129,211,178	2,200,000,000	(29,681,308)	2,170,318,692	6,726,209,562
Repayments	(4,299,543,752)	(176,021,433)	(351,731,180)	(1,500,000,000)	-	(1,500,000,000)	(6,327,296,365)
Amortisation of deferred interest	-	-	-	-	24,740,550	24,740,550	24,740,550
Ending net book value	19,434,011	-	15,070,763	700,000,000	(4,940,758)	695,059,242	729,564,016
	Company						
	Trust			Bills of exchange			Total Baht
	Bank overdrafts Baht	Promissory notes Baht	and domestic receipts letter of credits Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht	
Opening net book value	26,830,973	40,000,000	208,429,524	-	-	-	275,260,497
Additions	4,138,461,553	136,021,433	126,598,130	2,200,000,000	(29,681,308)	2,170,318,692	6,571,399,808
Repayments	(4,149,108,020)	(176,021,433)	(319,956,891)	(1,500,000,000)	-	(1,500,000,000)	(6,145,086,344)
Amortisation of deferred interest	-	-	-	-	24,740,550	24,740,550	24,740,550
Ending net book value	16,184,506	-	15,070,763	700,000,000	(4,940,758)	695,059,242	726,314,511

23 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

The movement of short-term borrowings from financial institutions for the year ended 31 December 2014 is as follows:

	Consolidated					
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts and domestic letter of credits Baht	Bills of exchange		
				Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht
Opening net book value	34,886,618	40,000,000	257,436,056	-	-	-
Additions	3,131,773,671	250,000,000	710,935,548	-	-	-
Repayments	(3,138,340,785)	(250,000,000)	(730,780,839)	-	-	-
Amortisation of deferred interest	-	-	-	-	-	-
Ending net book value	28,319,504	40,000,000	237,590,765	-	-	-
						332,322,674
						4,092,709,219
						(4,119,121,624)
						-
						305,910,269

	Company					
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts and domestic letter of credits Baht	Bills of exchange		
				Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht
Opening net book value	33,255,957	40,000,000	236,168,433	-	-	-
Additions	2,900,704,747	250,000,000	633,383,697	-	-	-
Repayments	(2,907,129,730)	(250,000,000)	(661,122,607)	-	-	-
Amortisation of deferred interest	-	-	-	-	-	-
Ending net book value	26,830,974	40,000,000	208,429,523	-	-	-
						309,424,390
						3,784,088,444
						(3,818,252,337)
						-
						275,260,497

**23 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)**

As at 31 December 2015, credit facilities of the Group granted from 8 financial institutions (31 December 2014 : 5 financial institutions) consist of:

Type	Consolidated				Company			
	2015		2014		2015		2014	
	US Dollar	Baht	US Dollar	Baht	US Dollar	Baht	US Dollar	Baht
Bank overdrafts	-	73,000,000	-	56,900,000	-	66,000,000	-	49,900,000
Long-term borrowings	-	6,000,000	-	6,000,000	-	-	-	-
Short-term borrowings/promissory notes	-	798,000,000	-	48,000,000	-	790,000,000	-	40,000,000
Letter of credit/trust receipts/domestic letter of credit	-	3,658,740,000	-	996,686,000	-	3,623,740,000	-	946,686,000
Foreign currencies forward contracts	7,320,000	510,000,000	5,820,000	660,000,000	7,320,000	510,000,000	5,820,000	660,000,000
Letter of bank guarantees	-	106,260,000	-	143,314,000	-	106,260,000	-	143,314,000

**The credit facilities and secured by:**

- 1) Mortgage of the Company and subsidiary's land including construction (Note 19)
- 2) Deposits at financial institutions under pledge (Note 14)
- 3) The insurance coverage on structures and assigned to the banks
- 4) The guarantee of certain directors and related parties
- 5) Mortgage of land and structures of certain related parties
- 6) Life insurance policy of certain related parties

## 24 Long-term borrowings from financial institutions

The movement of long-term borrowings from financial institutions for the year ended 31 December 2015 and 2014 comprises:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening net book value for the period/year	4,384,047	5,308,047	-	-
Additions	-	-	-	-
Repayments	(924,000)	(924,000)	-	-
Ending net book value for the period/year	3,460,047	4,384,047	-	-
<u>Less</u> Current portion	(924,000)	(924,000)	-	-
	2,536,047	3,460,047	-	-

As at 31 December 2015, the Company has long-term borrowing from a financial institution in Thai Baht as follows:

- The Group entered into long-term loan facilities agreement with a commercial bank denominated in Thai Baht in the amount of Baht 6 million. This borrowing bears interest at the rate of MLR and interest is payable on a monthly basis. The principal is repayable in 84 equal - monthly installment of Baht 77,000 each, commencing April 2013. The Company has mortgaged its lands (Note 19) as collateral of this loans. As at 31 December 2015, the total outstanding borrowings amount is Baht 3,460,047 (31 December 2014 : Baht 4,384,047).

As at 31 December 2015 and 2014, fair value of certain long-term loan borrowing from a financial institution is close to long-term loan borrowing from a financial institution which was recorded at cost in the statements of financial position.

## 25 Liability under finance lease agreements (net)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Liability under finance lease agreements	57,903,954	5,216,738	57,688,508	4,609,216
<u>Less</u> Future finance charges on finance lease	(6,634,797)	(525,556)	(6,632,650)	(496,473)
	51,269,157	4,691,182	51,055,858	4,112,743
<u>Less</u> Current portion	(9,964,995)	(1,389,763)	(9,751,696)	(1,024,623)
	41,304,162	3,301,419	41,304,162	3,088,120

Payment to be made in subsequent years are as follows:

Liabilities under finance lease agreements				
Within 1 year	12,332,047	1,633,237	12,116,601	1,241,161
More than 1 year but no longer than 3 years	45,571,907	3,583,501	45,571,907	3,368,055
	57,903,954	5,216,738	57,688,508	4,609,216

## 26 Other current liabilities

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Withholding tax payable	768,478	2,423,708	714,481	2,347,899
Social security payable	757,792	637,550	702,294	589,624
	1,526,270	3,061,258	1,416,775	2,937,523



## 27 Employee benefit obligations

Employee benefit obligations as at 31 December 2015 and 2014 are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Statement of financial position				
Post-employment benefits	16,122,130	13,500,040	14,855,616	12,422,334
Loss from post-employment benefits	2,587,803	2,016,115	2,312,745	1,763,692
Loss from actuarial	34,287	1,582,253	120,537	1,491,766
	<u>2,622,090</u>	<u>3,598,368</u>	<u>2,433,282</u>	<u>3,255,458</u>

The movement of employee benefit obligations for the year ended 31 December 2015 and 2014 comprises:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance of the employee benefit obligations	13,500,040	9,901,672	12,422,334	9,166,876
Cost of services for the period	2,054,506	1,578,082	1,822,556	1,358,725
Cost of interest	533,297	438,033	490,189	404,967
Actuarial losses	34,287	1,582,253	120,537	1,491,766
Closing balance of the employee benefit obligations	<u>16,122,130</u>	<u>13,500,040</u>	<u>14,855,616</u>	<u>12,422,334</u>

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
The discount rate	4.00%	4.00%	4.00%	4.00%
The assumed increasing salary rate	5.62 - 6.37%	5.62 - 6.37%	6.37%	6.37%
The personnel turnover rate	1.50 - 5.00%	1.50 - 5.00%	5.00%	5.00%
The mortality rate	Based on Thai Mortality Table (year 2008)	Based on Thai Mortality Table (year 2008)	Based on Thai Mortality Table (year 2008)	Based on Thai Mortality Table (year 2008)
The disability rate	15% of Thai Mortality Table	15% of Thai Mortality Table	15% of Thai Mortality Table	15% of Thai Mortality Table

## 27 Employee benefit obligations (Cont'd)

Through its defined benefit retirement benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields. A decrease in Government bond yields will increase plan liabilities.

Sensitivity analysis for significant assumptions disclosed is as follows. :

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 11.18% -17.68%	Increase by 13.32% - 22.15%
Salary growth rate	1%	Increase by 13.34% - 22.05%	Decrease by 11.42% - 17.94%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated					Total Baht
	Between 1 - 3 years Baht	Between 3 - 7 years Baht	Between 7 - 10 years Baht	Between 10 - 15 years Baht	Over 15 years Baht	
<b>At 2015</b>						
Retirement benefits	1,318,173	3,561,982	6,261,002	16,079,812	88,006,967	115,227,936
	Company					Total Baht
	Between 1 - 3 years Baht	Between 3 - 7 years Baht	Between 7 - 10 years Baht	Between 10 - 15 years Baht	Over 15 years Baht	
<b>At 2015</b>						
Retirement benefits	1,318,173	3,561,982	6,093,548	15,383,491	72,256,907	98,614,101

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

## **28 Warrants**

The Company issued and offered 360,000,000 units of free warrants on 28 October 2013 to the existing shareholders on the basis of 2 ordinary shares for 1 unit of warrant. The term of the warrants are as follows:

- Exercise ratio : 1 unit of warrant to 1 new ordinary share (the exercise ratio may from time to time be changed in accordance with the adjustment provisions of the warrants).
- Exercise price per share : Baht 0.50 per share (the exercise price may form time to time be change in accordance with the adjustment provisions of the warrants).
- Exercise period : The warrants shall be exercisable, in whole or in part, after the six months of the issuing date of the warrants. The exercise date shall be on last business day of March, June, September and December of every year. The first exercise date is on 30 December 2014 and the last exercise date is on 27 October 2016.

As at 20 November 2013, the Stock Exchange of Thailand has granted the Company's warrants 359,899,980 units status as a listed stock and permitted the warrants to be traded on the Market for Alternative Investment (MAI).

On 30 December 2014, the warrants holders exercised their warrants of 45,461,300 units, totalling paid-up capital of Baht 22,710,359. And during the period ended 31 December 2015, the warrants holders expressed the desire to exercise their warrants of 148,451,500 units, totalling paid-up capital of Baht 74,062,006 (net of related expenses incurred for exercising of warrants in amount of Baht 163,744).

As at 31 December 2015, warrants of 104,510,700 units, totalling paid-up capital of Baht 52,094,564, are registered with the Department of Business Development Ministry of Commerce on 7 January 2015, 3 April 2015, 2 July 2015 and 6 October 2015.

The rest of warrants 89,402,100 units, totalling paid-up capital of Baht 44,670,801 are recorded as advance received from share subscription. The Company registered those warrants with the Department of Business Development Ministry of Commerce on 7 January 2016

As at 31 December 2015, the outstanding balance of unexercised warrants to purchase ordinary shares is 165,987,180 units (31 December 2014 : 314,438,680 units).

## **29 Dividends payment and legal reserve**

At the Annual General Shareholders' Meeting on 28 April 2015, the shareholders approved the dividend payment for the year 2014 at Baht 0.0605 per share, totalling Baht 49,018,527. The Company approved an appropriation of legal reserve amounting to Baht 3,990,000 in 2014. The Company paid dividend amounting to Baht 48,991,600 to shareholders on 27 May 2015. As at 31 December 2015, the Company has dividend payable amounting to Baht 26,927.

At the Annual General Shareholders' Meeting on 9 April 2014, the shareholders approved the dividend payment for the year 2013 at Baht 0.015 per share, totalling Baht 10,800,000. The Company approved an appropriation of legal reserve amounting to Baht 1,520,000 in 2013. The Company paid dividend amounting to Baht 10,800,000 to shareholders on 7 May 2014.

## **30 Legal reserve**

	<b>Consolidated and Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>
Opening balance	5,510,000	1,520,000
Appropriation during the year	1,310,000	3,990,000
Ending balance	<u>6,820,000</u>	<u>5,510,000</u>

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

**31 Non-controlling interest**

	Consolidated	
	2015 Baht	2014 Baht
Opening balance	5,127	3,297
Share of net profit (loss) of subsidiary	(153)	1,830
Ending balance	4,974	5,127

**32 Other income**

	For the years ended 31 December			
	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Service income	4,384,189	4,268,263	8,512,118	11,210,415
Car registration service income	-	712,000	-	712,000
Interest income	9,203,094	273,109	13,066,755	2,730,934
Other income	2,755,133	2,412,128	2,755,069	2,412,128
	16,342,416	7,665,500	24,333,942	17,065,477

**33 Finance cost**

	For the years ended 31 December			
	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Interest expense for borrowings from financial institutions	28,598,988	19,068,386	27,938,360	17,202,141
Interest expense for liability under finance lease agreement	256,894	239,105	229,958	189,177
	28,855,882	19,307,491	28,168,318	17,391,318

**34 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at the operating profit for the year ended 31 December:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Change in inventories of finished goods and work in process	(1,275,223)	(12,195,565)	(4,572,773)	(8,928,824)
Raw material and consumables used	712,962,693	924,344,643	677,276,917	968,114,800
Staff costs	163,347,830	151,096,150	151,259,138	135,132,224
Depreciation and amortisation	32,286,527	27,694,847	24,980,383	20,678,625
Transportation expenses	21,708,274	18,499,516	21,483,621	18,119,023
Share-based payment expenses				
- Cost of contract work	-	15,985,760	-	14,300,160
- Cost of sales and services	-	3,338,272	-	3,338,272
- Administrative expenses	-	6,083,840	-	5,938,800
- Selling expenses	-	3,605,616	-	3,490,760

### 35 Income tax

Reconciliations of income tax for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
<b>Current income tax:</b>				
Current income tax on taxable profit for the year	9,798,250	34,743,943	9,798,250	31,121,547
Adjustments under (over) recorded income tax of prior year	(458,813)	-	(458,813)	-
Write-off withholding tax	-	3,755,343	-	3,755,343
Total current income tax	9,339,437	38,499,286	9,339,437	34,876,890
<b>Deferred income tax</b>				
Origination and reversal of temporary differences (Note 21)	168,885	288,511	836,156	(1,439,547)
Total tax expense	9,508,322	38,787,797	10,175,593	33,437,343
	Consolidated		Company	
	2015 Baht	Restated 2014 Baht	2015 Baht	Restated 2014 Baht
Profit before tax accounting base	45,247,509	137,365,323	47,081,736	114,339,910
Tax calculated at a tax rate of 20%	9,049,502	27,473,064	9,416,347	22,867,982
Tax effect of:				
Expenses not deductible for tax purpose	1,801,419	7,357,076	1,792,996	6,611,704
Additional expenses deductible for tax purpose	(1,027,121)	(77,866)	(1,027,121)	(77,866)
Recognition of unrecognised deferred tax on loss carry forward	452,184	-	452,184	-
Recognition of unrecognised deferred tax on loss from joint venture	-	280,180	-	280,180
Temporary differences for which no deferred tax asset was recognised	(308,849)	-	-	-
Adjustments over record income tax of prior year	(458,813)	-	(458,813)	-
Write-off withholding tax	-	3,755,343	-	3,755,343
Income tax	9,508,322	38,787,797	10,175,593	33,473,343

### 36 Earnings per share

#### a) Basic earnings per share

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

	Consolidated		Company	
	2015	Restated 2014	2015	Restated 2014
Net profit attributable to equity holders of the parent (Baht)	35,739,347	98,577,526	36,906,143	80,902,567
Weighted average number of ordinary shares in issue during the year (Number of shares)	804,571,028	720,249,103	804,571,028	720,249,103
Basic earnings per share (Baht)	0.0444	0.1369	0.0459	0.1123

**36 Earnings per share (Cont'd)**

**b) Diluted earnings per share**

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants (Note 28). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

	Consolidated		Company	
	2015	Restated 2014	2015	Restated 2014
Profit attributable to shareholders of the parent (Baht)	35,739,347	98,577,526	36,906,143	80,902,567
Weighted average number of ordinary shares outstanding (Shares)	804,571,028	720,249,103	804,571,028	720,249,103
Assumed shares issued from exercising warrants (Shares)	219,769,292	264,794,093	219,769,292	264,794,093
Weighted average number of ordinary shares for diluted earnings per share (Shares)	1,024,340,320	985,043,196	1,024,340,320	985,043,196
Diluted earnings per share (Baht)	0.0349	0.1001	0.0360	0.0821

**37 Related party transactions**

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.

The significant investments in subsidiary are set out in Note 15.

**37 Related party transactions (Cont'd)**

Relationship between company and related parties:

<b>Company and party</b>	<b>Type of business</b>	<b>Relationships</b>
Cho Thavee Thermo Tech Co., Ltd.	Manufacturing, fabrication, assembly for panel and container	Subsidiary
Joint Venture TSP-CTV	Trading and installation of electric lighting and electrical equipment	Joint operations
Joint Venture JVCC	Manufacturing, assembly and maintenance for NGV Bus	Joint operations
Thaveeseangthai Co., Ltd.	Trading of vehicles and industrial equipment	Common-shareholders and directors
Khon Kaen Cho Thavee Limited Partnership	Trading of vehicles	Common-partnerships
Bangkok CTV. Intertrade Co., Ltd.	Manufacturing and export of home appliance	Common-shareholders and directors
Khon Kaen Cho Thavee (1993) Co., Ltd.	Manufacturing and trading of trailer	Common-shareholders and directors
Volrep Truck and Bus Co., Ltd.	Trading of vehicles	Common-shareholders
A P S Multi-Trade Co., Ltd.	Trading of agricultural machinery and equipment	Common-shareholders and directors
O J Development Co., Ltd.	Rental retail area	Common-shareholders and directors
Ruamthavee Motor Sales Co., Ltd.	Sales, buy, exchange of vehicle and spare parts	Common-directors
Ruamthavee Khonkaen Co., Ltd.	Trading of truck and trailer	Common-directors
Cho Ruamthavee Leasing and Real Estate Co., Ltd.	Leasing, sales and exchange of vehicle and house	Common-directors
Tang Hua Singh Nakhonpathorn Ltd., Partnership	Trading and repair of truck and trailer and trading of spare parts	Common-partnerships
Dongfeng Hangzhou Motor (Thailand) Co., Ltd.	Trading of vehicles	Common-shareholders
Doll Fahrzeugbau GmbH (formerly named "Doll Fahrzeugbau AG")	Manufacturing and trading of trailer assembly	The Company's shareholder
Khon Kaen City Development (KKT) Co., Ltd.	Raise fund for mass transportation system construction in Khon Kaen	Common-shareholders and directors
Bangchak Petroleum Public Co., Ltd.	Refine ring and trading of crude oil	Common-directors
Smart Consulting and Services Co., Ltd.	Accounting service, audit service and accounting consultation	Common-directors
Freedom Media for Reform Co., Ltd.	Trading of newspaper, magazine and stationeries	Common-directors
Apex Development Public Co., Ltd.	Construction and development of real estate for sale	Common-directors
Ms. Rungtiwa Thaveesangsukulthai	-	The Company's shareholder



37 Related party transactions (Cont'd)

a) Related party transactions for the year ended 31 December 2015 and 2014

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Subsidiary</b>				
Revenue from sale and rendering of services	-	-	4,131,469	6,259,698
Management fee income	-	-	2,566,800	2,566,800
Rental income	-	-	2,640,000	2,640,000
Interest income	-	-	3,863,962	2,457,825
Other income	-	-	1,487,929	1,735,351
Purchase of materials	-	-	(31,030,442)	(179,428,991)
Rental expense	-	-	(48,000)	(48,000)
<b>Related parties</b>				
Revenue from contract work	22,665,240	-	22,665,240	-
Revenue from sale and rendering of services	12,682,316	83,481,771	12,682,316	83,481,771
Management fee income	1,584,699	9,079,689	1,584,699	9,079,689
Rental income	360,000	419,800	360,000	419,800
Interest income	2,850,377	-	2,850,377	-
Revenue from sale on fixed asset	-	233,645	-	233,645
Other income	518,495	242,589	518,495	242,589
Purchase of materials	(76,512,917)	(178,944,722)	(76,512,917)	(178,944,722)
Rental expense	(252,000)	(252,000)	-	-
Other expense	(1,950,000)	(1,800,000)	(1,950,000)	(1,800,000)
<b>Key management compensation</b>				
- Short-term employee benefits	18,184,115	12,435,450	18,184,115	12,435,450
- Post-employee benefits	370,535	749,517	370,535	749,517

37 Related party transactions (Cont'd)

- b) Outstanding balance arising from sale/purchases of goods and services and others as at 31 December 2015 and 2014 is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
<b>Trade accounts receivable (Note 9)</b>				
<u>Subsidiary</u>	-	-	78,144	1,138,028
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	37,609	1,020	37,609	1,020
Ruamthavee Khonkaen Co., Ltd.	-	-	-	-
Joint venture TSP-CTV	32,168,961	18,765,125	32,168,961	18,765,125
Doll Fahrzeugbau GmbH	15,865,668	-	15,865,668	-
<b>Total</b>	<b>48,072,238</b>	<b>18,766,145</b>	<b>48,150,382</b>	<b>19,904,173</b>
<b>Interest receivable from subsidiary (Note 9)</b>	-	-	348,389	498,630
<b>Other accounts receivable (Note 9)</b>				
<u>Subsidiary</u>	-	-	87,611	159,193
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	-	40,000	-	40,000
Joint venture TSP-CTV	4,210,776	-	4,210,776	-
<b>Total</b>	<b>4,210,776</b>	<b>40,000</b>	<b>4,298,387</b>	<b>199,193</b>
<b>Advance payment (Note 9)</b>				
<u>Subsidiary</u>	-	-	-	-
<u>Related parties</u>				
Joint venture JVCC	-	300,000	-	300,000
Joint venture TSP-CTV	2,887,912	505,297	2,887,912	505,297
Volrep Truck and Bus Co., Ltd.	650,400	-	650,400	-
<b>Total</b>	<b>3,538,312</b>	<b>805,297</b>	<b>3,538,312</b>	<b>805,297</b>
<b>Trade accounts payable (Note 22)</b>				
<u>Subsidiary</u>	-	-	1,035,126	7,298,251
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	3,151,006	1,042,250	3,151,006	1,042,250
Doll Fahrzeugbau GmbH	772,669	2,377,127	772,669	2,377,127
Ruamthavee Khonkaen Co., Ltd.	50,439	320,534	50,439	320,534
Volrep Truck and Bus Co., Ltd.	2,397	-	2,397	-
<b>Total</b>	<b>3,976,511</b>	<b>3,739,911</b>	<b>5,011,637</b>	<b>11,038,162</b>
<b>Other accounts payables (Note 22)</b>				
<u>Subsidiary</u>	-	-	-	-
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	30,000	50,000	30,000	50,000
Mrs. Rungtiwa Taveesangsakulthai	200,000	200,000	200,000	200,000
<b>Total</b>	<b>230,000</b>	<b>250,000</b>	<b>230,000</b>	<b>250,000</b>

### 37 Related party transactions (Cont'd)

- c) The movement of short-term loans to subsidiary for the years ended 31 December 2015 and 2014 comprises:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	-	-	25,500,000	34,285,121
Additions	-	-	58,500,000	30,584,868
Repayments	-	-	(25,400,000)	(39,369,989)
Ending balance	-	-	58,600,000	25,500,000

At 31 December 2015 and 2014, outstanding short-term loans to subsidiary represent unsecured short-term loans denominated in Thai Baht and bear interest at the rate 7.00%. The loans are due for settlement at call.

### 38 Commitments

#### a) Forward foreign currency exchange contracts

At 31 December 2015 and 2014, the settlement dates on open forward contracts ranged between 1 month and 4 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated and Company					
	Contract amount		Contract rate		2015 Baht	2014 Baht
	2015	2014	2015	2014		
<b>Buying forward contract</b>						
USD	-	300	-	33.05	-	9,915
EUR	-	168,803	-	40.96 - 41.28	-	6,958,955
GBP	-	15,000	-	52.12	-	781,800
Contract value					-	7,750,670
Fair value					-	7,591,809
Unrealised gain (loss) from financial instrument					-	(158,861)
<b>Selling forward contract</b>						
EUR	220,201	410,092	38.78 - 39.49	41.18 - 41.53	8,624,747	16,948,621
Contract value					8,624,747	16,948,621
Fair value					8,731,114	16,567,543
Unrealised gain (loss) from financial instrument					(106,367)	381,078
Financial instrument assets (liabilities)					(106,367)	222,217

The fair value of foreign exchange forward contracts is determined by using rates quoted by Group's counter parties to terminate the contracts at 31 December 2015 and 2014 and are within level 2 of the fair value hierarchy.

#### b) Commitments under letter of guarantee

In the course of its business, the Company provides guarantees and letter of credit generally through the banks to its suppliers for the performance bond and electricity.

As at 31 December 2015 and 2014, the bank guarantees issued on behalf of the Company were outlined below:

	Consolidated and Company	
	2015 Baht	2014 Baht
Performance bond	325,614,439	125,308,378
Electricity	800,000	800,000
	326,414,439	126,108,378

38 Commitments (Cont'd)

c) Commitments under unused letter of credits

The Bank provides letter of credit generally through to its suppliers for the purchases of merchandise.

As at 31 December 2015 and 2014 the letter of credits issued on behalf of the Company were outlined below:

Consolidated				
2015		2014		
Foreign currency	Baht or Baht equivalent	Foreign currency	Baht or Baht equivalent	
Unused letter of credits				
EUR 481,200	19,151,524	EUR 1,021,457	41,221,108	
JPY 10,000,000	3,027,560	USD 255,844	8,471,808	
	<u>22,179,084</u>		<u>49,692,916</u>	
Company				
2015		2014		
Foreign currency	Baht or Baht equivalent	Foreign currency	Baht or Baht equivalent	
Unused letter of credits				
EUR 481,200	19,151,524	EUR 976,261	39,397,226	
JPY 10,000,000	3,027,560	USD 255,844	8,471,808	
	<u>22,179,084</u>		<u>47,869,034</u>	

d) Operating lease commitments

As at 31 December 2015 and 2014, the Group and the Company had operating lease commitments in respect of rental of land and buildings, vehicle and others which have obligation to pay under non-cancellable operating lease agreements as following:

Due within the years ending	Consolidated	Company
	2015 Baht	2015 Baht
31 December 2016	6,140,420	5,840,420
31 December 2017	3,895,400	3,879,400
31 December 2018	225,500	225,500
	<u>10,261,320</u>	<u>9,945,320</u>
Due within the years ending	Consolidated	Company
	2014 Baht	2014 Baht
31 December 2015	4,701,000	4,449,000
31 December 2016	904,000	904,000
31 December 2017	596,000	596,000
	<u>6,201,000</u>	<u>5,949,000</u>

e) Capital commitment

As at 31 December 2015, the Group has capital commitment in respect of construction of buildings amounting to Baht 980,393.92 (31 December 2014 : None).

### 39 Share-based payment

During 2014, the major shareholder of the Group expressed the desire to give warrants to selected employees of the Group with no condition. Management found that such event shall fall within Thai Financial Reporting Standard no. 2, share-based payment, which resulted in the increase in share-based payment expenses in the financial statements of the Group. The major shareholder of the Group expressed the desire to give the warrants to employees of parent company and its subsidiary in 6,905,100 warrants and 496,300 warrants, respectively, totaling 7,401,400 warrants. The result of expressing increased the share-based payment expenses in the consolidated and company statements of comprehensive income for the year ended 31 December 2014 in amount of Baht 29,013,488 and Baht 27,067,992, respectively and share premium from share-base payment in the consolidated and company statement of financial position as at 31 December 2014 in amount of Baht 29,013,488 and Baht 27,067,992, respectively.

### 40 Promotional privileges

The Group received the following promotional privileges from the Board of Investment as follows:

Company	BOI Certificate No.	Date of Approval	Products	Income first derived date	Privilege expired date	Significant privilege *				
						1	2	3	4	5
Cho Thavee Dollasien Public Company Limited	2417(2)/2553	18 October 2010	Fabrication industry or Platform maintenance	5 April 2011	4 April 2019	✓	✓	✓	✓	✓
Cho Thavee Thermotech Co., Ltd.	1746(2)/2548	13 July 2005	Sandwich panel product	14 March 2006	13 March 2014	✓	✓	✓	✓	✓

\* Significant privileges consist of:

- 1) Exemption from import duty on approved machinery.
- 2) Exemption from payment of corporate income tax not in excess of 100% of the investment amount excluding cost of land and working capital for the period of eight years from the date income is first derived.
- 3) Allowance to deduct from the taxable corporate income up to 25% of the capital investment in the costs of installing infrastructural facilities apart from normal depreciation.
- 4) Exemption from payment of import duty on imported raw material and supplies to be used in the manufacturing of goods for export sales for a period of five years from the first import date
- 5) Exemption to include dividend derived from a promoted entity to taxable income computation during the exemption period.

As a promoted entity, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

The operating results for the year ended 31 December 2015 and 2014 classified as sales under BOI and non-BOI promoted activities are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue from activities				
BOI Promoted				
- Revenue from contract work	-	3,241,264	-	3,241,264
- Revenue from sales and services	-	-	-	-
Total	-	3,241,264	-	3,241,264
Non-BOI promoted				
- Revenue from contract work	972,729,576	1,212,679,294	919,491,006	1,209,035,839
- Revenue from sales and services	169,904,248	297,102,171	173,601,639	302,756,901
Total	1,142,633,824	1,509,781,465	1,093,092,645	1,511,792,740
	1,142,633,824	1,513,022,729	1,093,092,645	1,515,034,004

#### 41 Post statement of financial position event

On 19 February 2016, the Board of Directors' Meeting agreed to propose the following to the Annual General meeting of Shareholders for consideration:

##### Dividend payment

To approve a dividend payment from the operating results for the year 2015 in amount of Baht 29.41 million. Dividends payment will be paid by issuing 95.47 million new ordinary shares of par Baht 0.25 per share to the existing shareholders in ratio of 10 existing share to 1 new ordinary share, totaling Baht 23.87 million, or equivalent to Baht 0.0250 per share and paying in cash at Baht 0.0058 per share, totaling Baht 5.54 million.

##### Adjustment in right of exercise ratio and exercise price in warrants

To approve the adjustment in right of exercise ratio and exercise price in warrant to purchase ordinary shares No.1 (CHO-W1).

##### Issuance and offering of subordinated debenture

To approve the issuance and offering of debenture in an amount of not more than Baht 1,000 million.

The aforementioned matters shall be endorsed and approved by the 2016 Annual General Meeting of Shareholders, which will be conducted on 21 April 2016.



# **CHO 2023 STRONG BRAVE DIFFERENT**

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