



ANNUAL REPORT

2016

CHO THAVEE

Public Company Limited CHO



www.cho.co.th



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Investors may find more information about Cho Thavee Public Company Limited, at Form 56-1 available at www.sec.or.th or website of the company at www.cho.co.th

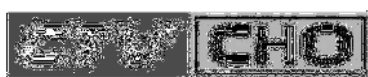
Explanation

The Company and CTV-CHO	imply	Cho Thavee Public Company Limited.
CTV-TMT	imply	Cho ThaveeThermotech Co., Ltd.
CTV-1993	imply	KhonKaen 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





With Deepest Sorrow on the Passing of His Majesty King Bhumibol Adulyadej
Mahitalathibet Ramathibodi Chakkrinaruebodin Sayamminthrathirat
Borommanatthabophit



Vision and Mission



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 confidence and satisfaction with consciousness in corporate social responsibilities and environmental concerns. The Company target to proudly supply quality products under the name CHO as a world-class brand. And to create the happiness to the stakeholders, 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 to develop our employer.
- To increase recognition, awareness and confidence in the brand “CHO”.
- To produce a great variety of safe and user friendly products and services those are not only sustainable but environmental friendly as well.
- To create happiness for our employees and stakeholders.
- To research 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”

Message from the Chairman

In the operation results 2016, CHO reported a deficit which may cause wariness to investors.

The board of directors worry about this issue, thus the operation plan in expenses control and the effect of operations were followed up throughout the year. The causes are as follows:

1. The termination of contract for providing 489 units NGV bus to Bangkok Mass Transit Authority (BMTA). This is the main issue caused the lack of income during the contract preparation period. There were the cost of contract preparation and the cost of administrative court filing. The claim for compensation is 1.5 billion Baht, it will be an income if the claim done.

2. There is the cost of new product development as CHO is an innovative company. This year has 4 big projects development more there than previous year.

3. The cost of set up the ERP system, SAP program including operating time period for implementation the system that CHO target to use within 2017.

Although, the operation result and expenses of 2016 will be a plan for 2017 in order to apply projects for gaining income to compensate for the investment cost.

Furthermore, CHO has a future plan until 2023 for business and product expansion especially for the expansion of 24 hours service center which will make a stable income for CHO.

The board of directors, executives and employees would like to thank investors for having confidence in CHO as always. We promise that we will aim for the company growing, and will strictly check and audit cost for the utmost benefit of CHO.



(Ms. Phenphimol Vejvarut)
Chairman of the Board of Director



Message from The President and Chief Executive Officer

In 2016, the business performance of CHO was not achieved the target and caused the profit loss due to the economy crisis and the excess expense from the project operated in 2015, hence, I would like to sincerely apologize to shareholders on this matter.

In 2017, the company ensures that the excess expense will not impact to the company performance as in the last year. CHO is going to implement the operation of “24 hours Truck Service Center” which is the first commercial service center for trucks in Thailand, moreover, the company has been implemented new ERP system to enhance the potential in controlling and operation to the company. The new ERP system is the On Cloud system which is more flexible and supportive to the business expansion of CHO since it is the well-known system which shareholders can be assured of the company.

As you may recognize that the company has 3 groups of product. We have gradually received the customer order for the 1st product group since the end of 2016. Most of the 2nd product groups are the import products and they have a chance to expand the product to another country. CHO has discontinued the partnership with Germany company because of the contrast of operation and concept that why CHO’s product can be expanded to another market which is the great opportunity for the company. The 3rd product group came from the continuous research and development on Smart Bus project in Khon Kean province.

This project has been expanded to another province. This project has received a lot of attention and observation activities request which provided a good opportunity for the company.

Lastly, we would like to mention on the company manpower. The company has constructed the academy for staff training named “CHOTHAVEE Technician School”. In this year, CHO will initiate the career path program to strengthen the morale of CHO staff in order to bring about the good company performance in the future.



(Mr. Suradech Taweesaengsakulthai)
President and Chief Executive Officer



Audit Committee's Report

Attention to Shareholders

The audit committees of Cho Thavee 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 2016's, there were 9 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	9/9
Mr. Asa Prateepasen	9/9
Mr. Chatchawan Triamvicharnkul	9/9

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

1. To consider and review quarterly financial statements, financial statements for year 2016 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.
2. 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.

3. 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.
4. 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.
5. 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.
6. 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).
7. 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.
8. To consider selecting the appointment of the auditor for the year 2016, 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.

9. 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 2016, 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.
10. To recommend and advise for improvement of the operation by assigning management team to analysis controlled and uncontrolled expenses, and the team have to prepare proper plan and measure.

The audit committees have followed CHO's operation during the year 2016 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 23, 2017

The Board of Directors



1. **Ms. Phenphimol Vejvarut**
Board of Directors, Chairman
2. **Mr. Suradech Taweesaengsakulthai**
Director / Authorized Directors/ Executive Committee, Chairman
/President and Chief Executive Officer / Boards Secretary
3. **Ms. Asana Taweesaengsakulthai**
Director / Authorized Directors / Executive Director / Senior Vice President
4. **Mr. Siriwat Taveesangskulthai**
Director / Corporate Governance, Risk Management, Nomination and Compensation
Committee /Executive Director
5. **Mr. Anusorn Tamajai**
Independent Director / Audit Committees, Chairman Appointed on October 12, 2012
6. **Mr. Asa Prateepasen**
Independent Director / Audit Committee / Corporate Governance, Risk Management,
Nomination and Compensation Committee
7. **Mr. Chatchawan Triamvicharnkul**
Independent Director / Audit Committee / Chairman of Corporate Governance, Risk
Management, Nomination and Compensation Committees

The Executives Committee



1. **Mr. Suradech Taweesaengsakulthai**
President and Chief Executive Officer
2. **Ms. Asana Taweesaengsakulthai**
Senior Vice President
3. **Ms. Somnuk Sangin**
Executive Director / Vice President
4. **Mr. Nititorn Deeumpai**
Executive Director / Chief Financial Officer/ Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees
5. **Mr. Prasobsuk Boonkwan**
Executive Director/ Chief Business Development Domestic Officer
6. **Mr. Seven Markus Gaber**
Executive Director/ Chief Marketing Officer Oversea
7. **Ms. Pattarin Anukunananchai**
Executive Director/ Chief Administration Officer
8. **Mr. Nopparat Sangsawang**
Executive Director / Chief Production Officer
9. **Mr. Apichai Chumsri**
Executive Director / Chief Risk Management Office
10. **Mr. Nirut Sumongkol**
Executive Director / Chief Design Engineering Officer
11. **Mr. Padungdetch Euasookkul**
Executive Director / Chief Business Development Overseas Officer
12. **Mr. Bamrung Chinsombat**
Executive Director / Chief Service Officer
13. **Mr. Sakarin Unnim**
Executive Director / Chief Marketing Officer Domestic

Board of Directors, Executives and Company Secretary's Information

Ms. Phenphimol Vejvarut

- Board of Directors, Chairman

Appointed : on January 2, 2013

Age : 55 year old.

Education and Training:

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

Shareholding in the company: 0.028%

Stake in the company of their spouses and minor children : none

Work Experiences :

2013 -Present: Chairman of the Company Cho Thavee Public Company Limited.

Other listed companies :none

Non-listed companies:

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

1967-Present: Managing Partner Tang Hua Singh Nakhon Pathom Limited. Partnership

Mr. Suradech Taweesaengsakulthai

- Director
- Authorized Directors
- Executive Committee, Chairman
- President and Chief Executive Officer
- BOD. Secretary

Appointed : November 18, 1994

Age :50 year old.

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

Shareholding in the company :41.221%

Stake in the company of their spouses and minor children : none

Work Experiences :

1995 - Present: Director, Executive Committee, Chairman, President and Chief Executive Officer

2015 - Present: BOD. Secretary Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies:

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

2016 - Present: Director Joint Venture TSP-CTV

2015 - Present: Chairman of the Company's director KHON KAEN THINK TANK Co., Ltd. Director JVCC Joint Venture

1996 - Present: Director A P S Multi-Trade Co., Ltd.

1990 - Present: Director KhonKaen Cho Thavee (1993) Co., Ltd.

1977 - Present: Director KhonKaen Cho Thavee Limited Partnership

1977 - Present: Director Chia Eam Seng Co., Ltd.

1992 – 2015 : Director Volrep Truck and Bus Co., Ltd.

Ms. Asana Taweangsakulthai

- Director
- Authorized Directors
- Executive Director
- Senior Vice President

Appointed : August 15, 1995

Age : 62 year old.

Education and Training:

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

Shareholding in the company: 3.326%

Stake in the company of their spouses and minor children : none

Work Experiences :

1995 -Present: Director / Executive Director / Senior Vice President Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies:

2005 - Present: Director Cho Thavee Termotech Co., Ltd.
 2016 -Present: Director Joint Venture TSP-CTV
 2009 - Present: Director O J Development Co., Ltd.
 1992 - Present: Director Volrep Truck and Bus Co., Ltd.
 1989 - Present: Director Bangkok CTV Intertrade Co., Ltd.

Mr. Siriwat Taveangsakulthai

- Director
- Corporate Governance, Risk Management, Nomination and Compensation Committee
- Executive Director

Appointed : September 28, 2012

Age : 38 year old.

Education and Training:

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

Shareholding in the company: none

Stake in the company of their spouses and minor children : none

Work Experiences :

2014-Present: Corporate Governance, Risk Management, Nomination and Compensation Committees
 2012-Present: Director, Executive Director Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies:

2012-Present : Director / General Manager Ruamthavee KhonKaen Co., Ltd.
 2011- Present : Director Ruamthavee Motor Sales Co., Ltd.
 1984- Present : Director Cho Ruamthavee Leasing and Real Estate Co., Ltd.

Mr. Anusorn Tamajai

- Independent Director
- Audit Committees, Chairman

Appointed : October 12, 2012

Age : 50 year old.

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

Shareholding in the company: none

Stake in the company of their spouses and minor children : none

Work Experiences :

2012-Present : Independent Director and Chairman of Audit Committee Cho Thavee Public Company Limited

Other listed companies :

2015 - 2015 : 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.

Non-listed companies:

2014-Present : Committee and Audit Committee Bank of Thailand
2013 -Present: Vice President of Research and Academic Service
2007 -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
- Corporate Governance, Risk Management, Nomination and Compensation Committee
- Audit Committee

Appointed : September 28, 2012

Age : 56 year old.

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

Shareholding in the company: none

Stake in the company of their spouses and minor children : none

Work Experiences :

2014 -Present : Corporate Governance, Risk Management, Nomination and Compensation Committees
2012-Present: Independent Director and Audit Committee Cho Thavee Public Company Limited

Other listed companies : none

Non-listed companies :

1992-Present: Associate Professor, King Mongkut's University of Technology, Thonburi

Mr. Chatchawan Triamvicharnkul

- Independent Director
- Audit Committee
- Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees

Appointed : March 5, 2013

Age : 52 year old.

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(HRP) class06/2015
- 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
- R-ACF 1/2016 By IOD
- Ethical Leadership program (ELP) 3/2016

Shareholding in the company: none

Stake in the company of their spouses and minor children : none

Work Experiences :

- 2014 -Present: Chairman of Corporate Governance, Risk Management, Nomination and Compensation Committees
- 2013 -Present : Independent Director and Audit Committee Cho Thavee Public Company Limited.

Other listed companies :

- 2015-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.

Non-listed companies :

- 2014 -Present : Managing Director Smart Consulting and Services Co.,Ltd
- 2013 – 2014 : Director Thinkplusdigital 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 : November 26, 2014

Age : 57 year old.

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

Shareholding in the company: 0.006 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2014-Present : Vice President
 2014-Present : Executive Director Cho Thavee Public Company Limited.
 2010-2014 : Executive Director
 Chief Financial Officer ChoThavee Dollasien Public Company Limited.

Other listed companies : none

Non-listed companies :

2003-Present : Special Lecturer Sukhothai Thammathirat Open University
 2014 -2014 : Chief Financial Officer Baansuay Group (Suratthani) Co.,Ltd

Mr. Nititorn Deeumpai

- Executive Director
- Chief Financial Officer
- Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees

Appointed : April 3, 2014

Age : 47 year old.

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

Shareholding in the company: 0.0006 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2014- Present : Executive Director
 Chief Financial Officer
 Secretary of Corporate Governance, Risk Management, Nomination and Compensation Committees Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

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

Mr.Prasobsuk Boonkwan

- Executive Director
- Chief Business Development Domestic Officer

Appointed : Jane 1, 2011

Age : 49 year old.

Education and Training:

- Bachelor Degree, Faculty of Business Administration Ramkhamhaeng University

Shareholding in the company: 0.001 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2015 -Present : Chief Business Development Domestic Officer
 2012- Present : Executive Director
 2011-2015 : Chief Marketing Officer, Domestic Cho Thavee Dollasien Public Company Limited.

Other listed companies : none

Non-listed companies :

2015-Present: Director
 Cho Thavee Termotech Company Limited.
 2010-2011 : Administrative Manager
 1995- 2010 : Purchase Manager Cho Thavee Dollasien Company Limited.

Mr.Sven Markus Gaber

- Executive Director
- Chief Marketing Officer Oversea

Appointed : Jane 1, 2011

Age : 49 year old.

Education and Training:

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

Shareholding in the company: none

Stake in the company of their spouses and minor children : none

Work Experiences :

2012-Present : Executive Director
 2011- Present : Chief Marketing Officer, Oversea, Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

2009- 2010 : Director Manager, Foreign Sales Cho Thavee Dollasien Company Limited.

Ms. Pattarin Anukunananchai

- Executive Director
- Chief Administration Officer

Appointed : Jane 1, 2011

Age :60 year old.

Education and Training:

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

Shareholding in the company :0.010%

Stake in the company of their spouses and minor

children : none

Work Experiences :

2012-Present : Executive Director

2011-Present : Chief Administrative Officer Cho Thavee Public Company Limited.

Other listed companies :none

Non-listed companies :

2006 – 2011 : Director Manager, Sales Department Cho Thavee Dollasien Company Limited.

Mr.Nopparat Sangsawang

- Executive Director
- Chief Production Officer

Appointed : Jane 1, 2011

Age :49 year old.

Education and Training:

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

Shareholding in the company :0.011 %

Stake in the company of their spouses and minor

children : none

Work Experiences :

2012- Present : Executive Director

2011-Present : Chief Production Officer Cho Thavee Public Company Limited.

Other listed companies :none

Non-listed companies :

2016-Present: DirectorJVCKK Joint Venture
Director JVOPVJoint Venture
Director JVCC Joint Venture

2015-Present : Director KhonKaen Cho Thavee (1993) Co., Ltd.

DirectorO J Development Co., Ltd.

1998 – 2011 : Manager, Production Management Department Cho Thavee Dollasien Company Limited.

Mr.Apichai Chumsri

- Executive Director
- Chief Risk Management Office

Appointed : June 4, 2013

Age : 48 year old.

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.
- HOW TO DEVELOP A RISK MANAGEMENT PLAN HRP 9/2016 by IOD
- Strategic Risk Management by THAILAND PRODUCTIVITY INSTITUTE

Shareholding in the company : 0.005 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2013-Present : Executive Director
2013-Present : Chief Risk Management officer Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

1996 – 2013 : Inspection Cost Dept. Mgr. Cho Thavee Dollasien Company Limited.

Mr.Nirut Sumongkol

- Executive Director
- Chief Design Engineering Officer

Appointed : June 4, 2013

Age : 51 year old.

Education and Training:

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

Shareholding in the company : 0.015 %

Stake in the company of their spouses and minor children : 0.003%

Work Experiences :

2013-Present: Executive Director
2013-Present: Chief Design Engineering Officer Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

1986 – 2013 : Engineering manager Cho Thavee Dollasien Company Limited.

Mr. Padungdetch Euasookkul

- Executive Director
- Chief Business Development Overseas Officer

Appointed : July 21, 2015

Age : 45 year old.

Education and Training:

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

Shareholding in the company : 0.0006 %

Stake in the company of their spouses and minor children : 0.028%

Work Experiences :

2015 – Present : Executive Director, Chief Business Development Overseas Officer Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

- 2014 – 2015 : General Manager
- 2008 – 2013 : General Manager Cho Thavee Termotech Company Limited.
- 2013 – 2014 : Workshop Manager, Linfox Transport (Thailand) Company Limited.

Mr. Bamrung Chinsomba

- Executive Director
- Chief Service Officer

Appointed : July 21, 2015

Age : 63 year old.

Education and Training:

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

Shareholding in the company : none

Stake in the company of their spouses and minor children : none

Work Experiences :

- 2015-Present : Executive Director, Chief Service Officer Cho Thavee Public Company Limited.
- 2013 – 2015 : Domestic Sales and Marketing Manager Cho Thavee Dollasien Public Company Limited.

Other listed companies : none

Non-listed companies :

- 2009 – 2013 : Domestic Sales and Marketing Manager Cho Thavee Dollasien Company Limited.

Mr. Sakarin Unnim

- Executive Director
- Chief Marketing Officer Domestic

Appointed : July 21, 2015

Age : 47 year old.

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

Shareholding in the company : 0.010 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2015 -Present : Executive Director, Chief Marketing Officer-Domestic Cho Thavee Public Company Limited.

2013 – 2015 : Cho Thavee Dollasien Public Company Limited

Other listed companies : none

Non-listed companies :

1998 – 2013 : Government Sales Manager Cho Thavee Dollasien Company Limited.

Miss Yinghathai Ponphangnga

- Company Secretary

Appointed : June 1, 2011

Age : 41 year old.

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

Shareholding in the company : 0.016 %

Stake in the company of their spouses and minor children : none

Work Experiences :

2013-Present : Company Secretary
:Secretary of President and Chief Executive Officer.
:Head of Import-Export Cho Thavee Public Company Limited.

Other listed companies : none

Non-listed companies :

2007-2013 : Company Secretary
2000 – 2012 : Oversea Sale administrative Officer Cho Thavee Dollasien Company Limited.

Details of Directors Management, Controlling Persons and Company and Company Secretary as at December 31, 2016

List	CHO	Its Subsidiary	The Related Companies																	
		1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<u>Board of Director</u>																				
Ms. Phenphimol Vejvarut	X							/						/						
Mr.Suradech Taweesaengsakulthai	/, XX	/	/		/		/				/			/	/	/	/	/	/	/
Ms.Asana Taweesangsakulthai	/, //	/		/				/				/				/	/	/	/	/
Mr.Siriwat Taveesangskulthai	/, //					/			/	/										
Mr. Anusorn Tamajai	/																			
Mr. Asa Prateepasen	/																			
Mr.Chatchawan Triamvicharnkul	/																			
<u>Executive Committee and Management</u>																				
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	//																			
<u>Company Secretary</u>																				
Miss Yinghathai Ponphangnga																				

Annotation

X = Chairperson of the Company
 XX = Chief Executive Officer
 / = Board of Director
 // = Executive Director
 CHO = Cho Thavee Public Company Limited.

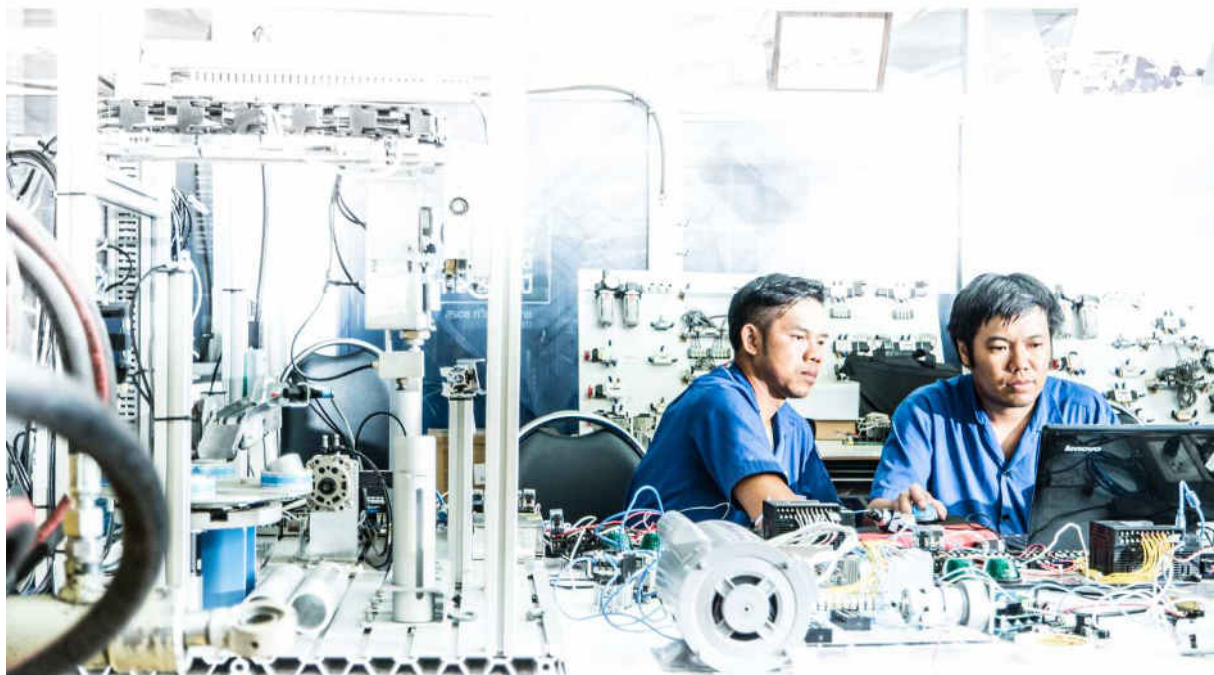
Its Subsidiary

1. Cho Thavee Thermotech Co., Ltd.

Related Companies

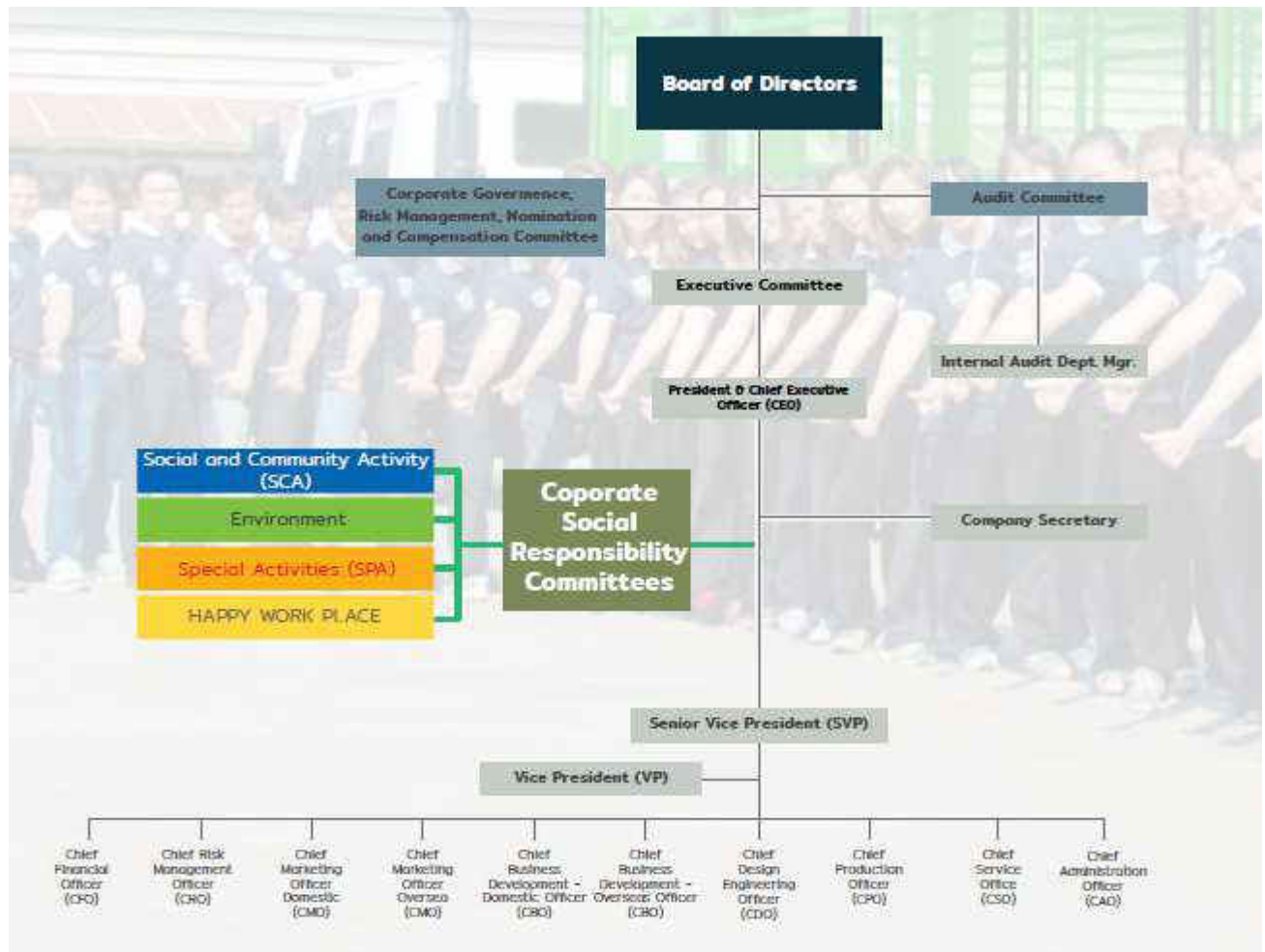
1. KhonKaen Cho Thavee (1993) Co., Ltd.
2. Volrep Truck and Bus Co., Ltd.
3. KhonKaen Cho Thavee Limited Partners ship
4. Cho Ruamthavee Leasing and Realestate Co., Ltd.
5. Chia Eam Seng Co., Ltd.
6. Bangkok CTV Intertrade Co., Ltd.
7. RuamthaveeKhonKaen Co., Ltd.
8. Ruamthavee Motor Sales Co., Ltd.
9. A P S Multi-Trade Co., Ltd.
10. O J Development Co., Ltd.
11. Tang Hua Sing Nakhon Pathom Ltd. Partnership
12. KHON KAEN THINK TANK Co., Ltd.
13. JVCC Joint Venture
14. Joint Venture TSP-CTV
15. JVCE Joint Venture
16. LeKise & Cho Thavee Joint Venture
17. JVCKK Joint Venture
18. JVOPV Joint Venture

Management organization



7. The managerial structure

The company's managerial structure as at December 31, 2016, comprises of committees which are: The Board of Directors, The Audit Committee, The Corporate Governance, Risk Management, Nomination and Compensation Committee, The Executive Committee and more as CSR Committee with the details as follows:



7.1 Committees

7.1.1 The Board of Directors

As at December 31, 2016, 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 Taveesaengsakulthai	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

7.1.2 Audit Committee

As at December 31, 2016, the company's audit committee has 3 persons 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 Audition) Chulalongkorn University, and Bachelor's degree in Business Administration (Accounting) from Ramkhamhaeng University.

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

7.1.3 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, 2016, comprising of 3 Committees as follows:

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 Board of Directors attending the Meeting in 2014-2016

List of director	2014			2015			2016		
	The company's	Audit	The	The company's	Audit	The	The company's	Audit	The
	Director	Committee	CGR Committee	Director	Committee	Committee	Director	Committee	CGR Committee
1. Ms. Phenphimol Vejvarut	5/6	--	--	12/13	--	--	6/6	--	--
2. Mr. Suradech Taweesaengsakulthai	6/6	--	--	12/13	--	--	6/6	--	--
3. Ms. Asana Taweesaengsakulthai	5/6	--	--	11/13	--	--	6/6	--	--
4. Mr. Siriwat Taveesangskulthai	5/6	--	1/1	7/13	--	5/5	6/6	--	5/5
5. Mr. Anusorn Tamajai	6/6	9/9	--	13/13	11/11	--	6/6	9/9	--
6. Mr. Asa Prateepasen	6/6	9/9	1/1	11/13	9/11	5/5	6/6	9/9	5/5
7. Mr. Chatchawan Triamvicharnkul	6/6	9/9	1/1	13/13	11/11	5/5	6/6	9/9	5/5

7.1.4 Executive Committee

As at December 31, 2016, the company's executive committee has 14 persons comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	Chairman
2. Ms. Asana Taweesaengsakulthai	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

Remark :At the meeting of Executive committee 12/2016 as of December 30, 2016, there is a decision to appoint Mr. Chatchai Kantawirut, and the Executive committee acknowledged in the meeting 1/2017 as of January 20, 2017. As a result, he is an Executive committee instead of Mr. Tossapol Plitaporn who has resigned on October 20, 2016.

Resigned Executive Director during 2016

Name	Position	During his tenure
Mr.Tossapol Plitaporn	The Executive Director Chief Organizational Effectiveness Officer	Jun. 21, 2016 – Oct. 20, 2016

7.2 Management

Company's Management

As at December 31, 2016, 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 Officer
10. Mr. Nirut Sumongkol	Chief Design Engineering Officer
11. Mr. Padungdetch Euasookkul/1	Chief Business Development Overseas Officer
12. Mr. Bamrung Chinsombat/1	Chief Service Officer
13. Mr. Sakarin Unnim /1	Chief Marketing Officer Domestic

Remark :At the meeting of Executive committee 12/2016 as of December 30, 2016, there is a decision to appoint Mr. ChatchaiKantawirut, and the Executive committee acknowledged in the meeting 1/2017 as of January 20, 2017. As a result, he is an Executive committee instead of Mr. Mr. TossapolPlitaporn who has resigned on October 20, 2016.

7.3 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.

7.4 Corporate Social Responsibility(CSR) Committee

As December 31, 2016, the Company CSR committee has comprising of:

- | | | |
|---------------------------------|---|---|
| 1. Mr. Phard Pimrin | Information Technology Department Manager | Act as CSR Manager and Social and Community Activity Chairman |
| 2. Mr. Apichai Chumsr | Chief Risk Management Officer | Committee Consultant |
| 3. Mr. Prawit Sarapoom | Safety Officer Department Manager | Environment Chairman |
| 4. Mr. Winyu Ingo | Domestic Sale Manager | Special Activity Chairman |
| 5. Mr. Kittpisit Yarnkittinukul | Education and Training Manager | Happy Workplace Chairman |
| 6. Ms. Wanitchaya Chansom | QMR Assistant Manager | CSR Secretary |
- with other 11 committees and 30 staffs

CSR Committee Responsibilities

1. To operate follow CSR activity's policy, plan the 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

7.5 Remunerations of the Board of Directors and Managements

On 21st April 2016, the Annual General Meeting of Shareholders has resolved in approving the remunerations to the Company's committee as follows:

7.5.1 Monetary Remunerations

- 1) The remunerations for the Board of directors and the audit committee as

❖ 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 monthly remuneration :

- ❖ The monthly remuneration for the audit committee, monthly remuneration only for year 2016 audit committees as follows :

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

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

- ❖ The annually remuneration (bonus) bonus for the board of directors for the year 2016 not over than 4 million baht, the chairman of the BOD. is authorized in determining the allocation of bonus to each director.

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

- ❖ 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

Summary of the remunerations for the directors in 2015-2016

List of the directors	2015					2016				
	Theboard of Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total	Theboard of Director	Audit Committee	The CGR. Committee	The Director's Bonus	Total
1. Ms. Phenphimol Vejvarut	150,000	--	--	358,600	508,600	75,000	--	--	100,000	175,000
2. Mr. Suradech Taweesaengsakulthai	120,000	--	--	286,900	406,900	60,000	--	--	105,000	165,000
3. Ms. Asana Taweesaengsakulthai	110,000	--	--	286,900	396,900	60,000	--	--	81,000	141,000
4. Mr. Siriwat Taveesangkulthai	70,000	--	40,000	286,900	396,900	60,000	--	40,000	59,000	159,000
5. Mr. AnusornTamajai	130,000	137,500	--	428,000	695,500	60,000	112,500	--	126,000	298,500
6. Mr. Asa Prateepasen	110,000	90,000	40,000	399,700	639,700	60,000	90,000	40,000	108,000	298,000
7. Mr. Chatchawan Triamvicharnkul	130,000	110,000	50,000	399,700	689,700	60,000	90,000	50,000	135,000	335,000

3) 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	2014		2015		2016	
	persons	million baht	persons	million baht	persons	million baht
Salary	11	9.94	14	12.45	14	14.42
Bonus	11	0.77	14	1.31	13	0.95
Welfare and fringe benefits(the provident funds, the savings in the cooperative, the benefits from The resignation)	11	0.90	14	0.60	14	0.84
Total	11	11.61	14	14.36	14	16.21

7.5.2 Other Remunerations

(A) Other Remuneration For Committee

- Risk insurance for the Managements: not exceed 50 million Baht

(B) Other Remuneration for Sub - Committee

- None –

(C) Other Remuneration of executives

- The provident fund: The Company has established provident fund 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 2016 the Company has contributed Saving for executives, totaling 14 persons amounts of THB 90,000 (data shown in the table, executive compensation).
- Non-Monetary Remunerations are car allowance including a driver.

7.6 Personnel

7.6.1 Number of employees (Not include number of Management)

In the year 2014-2016 the Company has a number of personnel in the designation are as follows.

	Number of employees		
	31 st December 2014	31 st December 2015	31 st December 2016
1. Permanent employee			
- Financial and Fund Management department	12	12	20
- Marketing Domestic department	13	14	9
- Marketing Oversea department	3	5	7
- Administration department	235	287	192
- Production department	303	338	440
- Internal Audit department	3	4	4
2. Temporary employee	--	--	--
Total	569	660	672

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

(unit: million baht)

Remunerations for permanent employees	2014	2015	2016
Salary, OT bonus, commissions ^{/1} , provident fund.	127.51	155.02	156.12
Total	127.51	155.02	156.12

Remark : /1 = 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.

7.6.3 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.

New Committees Orientation

The company assigned new committees to attain the orientation comprising of the presentation of business characteristic, business details, business operation and regulation. The new committees will be given a handbook and documents concerning committee duties: Code of Business Conduct, Regulation, Annual Report, Working Handbook, Anti-corruption Policy and handbooks related to committees.

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 2016, the committees had participated in the IOD trainings as showed below.

Committees / Managements	IOD Training 2016
Mr.Chatchawan Triamvicharnkul	<ul style="list-style-type: none"> R-ACF 1/2016 By IOD Ethical Leadership program (ELP) 3/2016
Mr. Apichai Chumsri	<ul style="list-style-type: none"> HOW TO DEVELOP A RISK MANAGEMENT PLANHRP 9/2016by IOD

The participants are 2 persons of total 19 persons. (Committees / Managements) The Company is also responsible for IOD registration for benefit on information and knowledge receiving. Future more, the company provide the inward and outward framing as follow.

(Hours: Person)

Average inward /Outward training hours per person per year	2014	2015	2016
Senior manager	51.625	31.36	55.33
Department manager	55.238	50.76	72.36
Staff	11.99	12.61	18.35
Total	118.853	94.73	146.04

Furthermore, the company lends the significant to the building of morale and motivation in the company's human resources. The expense of Internal/External training totaling 21.94 million Baht. 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	2014	2015	2016
External/in-house training expenses	3.78	13.61	21.94
Total	3.78	13.61	21.94

Corporate Governance



CHO

8. Corporate Governance

8.1 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.

Good Governance Assessment

The company has a result of a very good level for Corporate Governance Report of Thai Listed Companies (CGR) 2016. The report published by Thai Institute of Directors (IOD) which the details of reports 2015-2016 shown as following.

Year	Result (%)		
	Point of CHO	Level	Average point of Thai Listed Companies
2016	89%	Very Good 	78%
2015	87%	Very Good 	75%
2014	66%	Fair 	72%

AGM Assessment

The company has been improving AGM continually with the assessment point of 100 for the AGM Checklist 2016 project held by Thai Investors Association. The results of 2015-2016 are as following.

Year	Result (Total 100 point)		
	Point of CHO	Level	Average point of Thai Listed Companies
2559	100	Excellence	91.62
2558	100	Excellence	92.68
2557	90.13	Excellence	91.35

Un accomplishment performances in good corporate governance

In 2016, the company's had followed the principle of good corporate governance except

Un accomplishment Tasks	Reason
1. The Directors held more than 25% of the company's share.	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.	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.	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, 2016

The company has conducted Sustainability Report 2016 in order to report the company's performance between 1 January – 31 December 2016 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.

8.2 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:

8.2.1 Board of Directors

As at December 31, 2016, 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.

8.2.2 Audit Committee

As at 31 December 2016, the Company has 3 audit committee comprises of:

Name	Position
4. Mr. Anusorn Tamajai	Chairman to the audit committee
5. Mr. Asa Prateepasen	Audit committee
6. 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

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 appropriate 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.

8.2.3 Corporate Governance, Risk Management, Nomination and Compensation Committee

As at December 31, 2016, comprising of 3 Committees as follows:

- | | |
|-----------------------------------|---------------------------|
| 4. Mr. Chatchawan Triamvicharnkul | Chairman of the committee |
| 5. Mr. Asa Prateepasen | The committee |
| 6. 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.

8.2.4 Executive Committee

As at December 31, 2016, the company's 14 executive committee, comprising of:

Name	Position
1. Mr. Suradech Taweesaengsakulthai	Chairman
2. Ms.Asana Taweesaengsakulthai	The Executive Director
3. Mr. Siriwat Taveesaengsakulthai	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

Remark :At the meeting of Executive committee 12/2016 as of December 30, 2016, there is a decision to appoint Mr. Chatchai Kantawirut, and the Executive committee acknowledged in the meeting 1/2017 as of January 20, 2017. As a result, he is an Executive committee instead of Mr. Tossapol Plitaporn who has resigned on October 20, 2016.

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 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.

8.2.5 Executive Managements

As at December 31, 2016, 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. SomnukSangin	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 Officer
10. Mr. Nirut Sumongkol	Chief Design Engineering Officer
11. Mr. Padungdetch Euasookkul	Chief Business Development Overseas Officer
12. Mr. BamrungChinsombat	Chief Service Officer
13. Mr. Sakarin Unnim	Chief Marketing Officer Domestic

Remark :At the meeting of Executive committee 12/2016 as of December 30, 2016, there is a decision to appoint Mr. Chatchai Kantawirut, and the Executive committee acknowledged in the meeting 1/2017 as of January 20, 2017. As a result, he is an Executive committee instead of Mr. Tossapol Plitaporn who has resigned on October 20, 2016.

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	100,000,001 - 1,000,000,000	< 50,000,000	> 2,000,000 ^{/2}
President and Chief Executive Officer	≤ 100,000,000	≤ 20,000,000	≤ 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 ^{/1}

Remark: The Company's board of directors meeting No. 4/2016 on August 9th 2016, has approved the above mentioned summary of general authorization

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

/2 = general expenses mean the expenses which are the fixed expenses such as expenses of water, electricity, rental , and expenses that are not related to selling project or production expenses, the expenses with the amount over 2 million baht will be approved by the executive committee.

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.

8.3 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 15th

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.

8.4 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.

8.5 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.

8.6 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 – 2016 for PricewaterhouseCoopers ABAS Limited as follows:

(Unit: Baht)

	2014	2015	2016
1. Annual audit fee			
1.1. CHO and consolidated financial statements	940,000	1,060,000	1,180,000
1.2. CTV-TMT	420,000	462,000	512,000
1.3. TSP-CTV	250,000	230,000	230,000
2. Fee for reviewing interim financial statements			
2.1. CHO and consolidated financial statements	510,000	540,000	570,000
2.2. CTV-TMT	0	0	0
Grand total	2,120,000	2,292,000	2,492,000
Total for CHO	1,450,000	1,600,000	1,750,000

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

2. Non Audit Fee
- none –

8.7 Other treatment complied with Good Governance

In 2016, 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 2016

In 2016 there were 6 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	6/6
2. Mr. Suradech Taweesaengsakulthai	6/6
3. Ms. Asana Taweesaengsakulthai	6/6
4. Mr. Siriwat Taveesaengsakulthai	6/6
5. Mr. Anusorn Tamajai	6/6
6. Mr. Asa Prateepasen	6/6
7. Mr. Chatchawan Triamvicharnkul	6/6

Statistical data of Audit Committee attending the meeting in 2016

In 2016, there were 9 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	9/9
2. Mr. Asa Prateepasen	9/9
3. Mr. Chatchawan Triamvicharnkul	9/9

Remark : In 2016, there were 6 of the independent meeting between Audit Committee and Auditor from PricewaterhouseCoopers ABAS Limited.

Statistical data of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee attending the meeting in 2016

In 2016, 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 2016

In 2016, there were 12 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	11/12
2. Ms.Asana Taweesaengsakulthai	7/12
3. Mr. Siriwat Taveesangskulthai	3/12
4. Ms. Somnuk Sangin	11/12
5. Mr.Nititorn Deeumpai	11/12
6. Mr. Prasobsuk Boonkwan	11/12
7. Mr.Sven Markus Gaber	9/12
8. Ms. Pattarin Anukunananchai	12/12
9. Mr. Nopparat Sangsawang	12/12
10.Mr. Apichai Chumsri	12/12
11.Mr. Nirut Sumongkol	11/12
12.Mr. Padungdetch Euasookkul	11/12

List of the directors	Number of attending/Number of the meeting
13.Mr. Bamrung Chinsombat	11/12
14. Mr. Sakarin Unnim	11/12

Remark: Mr. Tossapol Plitaporn attended 3 times of meeting because he has resigned in 2016. He had been appointed on June 21st, 2016, and terminated on October 20th, 2016

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 of the head office, CHO puts this box outstandingly
Letter	nal Audit ic Company Limited 265 Moo 4, Klangmuang Road, Muangkhao, Mungkhonkaen, KhonKaen 40000
E-mail	auditcom@cho.co.th
Website	www.cho.co.th
Telephone	043-341412-18 Extension 109
Facsimile	043-341410

The company had monitored and reported to all complaint and opinions. In 2016, there was no any complaint.

8.8 The Company's Committee Self-Assessment 2016

According to the meeting 1/2017 of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee on January 20, 2017, the committee considered unanimously to approve 3 self-assessment forms. The committee has been informed to prepare assessment form.

The results of the company's committee self-assessment 2016 the total score are 4 or 100% with 3 criteria as follows.

1. 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 3.93

and the lowest is 3.46 which is 3.64 on the average or 91.01%. Each average score are showed below by topics.

- 1.1 Roles and responsibilities, 3.46 or 89.43%
 - 1.2 Training and development, 3.54 or 88.39%
 - 1.3 Good corporate governance, 3.93 or 98.21%
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 3.93 and the lowest is 3.46, contributed 3.64 on the average or 91.01%. Each average score are showed below by topics.
- 2.1 Role and responsibility, 3.46 or 86.43%
 - 2.2 Training and development, 3.54 or 88.39%
 - 2.3 Good corporate governance, 3.93 or 98.21%
3. Cross-assessment Chairman of the board and the committees evaluated the whole committee team with out specific 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 3.54, contributed 3.76 on the average or 94.04%. 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, 3.54 or 88.57%
 - 3.3 The committee's meeting, 3.77 or 94.20%
 - 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, 3.64 or 91.07%

8.9 Result of the President and Chief Executive Officers Evaluation

As a result of the committee meeting No. 1/2017 on January 20, 2017 was informed the evaluation of the president and chief executive officers, which was distributed to 3 divisions as showed below.

Division 1 Performance

Total score of 100 with the average score of 66.29 or 66.29% due to the operation result of 2016 is below the target.

Division 2 Main responsibility

Total score of 100 with the average score of 81.48 or 81.48%. A succession plan and a financial result have to be developed. The evaluation criteria of CEO results the average score of 76.67%

Division 3 CEO Improvement

Strength

Determinate
Have knowledge, ability and tolerance

Suggestion for capacity improvement in the future

1. To arrange effective work schedule
2. To maintain standard for sustainability of the company

8.10 Result of Sub-Committee Self-Assessment

❖ Result of Audit Committees Self-Assessment 2016 in conclusion as follows

According to the meeting 1/2017 of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee on January 20, 2017, the committee considered unanimously to approve 3 self-assessment forms. The committee has been informed to prepare assessment form, which was distributed to 2 divisions as showed below.

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 Specific operation of the audit committee

The audit committee had completed all according responsibilities in the article as showed below

- Group 1 Reviewing the company's financial reports, in the past year, the company has no change on its accounting policy with significant impact. Items which are not regular with significant occurred, and the items in financial reports which should pay attention specially.
- Group 2 Reviewing the internal control and internal audit with appropriateness and effectiveness, consider on the independent of the internal audit company and approve on consideration of appointment, relocate and lay-off the head or related department of internal audit. In the past year, the company has no employment on external company for internal audit service, and has no quality assessment by independent assessor for at least every 5 years.
- Group 3 Reviewing the company's legal compliance of the Securities and Exchange Commission and related law. In the past year, the company has no issues on failure to comply with law, regulation, related conduct and rule. The company has no auditor notices about suspect behavior which may cause the corruption, and collection all issues about suspect behavior. The auditor checked and found that every internal audit issue was reported.
- Group 4 Considering on selection, appointment and offer compensation for independent person to be company's auditor, to join auditor meeting with no management joining. During a year, the company has no policy to accept other services which is not audit service with the same audit company.
- Group 5 Considering on related or collided issues, which could cause the conflict of interest according to the Securities and Exchange Commission and related law to ensure the maximum benefit for the

company. In the past year, the audit committee has no conflicts with company's committee.

Group 6 Preparing an audit committee report disclosing in the Annual Report signed by the chairman of audit committee. It should contain at least conditions as SET specified the qualification and scope of work of the audit committee.

❖ **Result of The Corporate Governance, Risk Management, Nomination and Compensation Committees Self-Assessment 2016 in conclusion as follows**

According to the meeting 1/2017 of Corporate Governance, Risk Management, Nomination and Compensation (CGR) Committee on January 20, 2017, the committee considered unanimously to approve 3 self-assessment forms. The committee has been informed to prepare assessment form, which was distributed to 3 divisions as showed below.

Part 1 Overall performance of the Committee

Total score is 20 (100%), the average score is 20 (100%)

Part 2 Specific Operation of the CGR committee

Total score is 28 (100%), the average score is 26 (93%), and each part has the average total score as follows.

Group 1 Review the policies, practices and disclosures according to the principles of good corporate governance, the average score is 7 (100%)

Group 2 Review the field of risk management, the average score is 4 (100%)

Group 3 Review the recruitment process, the average score is 9 (100%)

Group 4 Review the compensation, the average score is 6 (75%), the score is below 100 because the CGR committee do not concern in compensation, the CEO responsible for this assessment at this time.

Part 3 The report of the Corporate Governance Committee

Total score is 10 (100%), the average score is 10 (100%), and each part has the average total score as follows.

Group 1 Contents of the CGR report Total average score is 7 (100%)

Group 2 The sign of CGR Chairman on the CGR report Total average score is 1 (100%)

Group 3 Charter of the CGR committee Total average score is 2 (100%)

❖ **Result of The Executive Committee Self-Assessment 2016**

1. Main responsibility and quality development division (60%) achieved the average score of 87.66 or 49.76%

2. Key Performance Indicator (KPI) division (10%) achieved the average score of 86.77 or 8.68%

3. The company's teamwork, mental service and quality system policy responding division (30%) achieved the average score of 92.26 or 27.68%

Conclusion

According to the results of the 3 divisions, the average score is 88.95 or 86.72% The company's teamwork received the highest average score of 92.26 and the Key Performance Indicator (KPI) division received the lowest average score of 86.77. Therefore, the weighted average score of the Executive Committee is 87.66.

General Information



9 General information

9.1 as at December 31, 2016

The company issuing stocks	:	Cho Thavee Public Company Limited
Symbol	:	CHO (registered in The Market for Alternative Investment “mai”)
The 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	:	296,972,494.50 Baht (Two hundred and ninety-six million, nine hundred and seventy-two thousand four hundred ninety four baht fifty cents.)
Paid-up Capital	:	295,735,443.25 Baht (Two hundred and ninety-five million, seven hundred and thirty-five thousand four hundred forty three baht and twenty five cents.)
Par value	:	Common Stock, 0.25 Baht (Twenty-five cents)
Preferred Stock	:	-None-
Telephone Number	:	043-341-412-18
Facsimile Number	:	043-341-410-11
Location of branch office 1 (Bangkok)	:	96/25 Vibhawadee Rangsit road, Talad Bangkhen, Laksi district, Bangkok 10210. Telephone No. 0-2973-4382-4 FaxNo.0-2973-4385
Location of branch office 2 (Chonburi)	:	66/5 Moo 2, Tambol Pong, Amphor Banglamung, Chonburi. TelephoneNo. 038-227-378 FaxNo. 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)	:	www.cho.co.th
The subsidiary company	:	Cho Thavee Thermotech Co., Ltd.
The 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, Muangkhao, Muang KhonKaen, Khonkaen, 40000
Telephone Number	:	043-341-210-12
Facsimile Number	:	043-341-242
Investor Relation	:	
Telephone Number	:	043-341412-18 extension 118
Facsimile Number	:	043-341410
Email address	:	ir@cho.co.th

The registrar of stocks : 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

The auditor : Pricewaterhouse Coopers ABAS Limited

The registration number : 0105541040328

The auditor of company : Mr. Sudwin Panyawongkhanti Registration No.3534
 and it's subsidiary company : Mr. Anutai Poomsurakul Registration No.3873
 Mr. Vichien Khingmontri Registration No. 3977

Location of the office : 15th Floor Bangkok City Tower, 179/74-80 South Sathorn
 Road Bangkok, 10120 Thailand

Telephone Number : 02-344-1000, 02-824-5000

Facsimile Number : 02-2865050

Website (URL) : www.pwc.com/th

Research and Development



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 76 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 104 items under the registration process for sub-patent or innovation patent/patent in designing products from the 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 Routine to Research (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 2014-2016

(unit: million baht)

Item	2014	2015	2016
The research and development expenses	3.98	3.18	3.05
Total	3.98	3.18	3.05

Intellectual Property

The company has the invention patent with the fair value of THB 61,000,000 on the auction date 5th 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

In the year 2016, the company has registered sub-patents and product design patents in a total of 76 items. There are increases of 54 items from the year 2015 as follows.

No.	Sub-patents and Product design patents	Received date	Expired date
1	Mechanism for open-close side wall of the truck	03 Sep. 2010	24 Aug. 2014
2	Set of the attachment of supplement levers	18 Jan. 2011	07 Jul. 2016
3	Set of increasing the horizontal length with adjustable levers	18 Jan. 2011	19 Jul. 2016
4	Set of ladder for getting on-off the truck	28 Mar. 2011	19 Jul. 2016
5	Set of rope ladder for getting the truck's roof	28 Mar. 2011	19 Jul. 2016
6	The ladder for getting on-off the truck	26 Dec. 2011	21 Sep. 2017
7	Equipment for protection of the truck's side	12 Sep. 2012	19 Oct. 2017
8	The roof structure of the bridge to be berthed to Airplane for Hi-loaders catering truck	04 Jan. 2013	19 Oct. 2017
9	The structure of the supported legs of Hi-loaders catering truck	04 Jan. 2013	19 Oct. 2017
10	Set of extending the length of chassis bottom	04 Jan. 2013	19 Oct. 2017
11	Equipment for defining the position of laying cargo	19 Jul. 2013	19 Oct. 2017
12	Rear catering truck braced leg mount	7 Apr. 2015	19 Oct. 2017
13	Locking latch	19 May. 2015	13 Mar. 2021
14	Engine accelerating 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-upbridge	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	Compress or parts	28 Jun. 2015	15 Dec. 2020
22	Tow equipment	18 Jun. 2015	29 Nov. 2021
23	Shelf	19 Oct. 2015	10 Apr. 2021
24	Cap of water tank	19 Oct. 2015	13 Mar. 2021
25	Metal section	19 Oct. 2015	15 Dec. 2020
26	Metal section	19 Oct. 2015	15 Dec. 2020
27	Side vehicle access ladder	19 Oct. 2015	10 Apr. 2021
28	Metal section	19 Oct. 2015	15 Dec. 2020
29	Rail castor	08 Oct. 2015	08 Jan. 2022
30	Rail castor	08 Oct. 2015	08 Jan. 2022
31	Set of metal section	09 Dec. 2015	15 Dec. 2020

32	Parts of the truck	09 Dec. 2015	10 Apr. 2021
33	Ladder	09 Dec. 2015	13 Mar. 2021
34	Entrance barrier equipment	09 Jan. 2016	12 Dec. 2021
35	Truck tailgate locking equipment	14Jan. 2016	10 Nov. 2020
36	Parts of truck frame	14 Jan. 2016	26 Sep. 2020
37	Equipment for lifting trash	14 Jan. 2016	26 Dec. 2020
38	Truck frame	14 Jan. 2016	26 Sep. 2020
39	Equipment for wide extension of the truck	14 Jan. 2016	26 Sep. 2020
40	Truck framing part	14 Jan. 2016	26 Sep. 2020
41	Truck frame	14 Jan. 2016	26 Sep. 2020
42	Ladder for vehicle	14 Jan. 2016	10 Apr. 2021
43	Equipment for the attachment of spare tires	29 Jan. 2016	14 Sep. 2020
44	Clamp equipment	29 Jan. 2016	10 Nov. 2020
45	Truck tailgate locking equipment	29 Jan. 2016	10 Nov. 2020
46	Equipment for adjustment of the torsion of springs	29 Jan. 2016	10 Apr. 2021
47	Equipment for open-close doors of vehicle	29 Jan. 2016	10 Nov. 2020
48	Truck tailgate locking equipment	29 Jan. 2016	14 Sep. 2020
49	Spare tires locking equipment	29 Jan. 2016	10 Nov. 2020
50	Truck side gate locking equipment	29 Jan. 2016	14 Sep. 2020
51	Locking equipment	29 Jan. 2016	10 Nov. 2020
52	Equipment for attachment of caster for belt adjustment	30 Mar. 2016	06 Feb. 2021
53	Truck tailgate locking equipment	10 Mar. 2016	26 Sep. 2020
54	Truck tailgate locking equipment	10 Mar. 2016	26 Sep. 2020
55	Equipment for triggering car tires	10 Mar. 2016	26 Sep. 2020
56	Part of equipment for truck axle attachment	10 Mar. 2016	26 Sep. 2020
57	Metal section	06 Nov. 2015	08 Dec. 2020
58	Locking latch	10 Mar. 2016	26 Nov. 2020
59	Equipment for triggering car tires	10 Mar. 2016	26 Sep. 2020
60	Supported beam for cargo box	05 Apr. 2016	19 Oct. 2021
61	Part for supporting frame of cargo box truck	05 Apr. 2016	19 Oct. 2021
62	Conveyor bridge	05 Apr. 2016	19 Oct. 2021
63	Drawer structure for vehicle	05 Apr 2016	19 Oct. 2021
64	Equipment for attachment of vehicle wheel chock	18 Apr. 2016	19 Oct. 2021
65	Set of fixture with hydraulic cylinder for truck	08 May. 2016	07 Dec. 2021
66	Car set	03 May. 2016	15 Aug. 2020
67	Part for supported legs	03 Jun. 2016	08 Jan. 2022

68	Part for supported legs	13 Jun. 2016	29 Nov. 2021
69	Truck framing part	13 Jun. 2016	14 Sep. 2020
70	Truck framing part	09 Jun. 2016	26 Sep. 2020
71	Lever for on-off control	09 Jun. 2016	10 Apr. 2021
72	Side vehicle access ladder	09 Jun. 2016	10 Apr. 2021
73	Trailer frame for truck	09 Jun. 2016	21 Feb. 2021
74	Part of elevator structure	09 Jun. 2016	09 Nov. 2021
75	Part of elevator structure	09 Jun. 2016	09 Nov. 2021
76	Control switch of supported legs	07 Apr. 2016	13 Mar. 2021

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 (5 weeks) There are about 6-7 groups of learners per year, they will get

learning, developing and training fundamental technical skills. The learners will be divided in groups as follows:

	Year 2015	Year 2016
New employees	40.4 %	31.13 %
Office based employees	12.8 %	5.30 %

Note: the percentage was calculated from the total participants and the total employees of the company.

CHO Mechatronics Program Short-Term Course (5 weeks)

The course has been provided for engineers, technicians and employees 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.

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, tire factory, battery factory and car's electrical wire and cable factory. Additionally, The Company shall be ready to perform immediately if acquiring the auction and receiving the agreement of contract work, and shall also expand the factory for export. But currently, the project has been suspended as waiting for clarity.

3. Research and development of automation systems

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.

4. Truck SIB LOR 24 EXPRESS SERVICE, project around Thailand.



CHO was trusted by Linfox Transport (Thailand) Company Limited and Aekkachai Distribution System Limited (Tesco-Lotus) to manage their repairing services and services center for trucks and semi-trailers project. In this regard, the company responded in repairing to maintain the Preventive Maintenance (PM) of their vehicles. The total vehicles in responding are more than 2,000 vehicles. There are 6 repairing centers in the area of Tesco-Lotus's distribution centers where are in Lum Look Ka, Wang Noi, Sam Kok, Bang Bua Thong, KhonKaen, and the most recent one in Suratthani province.

CHO has its plan to expand the branch of the repairing and services center across Thailand. The expansion will operate under the name "Sib Lor 24 hours by CHO" and will expand the branch in overseas later on. In addition, CHO has provided the After Sales Services for customers to call in case of an inquiry after sales 24 hours by telephone number 089-711-2198. In regarding to the year 2015, the After Sales service served up to 214 customers. And in the year 2016, it served totally 224 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)

Overall Policy and Business Operation



11 Overall Policy and Business Operation

11.1 Overall Policy and Business Operation

Cho Thavee Public Company Limited (Formerly Cho Thavee Dollasien Public Company Limited), “CHO”, 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”

11.2 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 Thavee Dollasien 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 Thavee Thermotech 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 has changed its shareholders group structure. Mr. Suradech Taweesaengsakulthai, 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 company has adjusted the rate for exercise of right for the seventh time and the eighth time (last time) to be 1 warrant unit per 1.1 common stock being 0.454 baht per common stock. The warrants period is 3 years from the issuing date, 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 was the last day of the exercise. On December 30, 2016, the company had its registered capital of 296,972,494.50 million baht with paid-up capital of 295,735,443.25 baht at 0.25 baht par value per a share. There were 8 exercises of the company's stock warrants (CHO-W1) with the total stock warrants exercised 4,756.940 units.

In the past three years, the history and major developments of the company and its subsidiary can be summarized as follows:

Year	Major Developments
2014	<ul style="list-style-type: none"> ➤ 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. ➤ The Company considered appointing The Corporate Governance, Risk Management, Nomination and Compensation Committees. ➤ 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.

Year	Major Developments
2015	<ul style="list-style-type: none"> ➤ The company collaborated with the German company, in order to transfer technology and innovation energy for vehicles by electricity and programming control systems in Thailand. With the main purpose to provide the automotive components that suitable for every level of entrepreneur. ➤ 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). ➤ The company signed a Memorandum of Understanding (MOU) with CP ALL and Faculty of Engineering Technology, Panyapiwat Institute of Management (PIM). The tripartite has co-operated to develop a project of alternative energy systems and logistics automotive which generated the first electric commercial vehicle in Thailand. ➤ The company signed a Memorandum of Understanding (MOU) with Faculty of Engineering, KhonKaen University 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. ➤ The company established a southern maintenance base in Phun Phin, Surat Thani province, Thailand. ➤ The company has registered the changes in capital on April, 2015 from THB191,365,325 to THB202,559,900 due to the 2nd 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. ➤ The company had participated in the auction of the 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. ➤ The company has registered the changes in capital on July 2, 2015 from THB 202,559,900 to THB 205,376,975 due to the 3rd exercises of the company's stock warrants (CHO-W1) on June 30, 2015 for 11,268,300 units. Thus, the company received THB 5,634,150 for the working capital. ➤ The company has registered the changes in capital on October 6, 2015 from THB

Year	Major Developments
	<p>205,376,975 to THB 206,127,675 due to the 4th exercises of the company's stock warrants (CHO-W1) on September 30, 2015 for 11,268,300 units. Thus, the company received THB 1,501,400 for the working capital.</p> <p>➤ The company has registered the changes in capital on January 7, 2016 from THB 206,127,675 to THB 228,478,200 due to the 5th exercises of the company's stock warrants (CHO-W1) on December 30, 2015 for 89,402,100 units. Thus, the company received THB 44,701,050 for the working capital.</p>
2016	<p>➤ The company has registered the changes in capital on April 5, 2016 from THB 228,478,200 to THB 229,586,225 due to the 6th exercises of the company's stock warrants (CHO-W1) on March 31, 2016 for 4,432,100 units. Thus, the company received THB 2,216,050 for the working capital.</p> <p>➤ On April 5, 2016, The Company has signed a contract with SAP (Thailand) Co., Ltd. which is the ERP on Cloud software developer under the program named SAP Business By Design. The program will help to develop the company performance to reach the company goals. To set up a suitable system, the company appointed Netizen Co., Ltd. to be a consultant of ERP Implementation by using SAP Business By Design program. The purposes are to combine all data with the ERP system for the fast ability to reach data, the correction and the accuracy, to support the expansion of 8 places of One Stop Services Centers nationwide within 2018 including after sales services for the other product group so the company can provide after sales service in every area worldwide.</p> <p>➤ On May 10, 2016, the company name has changed from Cho Thavee Dollasian Public Company Limited to be Cho Thavee Public Company Limited for easier to recognize.</p> <p>➤ The company issued and sold debentures for institute investor and/or major investor. The debentures named "Debentures of Cho Thavee Public Company Limited No. 1/2016 Due 2018", it is type of name-registered, unsubordinated, unsecured debenture and no debenture holders' representative. There was a limitation of 300,000 units at the price of 1,000 baht, the total value is not exceed 300,000,000 baht. The issue date is June 16, 2016.</p> <p>➤ The company has registered the changes in capital on July 8, 2016 from THB 252,497,031.25 to THB 258,198,015 due to the 7th exercises of the company's stock warrants (CHO-W1) on July 8, 2016 for 20,730,850 units. Thus, the company received THB 10,352,986.49 for the working capital.</p> <p>➤ The company has registered the changes in capital on November 2, 2016 from THB 258,198,015 to THB 296,972,494.50 due to the 8th exercises (last time) of the company's stock warrants (CHO-W1) on October 27, 2016 for 150,149,713 units. Thus, the company received</p>

Year	Major Developments
	<p>THB 68,167,969.70 for the working capital.</p> <p>➤ The company signed a Memorandum of Understanding (MOU) with Mr. Winston Toh Bee Chew, Executive Vice President and Chief Marketing Officer of Defense Marketing Group which is the leader company on national defense industrial.</p>

11.3 Shareholder Structure

As at December 31, 2016, the Company has one subsidiary company namely Cho Thavee Thermotech Co., Ltd. The structure of the group being shown below:

Cho Thavee Public Company Limited (CTV-CHO)

Registered capitals 296,972,494.50 million baht

Paid-up registered capitals 295,735,443.25 baht

Par value 0.25 baht

“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.”

99.99
%

Cho Thavee Thermotech Co., Ltd. (CTV-TMT)

Registered capitals 20 million baht

Paid-up registered capitals 20 million baht

Par value 10 baht

“Do the business of designing, manufacturing, assembling, and installing of light-weighted fiberglass fresh box for truck”

The subsidiary company

Name	: Cho Thavee Thermotech Co., Ltd. (“CTV-TMT”)
Business characteristic	: Do the business of designing, manufacturing, assembling, and installing of light-weighted fiberglass fresh box for truck.
Location of H.O. & factory	: 265 Moo 4, Klang Muang Rd., Tambol Muang Khao, Amphur Muai Khonkaen 40000.
Telephone/Fax	: 0-4334-1210-12 / 0-4334-1242
Location of Bangkok office	: 96/25 Vibhavadee Rangsit Rd., Bangkhen, Laksi district, Bangkok 10210
Telephone/Fax	: 0-2973-4382-84 / 0-2973-4385
Registered capitals	: 20 million baht
Paid-up registered	: 20 million baht

capitals

Par value : 10 baht

Amount of shares : 2,000,000 shares

List of directors : 1) Mr. Suradech Thaweesaengsakulthai
2) Ms. Asana Taweesangsakulthai
3) Mr. Prasobsuk Boonkwan

List of shareholders	: 1) Cho Thavee Public Company Limited	1,999,995 shares	
		99.99 %	
	2) Other minor shareholders	5 shares	0.01 %
	Total	2,000,000 shares	100.00 %

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 : 20,252,500.00 million Baht/ 20,252,500.00 million Baht

capitals/Paid-up capitals

Name : Joint Venture JVCC

Business characteristic : Manufacturing, assembly and maintenance for NGV Bus

Date of establishment : June 25, 2013

Registered : - N/A-

capitals/Paid-up capitals

Name : **JVCE Joint Venture**

Business characteristic : Installing and checking GPS tracking system for buses

Date of establishment : June 17, 2016

Registered : - N/A -

capitals/Paid-up capitals

Name : **LeKise & Cho Thavee Joint Venture**

Business characteristic : Installing LED lighting system

Date of establishment : May 9, 2016

Registered : - N/A -

capitals/Paid-up capitals

Name : **JVCKK Joint Venture**

Business characteristic : Providing steel structure workshop for building the Offshore Patrol Vessel

Date of establishment : June 17, 2016

Registered : - N/A -

capitals/Paid-up capitals

Name	: JVOPV Joint Venture
Business characteristic	: Producing blocks of the Offshore Patrol Vessel
Date of establishment	: May 19, 2016
Registered capitals/Paid-up capitals	: - N/A -

11.4 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 (KKT) 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.
Date of establishment	: May 4, 1990
Registered capitals/Paid-up capitals	: 325 million baht/325 million baht
The relationship	: One director of the company is the shareholder of There lated 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 company which is Ms. Asana Taweessangsakulthai holds 0.50% of Registered capitals. - There is one related director- Ms. Asana Taweessangsakulthai.
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 Taweessaengsakulthai holds 13.33% of registered capitals. (2) Ms. Asana Taweessangsakulthai holds 13.33% of registered capitals. - There is one related director-Mr. Suradech Taweessaengsakulthai.
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	: Ruamthavee Khonkaen 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 Nakhon Pathom 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 Taweesangsakulthai holds 44.99% of registered capitals. - There is one related director- Ms. Asana Taweesangsakulthai.
Reason of not being classified in group	:	The difference in business characteristic and its The family business.

Our Business



12. 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 76 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 28 items.

12.1 Income structure of the Company

Table of income structure (consolidated income statement) year 2014-2016

Type of income	year 2014		year 2015		year 2016	
	Million baht	%	Million baht	%	Million baht	%
Income as per contract	1,215.92	80.36%	972.73	85.13	926.16	86.53
Income from sales and services/1	297.10	19.64%	169.90	14.87	132.08	12.34
Total incomes	1,513.02	100.00%	1,142.63	100.00%	1,058.24	98.87
Other income/2	7.67 ^{/3}	0.50%	16.34	1.43	12.10	1.13
Grand total incomes	1,520.69		1,158.97		1,070.34	

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

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

/3-the financial statement of 2014 had been adjusted

12.2 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 76 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 28 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. 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. 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 ¹
b) X-Cat M	6.5 - 7	6	4,500	1) Model with height of 6meters 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 4meters such as A321, A320 2) Model with height of 3meters such as B727, B737, MD80 3) Model with height of 2meters such as F100, AVRO RJ 70-RL100, SAAB SF 340, F27 4) Model with height of 1.2meters such as HEIGHT IN METERS

Remark: /1- 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



On 30th 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 fleet 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



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, fleeing truck.

Sample pictures of military product



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). 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 KhonKaen 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.

12.3 Marketing and Competition Situation

12.3.1 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 2016, the Company's most portion of sale in foreign countries is the special designed products as follows:
 - Approximate of 3% of sale in foreign countries derived from the customers in the middle-east such as United Arab Emirates.
 - Approximate of 18% of sale in foreign countries derived from the customers in Asia such as, Korea, Hong Kong.
 - Approximate of 79% 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.

12.3.2 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	Linfox Transport (Thailand) Co., Ltd.	Refrigerated body truck
2	Ekkachai Distribution System Co., Ltd.	2 Axles canvas cover semi-trailer
3	Defence Technology Institute	Prototype of wheeled armored vehicle
4	Electricity Generating Authority of Thailand	Semi-trailer for 100 tons loading
5	Hino Motors Sales (Thailand) Ltd.	2 Axles Low bed Semi-Trailer
6	Bangkok Air Catering Co., Ltd.	Catering hi-loaders truck

No.	Foreign customers	Country	Products sold
1	VT PLUS IMPORT EXPORT INVESTMENT	Vietnam	Fire Fighting Truck
2	KOREAN AIR	Korea	Catering hi-loaders truck
3	Regal Motors Ltd.	Hong Kong	Catering hi-loaders truck
4	FUTUREBUD INTERNATIONAL	Japan	Catering hi-loaders truck
5	OMAN AIR	Oman	Catering hi-loaders truck

12.3.3 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

The International Air Transportation Association (IATA) forecasted the net profit of aviation business in 2017: 2.98 ten billion USD of the total revenues of 7.36 hundred billion USD, being 4.1% of the profit margin ratio. For the third consecutive year, the aviation business gain return on investment (7.9%), being higher than the average cost of capital (6.9%).

Separated by continents, so that, North American airlines were forecasted to gain the highest turnover in the next year, due to the joint venture of airlines which can support their turnover even if facing the rising fuel price factor. Meanwhile, European airlines have the factor of high competition, high costs, strict rules and high taxes. Besides, the risk of terrorism is still remain even the trustworthiness is getting back. For the Asia-Pacific airlines, the expansion of new type of airlines and free trade area opening makes more competitiveness. Even the currency exchange rate in the regional trends to be better, Latin American airlines are still getting more challenge due to the lack of infrastructure, high taxes and the difficult on law and regulation. African airlines were forecasted a loss due to the regional conflict and the low price of consumer product. In 2017, however, it is expected to be the eighth consecutive years of the aviation business turnover, showing the strength of dealing with the business threats. On the average, an airline earns 7.54 USD per one passenger.

The rising fuel price is the main factor which affected the 2017 turnover trend. The average fuel price of 2016 was 44.6 USD per barrel (Brent Crude), and it was projected to be 55.0 USD per barrel within 2017. This caused the rising up of aviation fuel price from 52.1 USD per barrel in 2016 to be 64.9 USD per barrel in 2017. The fuel cost is projected to be 18.7% of the cost structure of 2017 aviation industry reduced from the highest rate of 33.2% in 2012-2013. IATA projected the negative impact of the decreasing of passenger rate, but it will be compensated by the economy growth. In 2017, it is expected that the economy growth will increase 2.5%, increasing from 2.2% in 2016. Accompany with the changing of aviation industry, expecting to build more stability for the yield rate of both cargo and passenger transportation business. Thus, it is a good trend after the yield has been decreasing every year since 2012.

Furthermore, the International Air Transport Association (IATA) considered that the value of goods transported by air freight in 2017 expecting to increase to be 5.7 trillion USD, or increasing by 4.9% from 2015. The air freight is about 35% of the total international trade value. Meanwhile, tourism industry expense from air transportation expected to increase 5.1% in 2017 or being 6.81 ten billion USD, therefore the number of hiring in the aviation industry supply chain expected to increase 3.4% in 2017, or being 69.7 positions worldwide.

However, it is projected that new aircrafts deliveries in 2017 will be 1,700 units, a half of those aircrafts are for replacement old fleets with the more efficient and lower fuel consumption. This could make the expansion of commercial airlines worldwide of 3.6%, or being 2.87 ten thousand units. Airlines were expected to provide 38.4 million flights in 2017 or increasing by 4.9%.

2. Logistics Industry

In 2017, it is projected that the vehicle market will be recovered because of many positive factors, so the moderate income consumers, farmers and business units will have more purchasing power. This leads to the expansion of commercial vehicle market of 3 to 7 percent, which is better than passenger vehicle expecting to expand 2 to 6 percent. The expansion causes a chance for the total domestic vehicle market in 2017 to expand 2 to 6 percent or being vehicle selling number of 770,000 to 800,000 units. On the other hand, there is the market pressure condition from surrounded factors, for example, droughts at the beginning of the year, low price of agricultural product, high rate of household debt, deceleration of export recovery. It is projected that the vehicle sales volume of 2016 will be decreased about 5.8 percent, or being 753,000 units of vehicle, decreased from the previous year of 8 hundred thousand units. In 2016, while the overall market shrank, the type of

vehicle which can increase the market value is mainly Sport-Utility Vehicle (SUV) group such as Pickup Passenger Vehicle (PPV), B-SUV and truck. While Eco car and one-ton pickup truck have the stable sales volume comparing to the previous year, according to the market condition with negative factors affected low to moderate income population.

In 2017, after Thailand economic trends to recover, some group of consumer gain more income due to the adjustment of labor wage, farmer's increasing income in some branch and government projects trend to be expanded more in the next year. To deal with those factors, entrepreneurs have to change the strategy by focusing on moderate income customers, business units, adding more from moderate to high income customers. Especially, when financial institutions began to relax the restriction of loan provided. The positive factors come together with negative factors, such as, high rate of household debt and the export situation with the risk of the new American president policy trends. In 2017, the type of vehicle which is likely to increase sale volume is small passenger cars, European luxury cars, pickup trucks and trucks (commercial vehicle). The trucks had a chance to expand throughout 2016 after the decline of sales volume for 2 consecutive years, and it is expected to continue expanding in 2017. The most interested truck of the market is below five-ton trucks, which has the higher market share from 38 percent in 2015 to 42 percent in 2016. Following by below ten-ton trucks which has a similar market share as the below five-ton trucks. The reasons of the goodwill on five-ton trucks are not only many sellers in the market but also the expansion of SME entrepreneurs and using of small truck in business units for freight with more flexible in transportation.

Divided by origin, Western and Japanese trucks are the group of sales expansion, while Chinese trucks sales continuously decreased from the last year, even their price are cheaper than other. According to Kasikornthai Research Center, customers of truck market which is entrepreneur groups, even they want to reduce costs, but they also want high performance trucks with no slight trouble occurring, and they also want trust ability for the long term. Besides price competition, related entrepreneurs should focus on trustworthiness of vehicle and improve after sales services. From those positive trends, Kasikornthai Research Center expected the total market of passenger cars in 2017 will be expanded about 2 - 6 percent, being 331,000-344,000 units of passenger cars. The number improved from 2016 which expected sales volume of 325,000 units, it decreased 9 percent from the previous year. The market of commercial vehicle in 2017 trends to expand about 3 - 7 percent or being 439,000 - 456,000 units, increased from 428,000 units in 2016, decreased from the previous year of 4 percent. Considering on the adaptation of entrepreneurs, Kasikornthai Research Center projected that the market trend of each region should be considered even if the total vehicle market expanded. However, the level of each market expansion will be difference by each positive factor. In 2017, it is projected that the East regional market will gain the highest sales volume for passenger vehicle and commercial vehicle. The main positive factor is the investment of government sector and public sector expecting to be more in the next 2-3 consecutive years. After the Eastern Economic Corridor project (Chachoengsao, Chonburi and Rayong province) was driven by government sector, which will cause the expansion of various economies quickly. In Northeast, West and South region have a chance for the expansion of commercial vehicle sales volume rather than passenger vehicle because of the recovery in the price of some agricultural product such as Para rubber, oil palms and sugarcane, including government projects of infrastructure development increased in many areas. Passenger vehicle market is expected that there are the highest expansion in South and North regional area because of the increase of agricultural and tourism income. For Bangkok market, there is benefit from infrastructure investment projects by government sector, which affected the expansion of both passenger and commercial vehicle. (Source: Kasikornthai Research Center)

According to the annual transport statistics as at December 31, 2016 resulting the number of registered trucks (cumulative) nationwide is 1,055,717 units in total, increasing 2.24%, 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, 2016 is 380,985 issues increasing 0.89%, YoY which represents a decrease in logistics business last year.

An annual transport statistics table showing the number of registered trucks (cumulative) nationwide as at December 31, 2015 and 2016

Type of Trucks	Units		Percentage change 2015/2016
	December 31, 2015	December 31, 2016	
Total	1,030,746	1,055,717	2.24
<i>Divided by - Without routes</i>	259,084	274,151	5.82
<i>- Personal</i>	771,662	781,566	1.28

(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, 2015 and 2016

Type of Trucks	Number of trucking operator licenses		Number of transport operators	
	2015	2016	2015	2016
Total	384,392	380,985	384,392	380,985
<i>Divided by - Without routes</i>	18,705	20,499	18,705	20,499
<i>- Personal</i>	365,687	360,486	365,687	360,486

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

Thus, the increment of the number of registered trucks and transport operators (No routing) 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 cargo trucks (No routing) and will make the trucks manufacturing businesses, which their trend is 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
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

12.4 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.

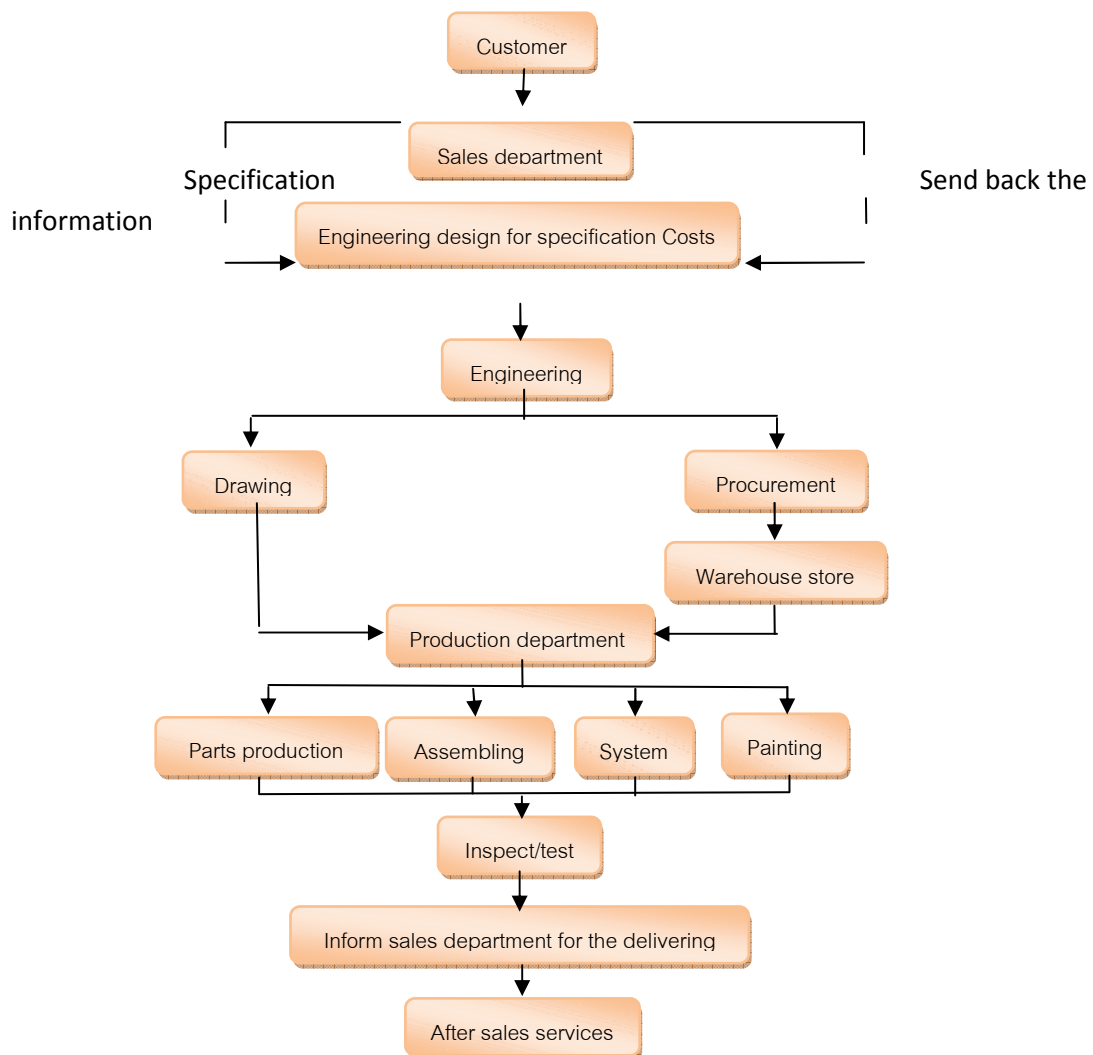
The Company's factory locates on the land of 50 Rai at Khonkaen. The Company has the completely modern machines. In the process of production, there are the planning and the managing of effective production. The company applies the computer system in each process starting from drafting of job until the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

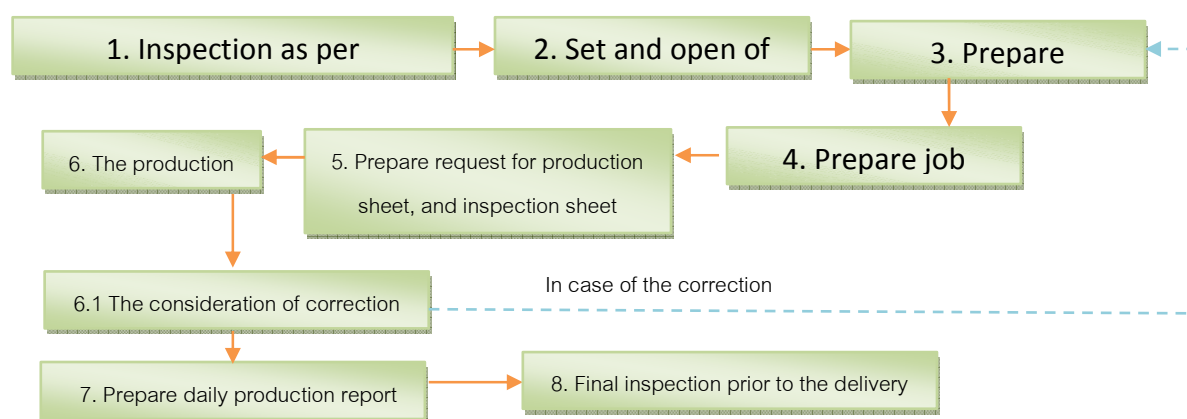
The Procurement Process chart



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 of 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 total 9 employees working on procurement including 8 domestic procurement employees and 1 international procurement employee. 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 3-5 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.

Table showing value and portion of domestic procurement and foreign procurement in 2015-2016

Amount of purchase	2014		2015		2016	
	Million baht	%	Million baht	%	Million baht	%
Domestic	888.54	80.26	574.07	79.49	510.00	71.11%
Foreign	218.58	19.74	148.08	20.51	207.22	28.89%
Total	1,107.12	100.00	722.15	100.00	717.22	100

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

12.5 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 manufacturers 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, eight wheeled truck, ten-wheeled truck, semi-trailer, trailer, and large fiber glass chiller truck.

Sample pictures of the subsidiary company's products



12.6 Marketing and Competition Strategy of the Subsidiary Company

12.6.1 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.
- 3) The company has customer visit activities according to customer's activities and annual customer visit plan. The company also joint with customer's activities such as making merit and New Year party.

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 2015-2016

	Registration number of container truck type 5,989 trucks in 2015			Registration number of container truck type 4,330 trucks in 2016			Compare of change	
	Total	Dry	Cold	Total	Dry	Cold	Total	%
Number of container	5,989	4,196	1,796	4,330	3,031	1,299	-1,659	-29.70%
Portion as per Container type (%)	100%	70%	30%	100%	70%	30%		
Total marketing value (Million Baht)	1,756.83	1,075.22	681.61	1,270.18	889.13	381.05		

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

There was the production of 4,330 containers in 2016 decreased by 1,659 containers from 2015 or 25.70 %. Total marketing value in 2016 was about 1,270.18 million baht, comprising of 3,031 dry containers in the amount of 889.13 million baht, and 1,299 cold containers in the amount of 381.05 million baht. The company's executive evaluates that the production of chiller in 2016 declined due to supporting factors such as: the demand of the expansion of production base and distribution center to the rural area, the AEC free trade zone in field of logistics service. For unstable economic factors, the factor of China product with lower price and the effect of cancellation of CHO contract for providing buses to BMTA cause the loss of production capacity of the project and the delay of order received.

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. Rujolarn Co., Ltd.	Thailand	Manufacturing and installing of stainless steel Wall c
3. Carry boy Marketing Co., Ltd.	Thailand	Manufacturing and installing of GRP

12.7 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.

12.8 Non-delivered Job (Back log)

The company and its subsidiary reported works under the production as at 31st December 2016 in total amount of 718.06 million baht, comprising of 715.79 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 31 st December, 2016
<u>Non-delivered job – The company:</u>						
1	KhonKaen University	KKU Smart Transit	21/8/2015	30/9/2020	192.50	106.34
<u>Non-delivered job – The subsidiary company:</u>						
1	No customer with the value exceeding 10%					

Securities and Shareholder Information



13. Securities and Shareholder Information

13.1 Securities

As at December 31, 2016, the company had a registered capital of 296,972,494.50 baht (Two hundred ninety-six million nine hundred seventy-two thousand four hundred ninety-four Baht and fifty Satang) divided to common stock of 1,182,941,773 shares (One billion one hundred eighty-two million nine hundred forty-one thousand seven hundred seventy-three), at the par value of 0.25 baht (Twenty-five satang) with a paid-up capital of 295,735,443.25 baht (Two hundred ninety-five million seven hundred thirty-five thousand four hundred forty-three Baht and twenty Satang)

13.2 Shareholders

List company Shareholder December 30, 2016 as follow:

Rank	Major Shareholder	Shares	% Shares
1.	Group of Mr. Suradech Taweesaengsakulthai	556,259,730	47.023
	1.1 Mr. Suradech Taweesaengsakulthai	487,619,730	41.221
	1.2 Mrs. Wadsana Taweesaengsakulthai	68,640,000	5.802
2.	Ms. Asana Taweesaengsakulthai	39,344,360	3.326
3.	Thai NVDR Company Limited.	31,457,990	2.659
4.	Mr. Puttipat Vejvarut	25,741,975	2.176
5.	Mr. Surapol Thaveesangskulthai	22,336,000	1.888
6.	Mr. Kitimeth Vejvarut	9,762,080	0.825
7.	Mr. Marat Sae - lim	6,984,485	0.590
8.	Mr. Suchai Atsawapanyakul	5,749,000	0.49
9.	Mr. Sanpalm Seanchaovalar	5,700,000	0.48
10.	KALSTAR (S) PTE LTD	5,203,000	0.44
Total major Shareholder for top 11		708,538,620	59.90
	Minor Shareholders	7,543	
	Thai Nationality Shareholders	7,546	
	Foreign Nationality Shareholders	5	

Remarks : /1 = 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.

13.3 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

13.4 Securities holding of Directors

The securities holding of Board of Directors and Executive Administrators in Cho Thavee Public Company Limited (CHO) between years 2015-2016 detailed as follows:

No.	<u>Committees and Directors</u>	Numbers of shares (CHO) held				Changing Remarks
		As at 30 Dec 2015	%	As at 30 Dec 2016	%	
Committees						
1.	Ms. Phenphimol Vejvarut	300,000	0.036	330,000	0.028	Acquisition dividend of 30,000 shares
	Spouses and immature child	--	--	--	--	
2.	Mr. Suradech Taweesaengsakulthai	287,507,200	34.870	487,619,730	41.221	- Acquisition by exercising of right of CHO-W1 for 78,657,810 shares - Purchased 1,320,000 shares - Acquisition dividend of 37,134,720 shares
	Spouses and immature child	--	--	--	--	
3.	Ms. Asana Taweesangsakulthai	35,767,600	4.338	39,344,360	3.326	- Acquisition dividend of 3,576,760 shares
	Spouses and immature child	--	--	--	--	
4.	Mr. Siriwat Taveesangsakulthai	--	--	--	--	
	Spouses and immature child	--	--	--	--	
5.	Mr. Anusorn Tamajai	--	--	--	--	
	Spouses and immature child	--	--	--	--	
6.	Mr. Asa Prateepasen	--	--	--	--	
	Spouses and immature child	--	--	--	--	
7.	Mr. Chatchawan Triamvicharnkul	--	--	--	--	
	Spouses and immature child	--	--	--	--	
Directors						
1.	Ms. Somnuk Sangin	40,000	0.005	71,720	0.006	Purchased 25,200 shares and acquired dividend of 6,520 shares
	Spouses and immature child	--	--	--	--	
2.	Mr.Nititorn Deeumpai	--	--	7,150	0.0006	Acquisition by transfer of 6,500 shares and dividend of 650 shares
	Spouses and immature child	--	--			

No.	<u>Committees and Directors</u>	Numbers of shares (CHO) held				Changing Remarks
		As at 30 Dec 2015	%	As at 30 Dec 2016	%	
3.	Mr. Prasobsuk Boonkwan	--	--	12,490	0.001	- Acquisition dividend of 12,490 shares
	Spouses and immature child	--	--	--	--	
4.	Mr.Sven Markus Gaber	--	--	--	--	
	Spouses and immature child	--	--	--	--	
5.	Ms. Pattarin Anukunananchai	--	--	122,650	0.010	Acquisition by transfer of 111,500 shares and dividend of 11,150 shares
	Spouses and immature child	--	--	--	--	
6.	Mr. Nopparat Sangsawang	--	--	132,330	0.011	Acquisition by transfer of 120,300 shares and dividend of 12,030 shares
	Spouses and immature child	--	--	--	--	
7.	Mr. Apichai Chumsri	6,000	0.007	54,360	0.005	Purchased / Sold and acquisition dividend of 11,760 shares
	Spouses and immature child	--	--	--	--	
8.	Mr. Nirut Sumongkol	--	--	182,820	0.015	Acquisition by transfer of 166,200 shares and dividend of 16,620 shares
	Spouses and immature child	--	--	38,610	0.003	Acquisition by transfer of 35,100 shares and dividend of 3,510 shares
12.	Mr.Padungdetch Euasookkul	--	--	6,710	0.0006	Acquisition by transfer of 6,100 shares and dividend of 610 shares
	Spouses and immature child	--	--	330,000	0.028	Purchased
13.	Mr. Bamrung Chinsombat	--	--	--	--	
	Spouses and immature child	--	--	--	--	
14.	Mr. Sakarin Unnim	25,000	0.003	120,560	0.010	Acquisition by transfer of 84,600 shares and dividend of 10,960 shares
	Spouses and immature child	--	--	--	--	

No.	<u>Committees and Directors</u>	Numbers of shares (CHO) held				Changing Remarks
		As at 30 Dec 2015	%	As at 30 Dec 2016	%	
15.	Mr. Chatchai Kantawirut	--	--	2,640	0.0002	Acquisition from transfer of 2,400 shares and dividend of 240 shares
	Spouses and immature child	--	--	--	--	

Remark: At the meeting of Executive committee 12/2016 as of December 30, 2016, there is a decision to appoint Mr. Chatchai Kantawirut, and the Executive committee acknowledged in the meeting 1/2017 as of January 20, 2017. As a result, he is an Executive committee instead of Mr. Tossaphol Plitaporn who has resigned on October 20, 2016.

13.5 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

The dividend yield for 2016, the board of director has voted for no dividend payment due to the company reported a deficit in 2016. Anyway, the result will be effective when the board approve on AGM 2016 in April 20, 2017.

Dividend Payment Historical Compared to net profit (Separate financial statements)
2014-2016
 (Hours /Person)

Detail	Year 2014	Year 2015	Year 2016
Net Profit (Loss) After regal reserve deduction (Separate financial statements) (million baht)	75.72	35.50	(69.99)
Dividend Payment (million baht)	49.00	28.28 ^{/1}	0
Dividend rate /1 (%)	64.71%	79.68	0

Remark: /1= The company paid dividend of 5.32 million Baht in cash, and paid 22.96 million Baht in ordinary share.

Social Responsibilities



14. Social Responsibilities

The company has been working continuously on Social Responsibilities, considering every stakeholder. 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.

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 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 to develop human resource
- 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

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”

The Company has disclosed the policy and operation plans for social and environment responsibilities considering all the stakeholders on Sustainable Report 2016, also online at www.cho.co.th The content for this report applied the materiality assessment of the international standard of Global Reporting Initiatives (GRI) 4.

The Corporate Governance, Risk Management, Nomination and Compensation Committee Report



The Corporate Governance, Risk Management, Nomination and Compensation Committee Report for the year 2016

Dear Audit Committees, Board of Directors and Shareholders,
According to the Board of Directors (BOD)' Meeting of Cho Thavee 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 Independent director more than one-half of the total number of the committees and also the chairman of CGR Committee is the independent director in accordance with the Good Corporate Governance policy and the Board of Directors' charter. 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 2016, 3 of the CGR Committees and the Executive Managements attending the Meeting in order to consider practicing of the BOD's Charter 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 2016, 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 2016.

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 2016, 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 2016 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 2016 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 2017 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.cho.co.th> from 1st October – 31st December 2016. However, no one was purposed to be the Company's Directors. The nominated director replacing the one retiring by rotation in the year 2016 was considered appointing by the 2016 Annual General Meeting of Shareholders. The Company has continuously performed the shareholders' resolution accordingly throughout the year 2016. 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 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.

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.1/2017 to consider evaluating the President and Chief Executive Officer's operation for the year 2016 and approving the appropriate President/ Chief Executive Officer's remuneration for the year 2017. Moreover, the Company has continuously performed according to the Company's BOD's resolution throughout the year 2016.

- 4.2 The CGR Committee considered determining the Company's BOD and sub-committees' remuneration for the year 2017 and purposed the Company's BOD's Meeting No.1/2017 to consider evaluating the Company's BOD and sub-committees' operation for the year 2016 and approving for the equal and appropriate remuneration of the Company's BOD and sub-committees for the year 2017. The Company has continuously performed according to the Company's BOD's resolution throughout the year 2016.

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 2016 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 2016 for determine the President/ Chief Executive Officer remuneration for the year 2017 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 and 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
February 24, 2017

Internal Control and Risk Management



16. Internal Control and Risk Management

Internal Control and Risk Management

The Board of Directors of the Company and its subsidiary continuously emphasized on essential Internal Control and Risk Management, covered financial control, operations in accordance with regulations and laws including appropriately risk management systems. The Company clearly defines the risk management policy by appointing the audit committees to review and assess a sufficiency of the internal control systems by having the internal auditor independently preformed auditing each department directly to the Audit Committees according to the annually audit plan from the Audit Committees' approval. The Company clearly defines management and employees operating authority at all levels in order to strengthen the effectiveness of the internal control and risk management systems and provide reasonable assurances to the achievement objectives.

The Board of Directors' comments regarding to the adequacy of the Internal Control

In the Board of Directors Meeting No. 1/2016 held on January 31st, 2016, Join with Executive Committee evaluated and expressed opinions on the adequacy and appropriateness of the Company's Internal Control System based on the sufficiency of the internal control assessment report which follows the guidelines of the Securities and Exchange Commission (SEC),

Audit Committees reviewed the internal control and recommendations aiming to the operational audit in order to be constantly efficient and effective by using information gathering from the executives and approving the sufficiency of internal control assessment report prepared by the Management. The Internal Control System can be summarized 5 sectors as follows; Internal Control, Risk Assessment, operation Control, Information technology and Communication and Monitoring Activities. The Board viewed that the Company's Internal Control Systems are appropriate and effective. The operation has been efficiently managed with sufficient number of qualified and competent personnel. Also, the Company has implemented monitoring system to ensure safeguarding of the Company and its subsidiary's assets against misuse or unauthorized use by the Board of Directors or the Management as well as connected transaction and conflict of interest transaction. For other aspects the auditor gave his opinion that the Company's financial statement is in accordance with the financial standard and has been disclosed according to the laws. In addition, the auditor has continued to follow up and improve the internal control system.

The Company and its subsidiary has evaluated the internal control aligned with the framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) concept as summarized as follows;

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.

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.

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.

Information & Communication

13. The organization 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.

Monitoring Activities

16. The organization monitoring, and evaluations to ascertain whether the components of internal control are performs ongoing.
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.

Risk Management

The Company's Board of Directors appointed the Risk Management Vice President in order to supervise the organization risk management to ensure that the overall organization is achieved at acceptable level and to continue to track the risk management. The Company has organized risk and control self-assessment in order to assess risks, problems and difficulties also the uncertainly may affect the company's operation to achieve its goal, the internal and external risk factors may affect the company to loss business' opportunities. When risks are defined to be difficult to achieve its goal, the Company must have the measurement of risk management.

The Company defined risk management policy for the executive and all employees to comply and adhere. The Company also educated the risk management as the organization culture by having the Risk Management Chief Officer to govern the Company's risk management by submitting a quarterly risk management report to the Executive Committees, the Corporate Governance, Risk Management, Nomination and Compensation Committees, the Audit Committees and the Board of Directors 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" in section 3, which summarized the risk factors affecting the Company's operation and finance.

Moreover, the Company assessed risks and difficulties that may affect the Company's operation together with the sufficiency of internal control assessment in order to improve and ensure that risk management is more efficient and effective. The limit covered the administrative and management within the Company, so that the executive responsibilities in each department were assigned and to follow the risk management guideline and also the related parties shall comply and adhere the Company's risk management system in order to enhance the operation to be more efficient and effective.

Internal Audit

The Internal Auditor performs its duties independently and objectively and reports functionally and directly to the Audit Committee with their charter. The Internal Audit Charter updates 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 Internal Audit manager 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.

Internal Audit manager and Chief of Compliance

1) Chief of internal audit Manager

The company has the internal audit section, with Mrs. Apsorn Suriya being internal audit Manager, 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 of 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.

Risk Factor



17 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 a negative impact to the company, and to the Company's stock value. The risks factor appeared in this document are not all of the existing 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 factors 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.

17.1 Risks in Business Operation

1. The Uncertainty of Income Risk

In the year 2016, CHO has its main revenues from the production and the managing services in projects such like the standard products in the value of 258.72 million Baht, the special designing products in the value of 667.44 million Baht, the selling of parts and repairing services in the value of 132.08 million Baht, profit from currency exchange rates of 9.32 million Baht, and the other incomes in the value of 12.28 million Baht. The total revenue is 1,079.84 million Baht.

However, the company may be at risk from a discrete of its income. Mainly due to the contracts for its production mainly are the order that manufactures in a certain amount which once the order was delivered, the demand in the production will be over. Therefore, it needs to seek more contracts and orders to run the production. Without contracts and orders, the company will have to bear the expenses which are fixed costs.

The Risk Prevention Plan

1. CHO has planned to expand the product lines and services by introducing the "Sib Lor 24 hours" service center. The services center is another channel to increase its income. The centers were opened to serve the need of the transportation companies, whether they are big or small companies with trucks, trailers. They have the needs in using the repairing and service center which operated by a company with modern technology and

have one-stop services that opened 24 hours. The centers are convenient to their customers in planning for repairing vehicles for them. They gained new customers and the company's existing customers to use the service center instead of the burden to bear their own costs in labors and inventory.

2. CHO has planned to maintain its quality of the products and its services to the customers in the convenience of using the products designing by CHO in accordance with the requirement of its customers, which considered as the company's strength and the fasten of CHO's after sales services which satisfied its customers. The results were reflected from the past year operations. Hence, the company has implemented SAP in its business function to develop the company's information system. The company has applied the new innovation to help with the products designing. The company has invested in the machines to produce the lighter weight products, but still maintain the endurable of them. The company has implemented the GPS tracking system to use with the public transportation management project. In addition, the company has started to do the curriculum for the Cho Thavee Technology Academy because it has foreseen that human resource is the heart that drives the business. All of these will build the customers' confidence in the company's services so the mouth to mouth advertising will happen and lead to the loyalty from both existing customers and new customers.

3. CHO has the policy to manage the budgeting by creating and defining the goals of its annual budget. The budgeting helps the company to analyze its target revenues, expenses, and forecast its profits in each year. The company's accounting department has gathered the information and presented them to the executive management in the executive committee and the board of directors for their consideration in order to set its annual budgeting. The information has been used to follow up and compared its monthly performance through the departments' monthly meeting and all the data has been concluded to present to the executive committee's monthly meeting. Then, the executives management can use the data to analyze and plan to accept or auction new orders consistent with the finishing orders. These shall guarantee that the company will continuously receive the contracts for managing service and orders to produce products. Therefore, it reduces the risk from a discrete of CHO's income.

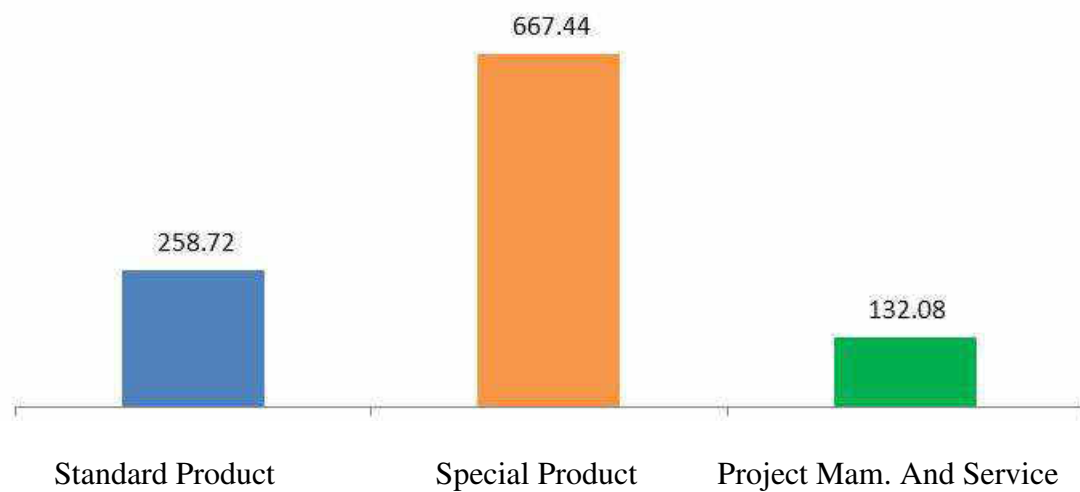
2.) The Risk of Relying on the Limited Industry Group

CHO has manufactured vehicles for the domestics market, which mainly from both public and private sectors. In the year 2016, the company sold products in 24.45% of standard vehicles, 63.07% of specially designed vehicles, 12.48% of project managing

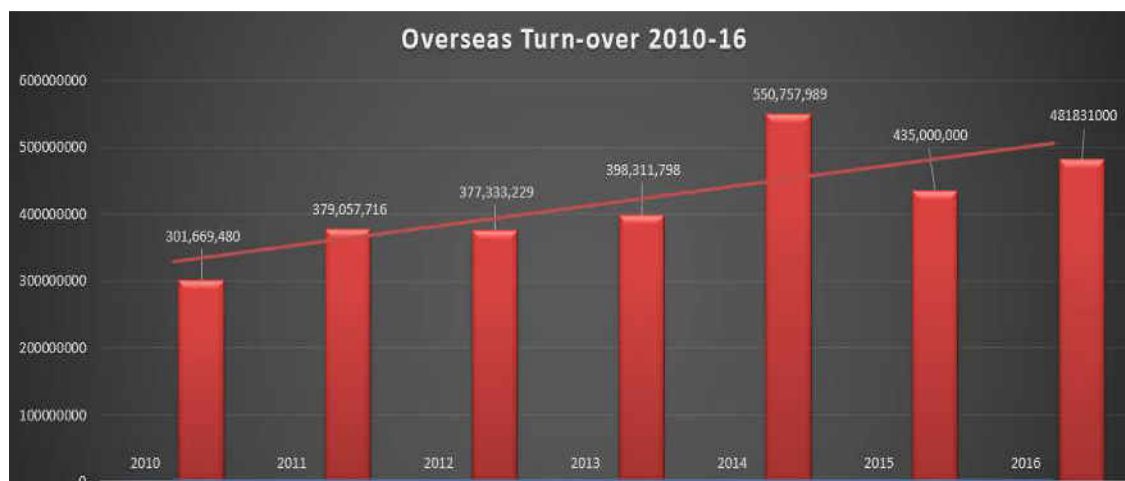
service from the total revenue of the year 2016. As of 31st December 2016, the company had the total 33 customers with the total order of 390 commercial trucks. There are 15 domestic customers, including the orders from manufacturing standard vehicles and specially designed of 259 commercial trucks.

2016 Revenue in Product Grouping

(unit : million Baht)



There are 18 overseas customers including the orders from special products of 131 cars and the total value of the sales for the year 2016 is 481.8 million Baht. The company's sales revenue trends to increase for the year 2017.



According to the company's revenue for the year 2016, the most revenues are from the 5 largest customers. Thus, the company may be affected by the risk of having an only small group of customers and limited extent.

CHO has realized the risks and had the clearly plan to maintain its existing customers and find new customers in accordance to the strategy plan and reducing the relying on some large group customers. The company believes that there is less opportunity to lose its existing customers. The reasons are the constantly served the large customers with quality, price, and responsibility to its customers. The company continuously and long-lasting focuses on providing the services, transfers the maintenance technology, and provides the convenient to expand its market. The company has always sought new customers, whether in the Bangkok area and the eastern industrial group area by opening the "Sib Lor 24 hours" service center in Chonburi province besides from the 8 existing service centers. The service centers are one-stop service which opened 24 hours in order to expand its services for general trucks. The company has signed services contracts which customized according to the requirement of each customer. Refer to the preliminary survey, the company has brought the truck's data, which sold in Thailand, to prepare a service plan apart from the expired warranty by the dealers.

3) The risk in using the Joint venture's license

At the company's meeting on 21st April 2016, the meeting has agreed and approved to change the company name from "Cho Thavee Dollasien Company Limited" to be "Cho Thavee Public Company Limited". DOLL FAHRZEUGBAU GmdH is a collaborative company with CHO in the specially designed vehicles and being a good partnership with CHO in the designing of production technology, electrical technology, and hydraulic technology. The technologies and designs were used in the manufacturing of the catering trucks. Thus, the company may have the risk in terms of the cancellation of the designs and systems for the technologies using in the future. Then, there are effects in the non-compliance on the conditions or the copyrights of the technologies and designs.

The company realized the risks and settled the plans to reduce the risks which might happen in terms of the violation of the copyrights as following:-

1. CHO has its own research and development team to develop the design and the circuit design with the capability to improve the designs by the team.
2. CHO has procured materials from other suppliers which have the similar materials, but can be purchased at the same or lower price.
3. CHO has created its own prototypes of the catering trucks and requested for a certification from CE Mark.

The above are in place with the production in order to meet the international standards for the marketing by striving to be excellent in quality and services under its brand of “CTV-CHO”. Therefore, CHO trusted that the above business plans can attract more customers in the long-term and can help to reduce the effects of the risks.

4)The Risk in Competing within the Industry

Thailand was considered as the center of the South East Asia in terms of the vehicle's parts manufacturing and vehicles assembling. It has the fast growth of the industrial area more than the other countries in the same region. As a result, it affected the more expansion of the relevant businesses. From the past fiscal year, the garbage trucks, the electrical trucks, the public transportation buses, the catering trucks markets had the other distributors from abroad and the existing distributors entering to compete in the markets. It made the more competitive in the pricing and the conditions of sales. The starting of the AEC Free trade area made some overseas competitors, who have the availability of funds, comes to the zone to do their business in servicing, manufacturing, and producing. Which China is the major competitor of CHO.

CHO can build its strength and the differentiate by creating a researching team to produce new products in cooperation with the local institution in terms of developing the ability of CHO's personnel to develop the company's products that can create competitiveness in the market. Organizing a seminar to train the customers to use the products is for improving the quality of the use of the products to be more safety. The seminar can let the company helping customers to solve the issues which lead to the confidence in its services.

One of the things that helped the company reduce the risk is the capability to design various types of products and appropriate to the budget and the requirement from customers. Also, the company has consulted customers to save the cost of customers as much as possible, but still the products are in good quality, compliance with safety, and convenient to use. These are the efficiently prevention of the risk of the competitiveness of competitors.

17.2 The risk of Production

1. The Performance of the Production Risk

In the year 2016, CHO had the delayed delivery of 9.37% and decreased in the standard production time by 9.05%. These results are from the working on the 4 prototypes which need more personnel and working time than the usual. Not only that, the materials for the production were needed to be imported from another country and the deliveries were delayed. Since CHO had the contracts identified the penalty in delayed delivery of the

products, the company has the risk in terms of the delayed penalty to those public organizations which considered expenses as well as its cost of the operation. The company does realize the risk and has its plan as follows:

1. Increased the production capacity by 10 percent in order to consistent with the selling amount and manufacturing duration before delivery. The company invested in the prototype for the production as well as continually doing the marketing plan for its products.
2. Increased the production capability by investing in the new machineries with a longer lifetime to substitute the old ones which damaged.
3. Run a testing of the VR7 robot to help in planning the production and substitute the complicated job in the production process such like the welder and etc.
4. Researched and produced the electric power trucks, which cooperated with the public sector and institutions.
5. Developed the use of JIG and the holding stand to help with the production process in order to improve the quality and using less production time.
6. Increased the color spraying rooms and rearranged the colors praying process in the production line.

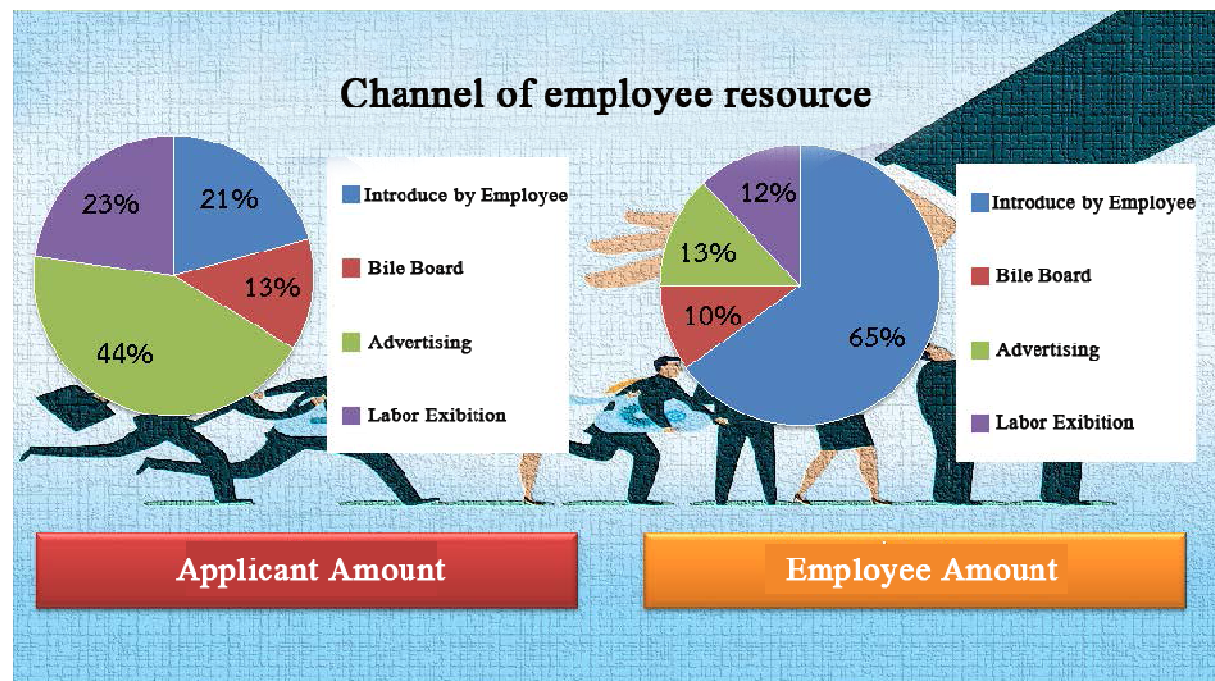
The above plans were reduced the processing time to lessen the cause in delayed delivery as well as to keep up the pace of the average production time.

17.3 Risk Concerning the Operation management

1) The Human Resource Risk Management

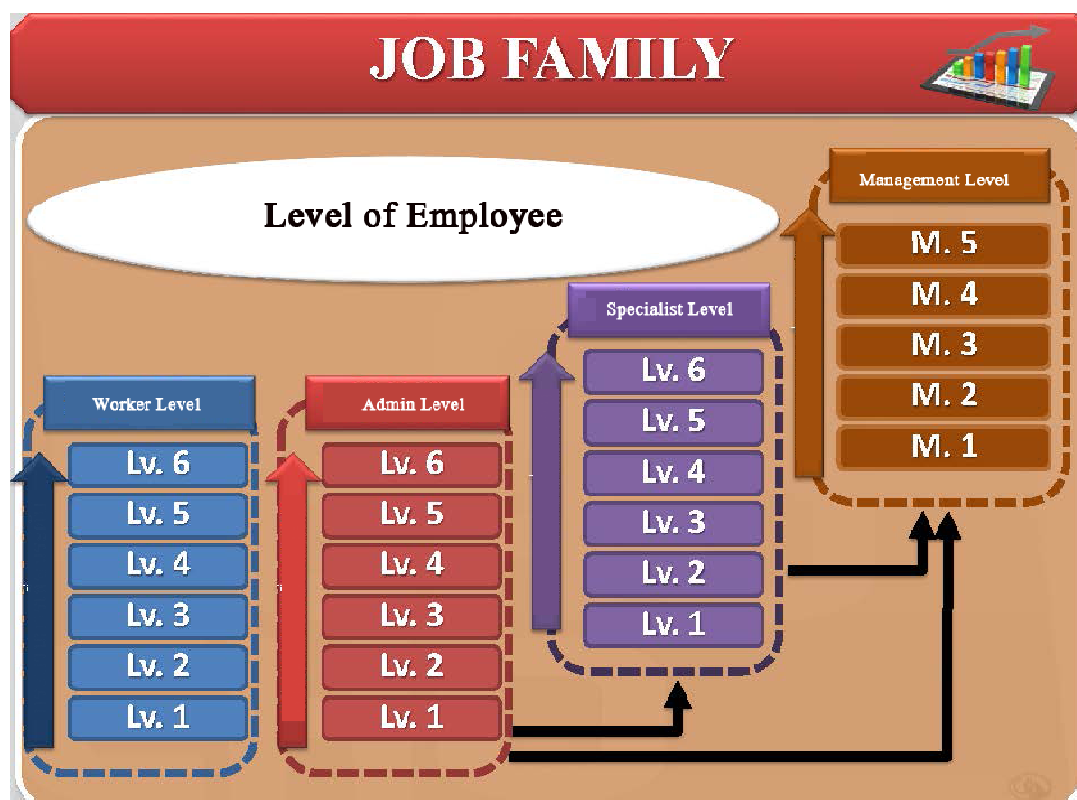
CHO has 513 technician in the production line which counted as 75 percent of the total 683 employees, but still, this amount is not enough to support the growth of its sales from the sales department as well as the expansion in doing the service center which planned to launch in the year 2017. The new hiring engineers of the company need to be trained at least 12 weeks prior to their starting to work, in compliance with the standards of CHO. Therefore, CHO foresees the importance of human resource in terms of driving the business forward. CHO has set its standards to provide the proper amount of compensations and benefits and other regulations for the supervisors to govern the skilled engineers and technicians under their supervision. There are various jobs for 1 person to handle which has more complexity than the other constantly production industries. This leads to the turnover rate of employees by 27 percent. In which, CHO tends to increase and substitute the number of employees in order to be able to support the growth of its business. Whether there are not enough skilled workforces, there is the risk in the generating revenues of the company.

CHO knows the importance of maintaining the quality and quantity workforces in accordance with the need in its business function. In this regards, the company has set the standard number of employees in the production line in appropriate with the man-hour all year round. It sets the compensation standards according to their expertise by creating the Career Path. Moreover, the new hiring employees need to pass the test for each job level through the curriculum of the Cho Thavee Technology Academy. There are clearly identified of compensations consistent with positions. This is one of the channels that helps reduce the risk of the engineers' turnover rate. Furthermore, the company has the other benefits in order to create and motivate employees such like the bonus for their diligence and provident funds. Last but not least, CHO has a lot of channels in recruiting its employees, for instance through the recommendation from the current employees, through television and radio advertisements, the department of soldier's recruitment, and etc. From the past year performances, there are few impacts on the existing number of works in terms of the technicians.



2) The risk of Management depends on the Key Executive

The company was established in 1993 by the key executive, Mr. Suradech Taweesaengsakulthai, who has experience and reputation in the business for a long time. He has been constantly building reliabilities and good relationships with customers, so the changing of the executive may cause the risk of doing business. The company has realized the risk which may occur and settled the plan to reduce risk by identifying the scope of authority, responsibility and approval authority in each position clearly. The decentralization of management system was settled with authorization process chart. The career path was created for creating company's employees, thus the employees have to take courses to improve their knowledge and ability. There are assignments of duties and responsibilities for ability and competency employees in order to increase motivation and to reduce the dependency of an employee in particular. However, the company has preceded Career Path plan to ensure that the risk of dependency on the key executive will be reduced, and to build the sustainability for the company.



17.4 Financial Risk

1) The risk of currency exchange rates

As for the year 2016, CHO still imported the manufacturing materials and equipment's from overseas. Also, there are sales orders from overseas' customers and made the payment by various currencies. Therefore, it created the financial risk when there were fluctuated in the currency rates that affected the negative impact on the economy.

In the past, CHO had the policy to prevent the risk from the fluctuated of the currency rates. The prevention was by assessing and closely monitored the situation of the currency rates in comparison with Thai Baht, combined with making Forward Contracts in advance depends on the need and situation. As for the year 2016, CHO had its profits/losses from the currency exchange rates at 7.98 million Baht.

2) The risk of interest rates

Due to the company has to invest in many projects by using funds from financial institutes, which some of those loans are from financial institutes for the liquidity of goods production or business expansion. If the interest rates increase, the company will gain more costs of business expansion. The rising costs may affect the income statement of the company.

The company realized such risk, so the diversification policy was settled in term of interest of each fund. The policy is to comprise of the suitability in term of period and total value of each project with loans. Moreover, after the company went public, it gained more funds for business expansion or for negotiation of prices and interests. CHO has believed that such risk will not impact the operation.

3) The risk of delayed payment of the debtor

CHO is a made-to-order manufacturer, and a project manager by contracts with the fixed delivery date and payment date as agreement in contracts. In project management, the company has to provide service before receiving payment as agreed. This may cause a risk of delayed payment in some customer or problem in payment which affect company's liquidity because the company has fixed costs to pay every month. In 2016, the company has 9 overdue receivables, as calculated of 8.53 million Baht, or 0.81% of the total revenue.

However, the company realized such risk, so a plan was settled to prevent the risk with a customer potential assessment policy. There are customer assessments before receiving orders, and down payments before production in mostly 15-30% of the contract value (In case of production under a contract). The project owners have to pay by monthly or period payment based on the progress of work, and the financial department will be responsible for the payment summary report. If there are any customers delayed payments, they should be followed up for payments. The delayed payment details will be informed to concerned

departments, and also informed Executives in the Executive Committee meeting immediately. The concerned department will follow the payment with the communication process, so this is to assure that the risk of delayed payment will be handled.

17.5 Corruption Risk

According to the business character, there is the corruption risk because there are selling transactions and providing project management to public sector and private sector by bidding.

The company pays attention to Ethics, Morality and anti-corruption and encourages all employees to have anti-corruption mind. The board settled the Anti-Corruption Policy and Anti-Bribery Policy in the working procedure to comply with the Corporate Compliance Policy as the Corporate Governance and Business Code of Conduct. There is a channel of complaint with quick response and fair process. The aim is that all employees will jointly oversee as the principle of Corporate Governance and Business Code of Conduct. In case of Employees having inquiries about the Business Code of Conduct or make complains when found inappropriate behavior or things are contrary to the Business Code of Conduct. There are many channels for making inquiries including the Head of Internal Audit, or Email: auditcom@cho.co.th. There will be hearing for all complains equally with transparency and fair to all parties. There are confidentiality and protection to avoid persecution during the investigation and after investigation. In 2016, there is no any complains about the Good Corporate Governance.

17.6 Tax Risk

According to the Business Character, there are selling transactions for both domestic and overseas, so there is a risk in term of compliance with the tax laws and tax payment of each goods and services.

The company has settled plans and guidelines of tax for making the company comply with tax management in accordance with the law and for guiding and planning of tax management in the same way. The company pays the tax and keeps a good relationship with tax organizations of the government sector.

The tax will be submitted within the due date, and managed refund for the highest liquidity of the company. There is a consideration of the impact of the investment project or when there are new transactions, those will be handled by the department in charge of tax. If there are transactions which the company is not an expert in the tax law, there may be a hiring of an expert for tax consulting. This is to comply with the Law and to prevent damage which may occur.

Related Transactions



18. 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 2015-2016 ending 31st December 2015 and 31st December 2016 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 2015	31 December 2016		
1.Knonkaen 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	0.08	0.00	- 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 KhonKaen Cho Thavee (1993) Co., ltd to be office	0.36	0.36	- The company rents out headquarter area to Khonkaen Cho Thavee (1993) Co., Ltd. as an office at cost of 30,000 Baht/month, it is annual contract with the market rental rate	The determination of price as per net book value was appropriated, with the price evaluation in equivalent to market price
	▪ The Company provide legal consultant service ▪ The company sales other tools	0.00 0.00	0.48 0.02	- Legal service and lawsuit consultant service - Sales materials	- It is appropriate and according to the company policy

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 2015	31 December 2016		
1.Knonkaen Cho Thavee(1993) Co., Ltd. (continue)	■ The fee from using the security of KhonKaen Cho Thavee (1993) Co., Ltd., for being pledged to the Company's credit line	0.60	0.60	- The company has granted credit line from the bank by pledging the security of Khonkaen 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 cost of land rent and building parking lots for KKU Smart Transit in KhonKaen University	0.03	0.36	- It is parking lots for KKU Smart Transit project in KhonKaen University	- The service rate is appropriate comparing with other person service rate
	■ The Company has other account payable relating to such transaction at the end of period	0.03	0.00	- The Company has granted credit terms as per normal trade	- Condition is closed to other person, and there is no transection in 2012
2. Volrep Truck and Bus Co., Ltd. -Ms. Asana Taweangsakulthai (director) holds 0.50% and being the director of such company	■ The Company sales products and services in repairing of the body of truck, trailer/semi-trailer	0.56	0.046	- 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	- Being appropriated as per normal business, the price and condition closed to that of other person
	■ The Company has account receivables and advance from such transaction at the ending of period	0.68	0.00	- The Company has received the credit terms as per normal business	
	■ The Company has bought the products, raw materials, and equipment.	3.83	1.85 3.19	- The Company has bought spare parts and equipment at the agreed price, and the price was closed to market price	- There was the comparison of price as appropriated and as per normal business, the 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 2015	31 December 2016		
2. Volrep Truck and Bus Co., Ltd. (continue)	■ There was hiring a company to perform maintenance service for KKU Smart Transit project	0.12		- There was hiring a company to perform maintenance service for KKU Smart Transit project with the service center standard price	and condition closed to that of other person
	■ The Company has account receivable from such transaction at the end of period	0.02	0.05	- The Company has received the credit terms as per normal business	
	■ The Company has offered the managements service, accounting software, and paid the expenses in advanced	0.25	1.58	- 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	- Being the appropriated service fee with the comparison with other person
	■ Legal consultant fee	0.00	0.36	- Providing legal and lawsuit consultant service	- Being the appropriated service fee with the comparison with other person
3. Doll Fahrzeugbau GmbH - The Company's shareholder in the portion of 0.040% of paid-up registered capitals as at closing date on 30/12/2016	■ The Company has purchase raw materials from Doll Fahrzeugbau GmbH	62.94	79.39	- 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	- Being appropriated with trade condition as per normal trade, the price and condition was closed to that of the other person
	■ The Company has account payables from such transaction	0.77	6.88		

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 2015	31 December 2016		
3. Doll Fahrzeugbau GmbH (continue)	at the end of period			to normal trade of Doll Fahrzeugbau GmbH	
	<ul style="list-style-type: none"> ■ The Company has sold parts and products ■ The Company has account receivables from such transaction at the end of period 	22.67 15.87	0.00 0.00	<ul style="list-style-type: none"> - The Company has provided the service to Doll Fahrzeugbau GmbH from the job in Thailand with the price of service based on the company's pricing policy 	<ul style="list-style-type: none"> - Being appropriated as to the company's pricing policy - Being the appropriated service fee with the comparison with other person
4. Ruamthavee Khonkaen Co., Ltd. - Mr. Siriwat Taveesangskulthai (director) holds 19.16% and being the director of such company	<ul style="list-style-type: none"> ■ The Company has sold the products and provided the services of repairing the truck's body, trailer/semi-trailer ■ The Company has account receivables from such transaction at the end of period 	0.00 0.00	0.03 0.028	<ul style="list-style-type: none"> - 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 - The Company has outstanding debts from selling products, spare parts and services as normal business 	<ul style="list-style-type: none"> - Being appropriated as to normal trade, the price closed to that of trading with other person - Being appropriated as to normal trade, the price was closed to that of other person
	<ul style="list-style-type: none"> ■ The Company has bought raw materials and spare parts 	6.39	10.27	<ul style="list-style-type: none"> - The company has bought raw materials and spare parts as to normal trade 	<ul style="list-style-type: none"> - Being appropriated and the condition
	<ul style="list-style-type: none"> ■ 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 	0.05	2.50	<ul style="list-style-type: none"> - Being trade condition as to normal trade of Ruamthavee Khonkaen Co., Ltd. which was the price closed to market price and received credit terms as to normal trade credit terms of Ruamtahvee Khonkaen Co., Ltd., and the transaction incurred before being the related company 	<ul style="list-style-type: none"> - Trade as to normal trade, the price was closed to that of other person from the trade in the past

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 2015	31 December 2016		
5.Tang Hua Sing Nakon Pathom Limited Partnership - Mrs. Penphimol Vejvarut, major shareholder and managing partner	<ul style="list-style-type: none"> ■ The Company has sold the products and provided the service of repairing the truck's body, trailer/semi-trailer ■ The Company has bought the products, raw materials ■ The Company has account receivables from such transaction at the end of period 	0.14 37.78 0.00	0.02 3.36 112.95	<ul style="list-style-type: none"> - 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 - The company has bought raw materials and spare parts as to normal trade - The Company has outstanding creditors from selling products, spare parts and services as normal business 	<ul style="list-style-type: none"> - Being appropriated as to normal trade, the price was closed to that of other person - Being appropriated as to normal trade, the price was closed to that of other person
6. TSP-CTV JOINT VENTURE. The Company has signed the joint venture agreement with T.S energy saving lighting Co., Ltd. with joint responsibility	<ul style="list-style-type: none"> ■ The Company has sold the products of LED and stock controls ■ The Company has realized revenues from management ■ The Company has other account receivables from such transaction at the end of account period ■ The Company has account receivable from advanced payment from such transaction at the end of account period 	25.05 8.421 72.76 5.78	0.00 1.91 1.82 0.02	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Being appropriated and the necessity and the determination of price
7. JVCC JOINT VENTURE. The Company has signed joint venture agreement with Khonkaen Cho Thavee	<ul style="list-style-type: none"> ■ The Company has other account receivables from such transaction at the end of 	2.41	5.03	<ul style="list-style-type: none"> - The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and 	<ul style="list-style-type: none"> - Being appropriated and corresponded with short-term necessity, with not much

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 2015	31 December 2016		
(1993) Co., Ltd. with joint responsibility	account period			private sector with the condition in having the company's registered capitals of more than 270 million baht.	amount as significant
8. JVCE JOINT VENTURE The Company has signed joint venture agreement with Khonkaen Cho Thavee (1993) Co., Ltd. with joint responsibility	▪ The Company has other account receivables from such transaction at the end of account period	0.00	0.25	- The Company has paid a necessary expense since the Joint Venter has no personal in the bidding project to government sector and private sector	- Being appropriated and the necessity and the determination of price
9. 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"> ▪ The company has provided making video presentations and other tasks ▪ The Company has outstanding debts from such transaction at the end of account period 	0.38 0.00	0.18 0.13	<ul style="list-style-type: none"> - The company has provided making video presentations for the KhonKaen Think Tank Co., Ltd. and billing to them - The company has provided accounting consultancy service 	<ul style="list-style-type: none"> - Being appropriated as to the company's pricing policy - Being appropriated and corresponded with short-term necessity, with not much amount as significant
10. Mr. Suradech Taweesaengsakulthai - The major shareholders of the company with the portion of 41.221% of paid-up registered capitals as at closing date on 30/12/2016 - 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 26.00 million baht	Guarantee line with 1 banks in total of 19.00 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 2015	31 December 2016		
11. Ms. Asana Taweangsakulthai - The Company's shareholder in the portion of 3.326% of paid-up capitals as at 30/12/2016 - Director - The executive committee - Senior Vice President	■ Being the guarantor for the subsidiary company's credit line with bank	Guarantee line with 2 banks in total of 26.00 million baht	Guarantee line with 2 banks in total of 19.00 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
	■ The Company has paid for rental fee at the Bangkok office ■ The creditor from such transaction at the end of accounting period	1.20 0.20	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
	■ Being the guarantor to the subsidiary company's credit line with bank	Guarantee line with 1 bank in total of 5.00 million baht	-none-	- 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 1.888% of paid-up capitals as at 30/12/2016 - The father of Mr. Siriwat Taweangsakulthai (director)	■ Being the guarantor to the subsidiary company's credit line with bank	Guarantee line with 1 bank in total of 5.00 million baht	-none-	- 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	- The transaction was reasonable and benefited to the company's business, and the company have to do as to the bank's condition
13. Mr. Surachai Taweangsakulthai - The brother of Mr. Suradech Taweangsakulthai	■ Being the guarantor to the subsidiary company's credit line with bank	Guarantee line with 1 bank in total of 5.00 million baht	-none-	- 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	- The transaction was reasonable and benefited to the company's 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 2015	31 December 2016		
14. OJ Development Co., Ltd. - The Company's shareholder with the portion of 44.99% of paid-up capitals as at 30/12/2016 - Director -The executive committee -Senior Vice President	<ul style="list-style-type: none"> The company has provided legal consultant service 	0.00	0.30	- Legal service and lawsuit consultant service	- Being appropriated as to the company's pricing policy

2 Audit committee's opinion

The audit committee's meeting No. 2/2016 on 23th 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 2016 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. 1/2013 on 4th 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 this substance of agreements:

1. Khonkaen Cho Thavee (1993) Co., Ltd. (“CTV-1993”)	
Group of shareholders/person(s) with control power	: The holding of shares - Mr. Suradech Taweesaengsakulthai holds 97.38% of registered capitals The director 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)	: 304.30 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 andCTV-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 andCTV-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	: Holding of shares - Ms. Asana Taweesaengsakulthai holds 0.50% of registered capitals The directors Ms. Asana Taweesaengsakulthai
Business model	: Selling of truck’s head, trailer, spare parts of truck, and engine repairing
Assets in ownership (Audited financial statements as at 31 December 2015)	: 191.00 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.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.



Ms. Phenphimol Vejvarut
Chairman

Financial Position and Operation Results



20. 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 2014-2016 with the summary as follows:

Audited	: accounting period for year 2014 ending 31 st 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 31 st 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.
Audited	: accounting period for year 2015 ending 31 st December 2016
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 Public Co., Ltd. and its subsidiaries and of Cho Thavee Public Co., Ltd. as at 31 December 2016, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(ข) สรุปฐานะการเงินและผลการดำเนินงาน (งบการเงินรวม)

Cho Thavee Public Co., Ltd.
Statement of Financial Position
As at 31 December 2016

(Unit : Million Baht)

	Consolidated financial statements					
	31 December 2016	%	31 December 2015	%	31 December 2014	%
Assets						
Current assets						
Cash and cash equivalents	43.86	2.56	49.30	3.04	23.70	2.13
Trade and other accounts receivable (net)	373.64	21.85	469.81	29.01	374.01	33.61
Current portion of employee receivables under finance lease agreements (net)	0.19	0.01	0.19	0.01	-	-
Contract work in progress in excess of progress billings (net)					0.61	
Inventories (net)	335.11	19.59	295.49	18.25	297.77	26.76
Financial instrument assets	0.60	0.04	-	-	0.22	0.02
Value added tax	22.04	1.29	20.09	1.24	10.55	0.95
Total current assets	775.43	45.34	834.88	51.56	706.87	63.53
Non-current assets						
Restricted deposit at financial institution	37.00	2.16	2.00	0.12	3.90	0.35
Employee receivables under finance lease agreements (net)	0.53	0.03	0.71	0.04	-	-
Held-to-maturity investment	1.00	0.06	1.00	0.06	1.00	0.09
Investment property	81.58	4.77	81.58	5.04	-	-
Property, plant and equipment (net)	771.20	45.09	663.71	40.99	361.32	32.47
Intangible assets (net)	31.52	1.84	27.45	1.70	31.95	2.87
Deferred tax asset (net)	7.15	0.42	7.31	0.45	7.47	0.67
Prepaid income tax	4.28	0.25	0.45	0.03	-	-
Refundable deposits	0.69	0.04	0.29	0.02	0.21	0.02
Total non-current assets	934.94	54.66	784.50	48.44	405.85	36.47
Total assets	1,710.36	100.00	1,619.38	100.00	1,112.72	100.00

Cho Thavee Public Co., Ltd.
Statement of Financial Position (Cont'd)
As at 31 December 2016

	(Unit : Million Baht)		Consolidated financial statements			
	31 December 2016	%	31 December 2015	%	31 December 2014	%
Liabilities and Equity						
Current liabilities						
Short-term borrowings from financial institutions	358.58	20.96	729.56	45.05	305.91	27.49
Trade and other accounts payable	280.11	16.38	110.22	6.81	97.41	8.75
Current portions of						
- long-term borrowings from financial institutions	0.92	0.05	0.92	0.06	0.92	0.08
- liability under finance lease agreements (net)	10.14	0.59	9.96	0.62	1.39	0.12
Progress billings in excess of contract work in progress (net)	18.77	1.10	-	-	18.76	1.69
Financial instrument liabilities	-	-	0.11	0.01	-	-
Provision for warranty	5.94	0.35	6.76	0.42	9.59	0.86
Accrued income tax	1.27	0.07	3.35	0.21	19.17	1.72
Other current liabilities	2.31	0.14	1.53	0.09	3.06	0.28
Total current liabilities	678.03	39.64	862.42	53.26	456.21	41.00
Non-current liabilities						
Long-term borrowings from financial institutions	1.62	0.09	2.54	0.16	3.46	0.31
Liability under finance lease agreements (net)	31.17	1.82	41.30	2.55	3.30	0.30
Debenture (net)	298.81	17.47	-	-	-	-
Employee benefit obligations	19.73	1.15	16.12	1.00	13.50	1.21
Total non-current liabilities	351.33	20.54	59.96	3.70	20.26	1.82
Total liabilities	1,029.36	60.18	922.38	56.96	476.47	42.82
Equity						
Share capital						
Authorised share capital	296.97	17.36	270.00	16.67	270.00	24.26
Issued and paid-up share capital	295.74	17.29	206.13	12.73	180.00	16.18
Share premium	375.90	21.98	317.33	19.60	291.36	26.18
Share premium from share-based payment	29.01	1.70	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)	(0.33)	(5.63)	(0.35)	(5.63)	(0.51)
Retained earnings (deficit)						
Appropriated - Legal reserve	6.82	0.40	6.82	0.42	5.51	0.50
Unappropriated	(20.84)	(1.22)	98.66	6.09	113.28	10.18
Equity attributable to owners of the parent	681.00	39.82	697.00	43.04	636.24	57.18
Non-controlling interests	0.00	0.00	0.00	0.00	0.01	0.00
Total equity	681.00	39.82	697.00	43.04	636.25	57.18
Total liabilities and equity	1,710.36	100.00	1,619.38	100.00	1,112.72	100.00

Cho Thavee Public Co., Ltd.
Statement of Comprehensive Income
For the year ended 31 December 2016

(Unit : Million Baht)	Consolidated financial statements					
	2016 Baht	%	2015 Baht	%	2014 Baht	%
Revenues						
Revenues from contract work	926.16	87.52	972.73	85.13	1,215.92	80.36
Revenues from sales and services	132.08	12.48	169.90	14.87	297.10	19.64
Total Revenue	1,058.24	100.00	1,142.63	100.00	1,513.02	100.00
Cost of contract work	(822.18)	(77.69)	(805.09)	(70.46)	(964.85)	(63.77)
Cost of sales and services	(95.32)	(9.01)	(87.34)	(7.64)	(214.70)	(14.19)
Total Cost	(917.50)	(86.70)	(892.43)	(78.10)	(1,179.55)	(77.96)
Gross profit	140.74	13.30	250.20	21.90	333.47	22.04
Other income	12.28	1.16	16.34	1.43	7.67	0.51
Gain on exchange rates	9.32	0.88	2.82	0.25	5.29	0.35
Profit before expense	162.34	15.34	269.36	23.57	346.42	22.90
Selling expenses	(40.77)	(3.85)	(57.88)	(5.07)	(56.96)	(3.76)
Administrative expenses	(175.27)	(16.56)	(137.19)	(12.01)	(133.05)	(8.79)
Net loss on disposal fixed asset	(0.18)	(0.02)	(0.18)	(0.02)	0.27	0.02
Finance costs - interest expense	(38.70)	(3.66)	(28.86)	(2.53)	(19.31)	(1.28)
Profit (loss) before income tax	(92.58)	(8.75)	45.25	3.96	137.37	9.08
Tax income (Income tax expense)	1.29	0.12	(9.51)	(0.83)	(38.79)	(2.56)
Profit (loss) for the year	(91.29)	(8.63)	35.74	3.13	98.58	6.52
Other comprehensive income (expense)						
Items that not reclassified to profit or loss						
• Remeasurements of post-employment benefit obligations	0.0131		(0.0343)		(1.5823)	
• Income tax on remeasurements of post-employment benefit obligations	(0.0026)		0.0069		0.3165	
Other comprehensive income (expense) for the year, net of tax	0.0105		(0.0274)		(1.2658)	
Total comprehensive income (expense) for the year	(91.28)		35.71		97.31	
Profit (loss) attributable to:						
Owners of the parent	(91.29)		35.74		98.58	
Non-controlling interests	(0.0022)		(0.0002)		0.0018	
	<u>(91.29)</u>		<u>35.74</u>		<u>98.58</u>	
Total comprehensive income (expense) attributable to:						
Owners of the parent	(91.28)		35.71		97.31	
Non-controlling interests	(0.0022)		(0.0002)		0.0018	
	<u>(91.28)</u>		<u>35.71</u>		<u>97.31</u>	
Earnings (deficits) per share						
Basic earnings (deficits) per share (Baht)	(0.0875)		0.0404		0.1369	
Diluted earnings per share (Baht)	(0.0875)		0.0327		0.1001	

Cho Thavee Public Co., Ltd.
Statement of Cash Flows
For the year ended 31 December 2016

	Consolidated financial statements		
	2016	2015	2014
(Unit : Million Baht)			
Cash flows from operating activities			
Profit (loss) before income tax	(92.58)	45.25	137.37
Adjustments			
Depreciation expenses	34.02	27.24	23.19
Amortisation charge	4.91	4.80	6.01
Revenue from finance lease agreement	-	(0.93)	-
Allow ance for doubtful accounts	(1.21)	0.91	0.93
Allow ance for obsolete and slow moving inventories	(2.86)	(0.87)	(2.16)
Allow ance for project loss	-	0.33	0.25
Provision for warranty	(0.82)	(2.83)	4.60
Transfers intangible assets to research expenses	-	-	1.76
Loss from write-off of property, plant and equipment	0.18	0.19	0.00
Gain from disposal of property, plant and equipment	-	(0.01)	(0.27)
Unrealised (gain) loss from financial instrument	(0.60)	0.11	(0.22)
Employee benefit obligations	3.62	2.59	2.02
Interest income	(4.19)	(9.20)	(0.27)
Share-based payment expenses	-	-	29.01
Interest income from finance lease agreement	(0.02)	(0.00)	-
Front end fee	14.00	-	-
Finance costs			
- Interest expense for borrowings from finance institutions	36.02	28.60	19.07
- Interest expenses under finance lease agreements	2.37	0.26	0.24
- Amortisation of prepaid underwriting fee for debenture	0.31	-	-
	(6.84)	96.42	221.53
Changes in operating assets and liabilities			
Trade and other accounts receivable	83.72	(82.42)	(30.73)
Contract work in progress in excess of progress billings			5.39
Inventories	(38.48)	2.04	(35.52)
Financial instrument	(0.11)	0.22	(0.81)
Value added tax	(1.94)	(9.54)	(1.10)
Refundable deposits	(0.39)	(0.08)	0.07
Trade and other accounts payable	165.57	12.81	(34.13)
Progress billings in excess of contract work in progress	18.77	(18.76)	(1.74)
Other current liabilities	0.79	(1.53)	2.07
Cash received (paid) from operating before			
interest income received, finance costs paid and			
income tax paid	221.09	(0.83)	125.03
Interest income	3.84	9.20	0.27
Cash received from receivables under finance lease			
agreements	0.21	0.03	-
Finance costs paid			
- Interest expense for borrowings from finance institutions	(12.78)	(5.03)	(18.38)
Income tax paid	(4.48)	(25.61)	(17.31)
Net cash from operating activities	207.88	(22.23)	89.61

Cho Thavee Public Co., Ltd.
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

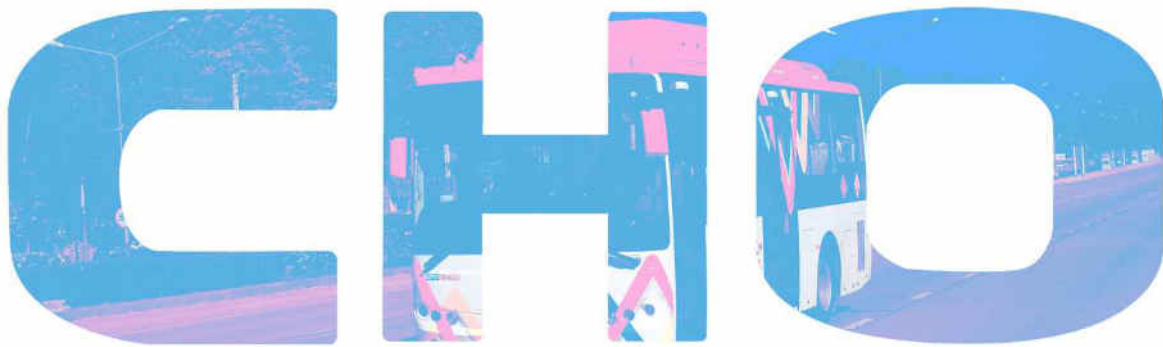
(Unit : Million Baht)	Consolidated financial statements		
	2016	2015	2014
Cash flows from investing activities			
Restricted deposit at finance institution	(35.00)	1.90	-
Cash paid for purchase of investment properties	-	(81.58)	-
Cash paid for purchase of fixed assets	(136.38)	(279.63)	(49.44)
Cash received from disposal of fixed assets	-	0.03	0.28
Cash paid for purchase of intangible assets	(8.97)	(0.30)	(1.16)
Net cash from investing activities	(180.34)	(359.58)	(50.32)
Cash flows from financing activities			
Short-term borrowings from financial institutions			
- proceeds	6,317.81	6,726.21	4,092.71
- repayments	(6,711.30)	(6,327.30)	(4,119.12)
Cash received from debenture	298.50	-	-
Long-term borrowing from financial institutions			
- repayments	(0.92)	(0.92)	(0.92)
Cash paid for liabilities under finance lease agreements	(12.33)	(1.65)	(3.86)
Cash paid for deferred front end fee	-	(14.00)	-
Cash paid for dividend	(5.33)	(48.99)	(10.80)
Cash received from share subscription	80.60	74.06	22.71
Net cash from financing activities	(32.98)	407.41	(19.28)
Net increase (decrease) in cash and cash equivalents	(5.44)	25.60	20.00
Cash and cash equivalents - opening balance	49.30	23.70	3.69
Cash and cash equivalents - closing balance	43.86	49.30	23.70
Non-cash transactions :			
An outstanding payable arising from purchases of fixed assets as at 31 December	2.54	0.62	-
Retention payable as at 31 December	3.51	1.84	1.32
Dividend payable	0.0094	0.0269	-
Inventories transfer to fixed assets	1.73	1.10	-

(ค) ตารางสรุปอัตราส่วนทางการเงินที่สำคัญ

Cho Thavee Public Co., Ltd.**Financial Ratio****Consolidated****financial statements**

		2016	2015	2014
Liquidity ratio :				
Current Ratio	Time	1.14	0.97	1.55
Quick Ratio	Time	0.62	0.60	0.87
Cash flow liquidity ratio	Time	0.27	(0.03)	0.19
Account receivables turnover ratio	Time	2.51	2.71	4.21
Collection period	Days	143	133	85
Inventory turnover ratio	Time	2.91	3.01	4.23
Average day sales	Days	124	120	85
Account payables turnover ratio	Time	4.70	8.60	10.27
Payment period	Days	77	42	35
Cash cycle	Days	191	211	136
Profitability ratio :				
Gross profits	(%)	13.30%	21.90%	22.04%
Operating profits	(%)	-5.09%	5.65%	7.79%
Other profits	(%)	1.98%	1.63%	0.87%
Cash to earning	(%)	-385.84%	-30.00%	57.20%
Net profits	(%)	-8.46%	3.08%	6.46%
Earning per share	(%)	-13.25%	5.36%	17.38%
Efficiency ratio :				
Return on assets	(%)	-5.48%	2.62%	9.26%
Return on fixed assets	(%)	-7.30%	13.22%	36.60%
Assets cycle	Time	0.65	0.85	1.43
Financial policy ratio :				
Debts to equity ratio	Time	1.51	1.32	0.75
Interest coverage ratio	Time	6.40	(0.10)	3.63
Cash basis	Time	0.97	0.46	1.29
Dividend payout ratio	(%)	n.a.	79.14%	49.70%

Management's Analysis and Description



21. Management's Analysis and Description

21.1 Operation Results

Overall operation results in the past

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 2014-2016, the company and its subsidiary reported total revenues equal to 1,513.02 million baht, 1,142.63 million baht and 1,058.24 million baht respectively. In 2014-2016 The company reported the comprehensive profits equal to, 97.31 million baht 35.71 million baht, and (91.28) million baht respectively.

21.1.1 Operation results

Revenues

Total revenues of the company and its subsidiary for accounting period of 2014-2016 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	2014		2015		2016	
	Million baht	%	Million baht	%	Million baht	%
Revenues from contract	1,215.92	79.67%	972.73	83.74%	926.16	85.78%
Revenues from sales & Services	297.1	19.47%	169.9	14.63%	132.08	12.23%
Total revenues	1,513.02	99.13%	1,142.63	98.37%	1,058.24	98.02%
Other revenues	13.22	0.87%	18.98	1.63%	21.42	1.98%
Grand total revenues	1,526.24	100%	1,161.61	100%	1,079.66	100%

Consolidated Financial Statements Comparisons of 2014, 2015 and 2016

(Unit : Million baht)



Revenues proportion in each product group in 2014, 2015 and 2016

(Unit : Million baht)



Revenues sourced by country 2014-2016

clime	2014		2015		2016	
	Million baht	%	Million baht	%	Million baht	%
Thailand	1,017.47	67.25%	672.4	58.85%	670.18	58.60%
United Arab Emirates	239.68	15.84%	101.68	8.90%	13.51	1.28%
Other	255.87	16.91%	368.56	32.26%	424.55	40.12%
Total revenues	1,513.02	100.00%	1,142.64	100.00%	1,058.24	100.00%

In 2014-2016, the Company and its subsidiary reported the portion of decreased in domestic sales for the product of Semi-Trailer resulting from the slowdown in investing of logistics business. However, the Company has continuously sold the Special Design Product as; Catering Hi Loaders Truck and defense products to overseas market. In 2016, the sales volume increased from the customers in Asia such as Singapore, Korea, Malaysia, Vietnam, and Hong Kong. In a part of project management and services, the Company has expands the services in customer area, and 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 2014-2016 shown as follows:

Type of revenues	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1) Standard Product	575.02	37.68%	287.77	25.18%	258.72	24.45%
2) Special Designed Product	637.26	41.75%	684.96	59.95%	667.44	63.07%
3) Project Management	313.96	20.57%	169.90	14.87%	132.08	12.48%
Total	1,526.24	100.00%	1,142.63	100.00%	1,058.24	100.00%

In 2014-2016, the company and its subsidiary reported the most ultimate value of contract revenues from special designed product in continuous, with the revenues of 637.26 million baht, 684.96 million baht and 667.44 million baht or 41.75%, 59.95% and 63.07% 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. For the vehicle for army, the company granted new order from 2014 until 2016. 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 2014-2016, the company and its subsidiary reported revenues from contract in group of standard product for 575.02 million baht, 287.77 million baht, and 258.72 million baht or 37.68%, 25.18% and 24.45% 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.

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 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 those 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 6 services centers of Tesco-Lotus at Lamlukka center, Wangnoi center, Samkoke center, Bangbuathong center khonkaen Center and SuratThani 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 2014-2016

Other revenues

Other revenues comprised of revenues from management, rental revenues, and interest income. In 2014-2016, the Company and its subsidiary reported other revenues for 13.22 million baht, 18.98 million baht and 21.42 million baht or 0.87%, 1.63% and 1.98% 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 the entire 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 2014-2016, the Company and its subsidiary reported costs from contract equal to 964.85 million baht, 805.09 million baht, and 822.18 million baht or 63.77%, 70.46% and 77.69% of total revenues respectively. The proportion of costs has been decreased in 2015 and 2016 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 income for the services; cost of goods sold and services equal to 214.70 million baht, 87.34 million baht and 95.32 million baht or 14.19%, 7.64% and 9.01% of the Company's main products sales respectively. The company's revenues in the repair center services sector are expanding continuously, making costs in this segment decreased from the year 2014 onwards.

In 2014-2016, the Company and its subsidiary reported gross profits equal to 333.47 million baht, 250.20 million baht, and 140.74 million baht or 22.04%, 21.90% and 13.30% of total revenues respectively. From the above information, the company's gross profit has 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. And also, in 2016 the Company reported the cost of expenses on the research and the product development on the cost of contract work.

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 2014-2016, the Company and its subsidiary reported selling and administrative expenses equal to 190.01 million baht, 195.07 million baht and 216.04 million baht respectively. The increased of expenses in 2016 was due to the auction of NGV buses project, the expenses including the Bank fees for this project and the legal consultancy fees in order to make a prosecution against the government sector relating to the NGV buses' auction which was canceled and the company has filed a court action claiming for losses and damages. Also the wage adjustments and salary increases in 2016.

Earnings before interests and taxes

Consideration of operation profit (loss) before interests and taxes (Earnings before interests and tax: EBIT). In 2014-2016, the company and its subsidiary reported profits from operation equal to 156.67 million baht, 74.10 million baht, and (53.88) million baht or 10.35%, 6.49%, and (5.09%) from the total revenues respectively.

Financial costs

In 2014-2016, the company and its subsidiary reported financial costs equal to 19.31 million baht, 28.86 million baht and 38.70 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 2014-2016, the company and its subsidiary reported short-term loans from financial institution for 305.91 million baht, 729.56 million baht and 358.58 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 2014-2016, the Company has paid the corporate income tax for 38.79 million baht, 9.51 million baht and (1.29) respectively. In 2016 reported loss before tax of 92.58 million baht, calculating from tax rate of 20%. The adjustment of non deductible expenses and deductible expenses resulted income of 1.29 million baht.

Net profits and net profits ratio

In 2014-2016, the Company and its subsidiary reported comprehensive income (for the parent company only) equal to 97.31 million baht, 35.71 million baht and (91.29) million baht equal to the company's net profits (loss) ratio (for the parent company only) of 6.48%, 3.08% and (13.25)% of total revenues respectively. In 2016, the Company reported net loss due to the record of the pre-production costs in the cancellation of the NGV project and the costs of the research and product development, as was mentioned above.

Rate of return on equity

The Company and its subsidiary reported rate of return on equity in 2014-2016 equal to 17.38%, 5.36% and (13.25%) respectively. The Company has the equity (only for the parent

company) equal to 636.24 million baht, 697.00 million baht and 681.00 million baht respectively. The reason that return on equity was decreased in 2016 due to the Company and its subsidiary reported net loss of 91.29 million baht as per the operating performance mentioned.

21.1.2 Financial status of company.

Assets

As at 31st December 2014-2016, the Company and its subsidiary reported total assets equal to 1,112.72 million baht, 1,619.38 million baht and 1,710.36 million baht respectively with the details as follows:

➤ **Cash and cash equivalent**

As at 31st December 2014-2016, the Company and its subsidiary reported of cash and cash equivalent equal to 23.70 million baht, 49.30 million baht and 43.86 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 31st December 2014-2016, the Company and its subsidiary reported account receivables –net equal to 374.01 million baht, 469.81 million baht and 373.64 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 2014-2016 equal to 61 days, 100 days, and 145 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 31st December 2014-2016

(unit :million baht)

Aging	31 st December 2014	31 st December 2015	31 st December 2016
Current	86.19	51.68	102.24
Not over 3 months	71.39	67.94	32.41
Over 3 months – 6 months	1.10	76.07	2.29
Over 6 months – 12 months	19.78	20.54	2.80
Over 12 months	4.29	27.71	4.00
Total	182.75	243.94	143.74
Less allowance for doubtful account	(3.58)	(4.49)	(3.28)
Account receivables – net	179.17	239.45	140.46

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 31st December 2014-2016, the allowance for bad debts account equal to 3.58 million baht, 4.49 million baht and 3.28 million baht respectively. At the end of 2014-2016, there were account receivables with the overdue more

than 12 months for 4.29 million baht 27.71 million baht and 4.00 million baht respectively. The executive managements perceived that the record of allowance for doubtful account was sufficient.

➤ **Inventory**

As at 31st December 2014-2016, the Company and its subsidiary reported inventory equal to 297.77 million baht, 295.49 million baht and 335.11 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 31st December 2014-2016, the Company and its subsidiary reported fix deposits at financial institutions under pledge equal to 3.90 million baht, 2 million baht and 37 million baht respectively. There were used as collateral for credit facility from finance institution such as: O/D, bank guarantees.

➤ **Property, plant, and equipment**

As at 31st December 2014-2016, the Company and its subsidiary reported property, plant, and equipment equal to 361.32 million baht, 663.71 million baht and 771.20 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 ThaPra, Muang KhonKaen 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 31st December 2014-2016, the Company and its subsidiary reported total liabilities equal to 476.47 million baht, 922.38 million baht and 1,029.36 million baht respectively, with the details as follows:

➤ **Short-term loans from financial institution**

As at 31st December 2014-2016, the Company and its subsidiary reported short-term loans from financial institution equal to 305.91 million baht, 729.56 million baht and 358.58 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.

➤ **Account payables and other payables**

As at 31st December 2014-2016, the Company and its subsidiary reported account receivables and other payables equal to 97.41 million baht, 110.22 million baht and 280.11 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 2014-2016 equal to 35 days, 42 days, and 77 days respectively.

➤ **Estimation of employees' benefits liabilities**

Since 1st 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 31st December 2014-2016, the company and its subsidiary company recorded the estimation of employees' benefits liabilities equal to 13.50 million baht, 16.12 million baht and 19.73 million baht respectively.

➤ **Shareholders' equity**

As at 31st December 2014-2016, the Company and its subsidiary reported shareholders' equity equal to 636.24 million baht, 697.00 million baht and 681.00 million baht respectively. At 31st December 2016, the company has registered capitals equal to 296.97 million baht and paid up capital equal to 295.74 million baht Increased by the exercise of CHO-W1 warranty, surplus of stocks value and others equal to 404.92 million baht, separately to share premium equal to 375.90 million baht, share based payment equal to 29.01 million baht discounts from investments in the subsidiary company equal to 5.63 million baht, legal reserved equal to 6.82 million baht and the inappropriate retained earnings profits of 20.84 million baht,.

➤ **Structure of funds**

As at 31st December 2014-2016, the Company and its subsidiary has D/E ratio equal to 0.75 times, 1.32 times and 1.51 times respectively. D/E ratio at the end of 2015 and 2016 increased due to the Company invested in land acquisition by loans resulted debts to equity ratio decreased, while shareholders' equity has been increased from paid-up capitals in 2016 and 2015 for 89.61 million baht and 26.13 million baht respectively including the excess of share value from sales of IPO shares in 2016 and 2015 for 58.58 million baht and 25.97 million baht.

➤ **Liquidity**

		31 st December		
		2014	2015	2016
Cash and cash equivalent	million baht	23.70	49.30	43.86
Current assets	million baht	706.87	834.88	755.43
Current liabilities	million baht	456.21	862.42	678.03
Liquidity ratio (Current assets/current liabilities)	time	1.55	0.97	1.14
Cash flow from operation activity	million baht	89.61	(22.23)	207.88

Liquidity ratio as at the end of 2014-2016 equals to 1.55 times, 0.97 times and 1.14 times respectively. In 2014-2016, the current assets have been constantly increased while the liabilities have been constantly increased due to the investing in the land properties in 2016.

In 2014-2016, the Company and its subsidiary reported cash flows from operating activity at 89.61 million baht, (22.23) million baht and 207.88 million baht respectively. In 2016, the Company and its subsidiary reported the increment of cash flows from operating activity from a decrease of the amount of receivable account.

➤ **Financial ratio regulations**

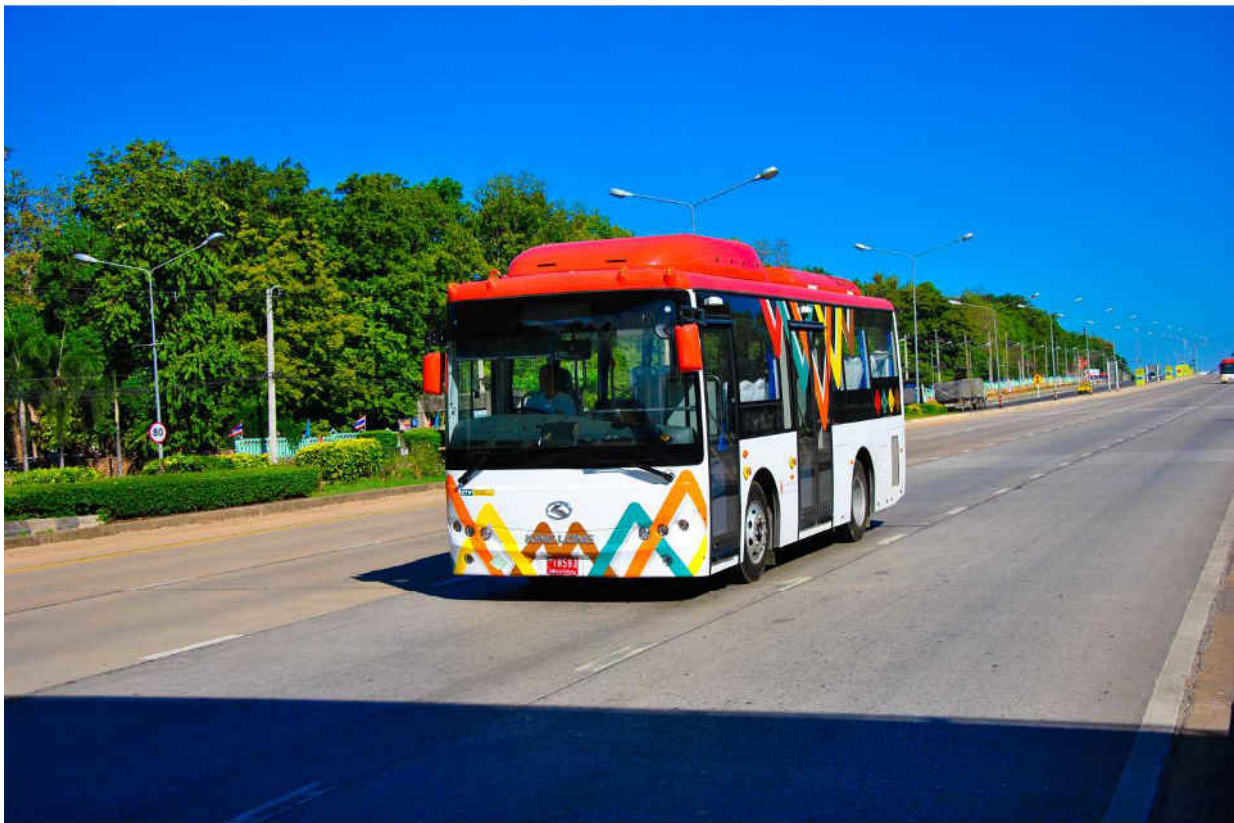
A bank who granting credit facility to the company and its subsidiary has determined the regulation in maintaining D/E ratio not over than 3 times, and DSCR not less than 1.2 times of consolidated financial statements because the company had the huge amount of accounts payable and advances received from 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 2014 and 2015, 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. And in 2016, the Company has invested in constructing the truck services center at Chon Bury named "Sib-lo 24 hours".

CHO

Financial Statement 2016



**CHO THAVEE PUBLIC COMPANY LIMITED
(FORMERLY “CHO THAVEE DOLLASIEN PUBLIC CO., LTD.”)**

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2016

Independent Auditor's Report

To the shareholders and the board of directors of Cho Thavee Public Co., Ltd.

My opinion

In my opinion, the consolidated financial statements of Cho Thavee Public Co., Ltd. (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>1. Revenue recognition on construction contracts</p> <p><i>Refer to Note 2.8 (Accounting policy- Construction contracts) and Note 10 (Contract work in progress) to the consolidated and separate financial statements</i></p> <p>The Group recognised revenues from contract work which represented 87.5% of the Group's total revenues by using the percentage-of-completion method. The revenue from contract work was manufacturing and assembling of trailers and vehicles.</p> <p>Use of the percentage-of-completion was determined by cost-to-cost method which was required management judgement to estimate the project cost incurred to date as a proportion of the total project cost to be incurred. It was inclusive to the assessment of the remaining contingencies that each project was or could be facing until delivery.</p> <p>I focussed on these areas due to there is significant judgement and experience from the management involved in estimating the percentage-of-completion. The accuracy of the revenues from contract work was affected by the percentage Of completion.</p>	<p>My key procedures in relation to management's assessment of revenue recognition on construction contracts included:</p> <ul style="list-style-type: none"> • understanding and evaluating the internal controls the Group designed and implemented over its process on the record of contract costs, contract revenue and the calculation of percentage-of-completion. • performing test counts to sample outstanding projects to ensure that those were under construction • performing a test of details by vouching the supporting documents to costs incurred and testing cut-off on costs incurred to assess the status of the project. • comparing the percentage of completion determined by the project cost incurred to date as a proportion of the total project cost to be incurred. The percentage of completion determined by production department from survey of work performed to assess the appropriateness of percentage of completion used in revenue recognition. I also examined supporting documents such as project that were completed subsequently to assess the accuracy of estimated total cost incurred used in calculation the percentage of completion. • discussing the status of legal proceedings with management and obtaining the lawyer confirmation letter in respect of construction contracts, examining various claims among the Group, subcontractors and customers. And considering whether the evidences obtained were in line with management's assessment. <p>Based on my procedures performed above, I viewed that management's assessment of revenue recognition on construction contracts were consistent with the available evidences. I found no material exception.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Sudwin Panyawongkhanti
 Certified Public Accountant (Thailand) No. 3534
 Bangkok
 24 February 2017

Cho Thavee Public Co., Ltd.
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	43,860,023	49,296,449	43,067,773	48,498,762
Trade and other accounts receivable (net)	8	373,641,346	469,810,996	373,806,952	467,752,631
Current portion of employee receivables under finance lease agreements (net)	9	185,595	185,595	185,595	185,595
Short-term loans to subsidiary	37 c)	-	-	70,924,297	58,600,000
Inventories (net)	11	335,106,837	295,494,475	298,164,435	253,994,226
Financial instrument assets	38 a)	599,019	-	599,019	-
Value added tax	12	22,035,376	20,090,676	22,125,267	19,632,401
Total current assets		775,428,196	834,878,191	808,873,338	848,663,615
Non-current assets					
Restricted deposit at financial institution	13	37,000,000	2,000,000	34,000,000	-
Employee receivables under finance lease agreements (net)	9	525,852	711,447	525,852	711,447
Investments in subsidiary	14	-	-	22,599,950	22,599,950
Held-to-maturity investment	16	1,000,000	1,000,000	1,000,000	1,000,000
Investment property	17	81,577,261	81,577,261	81,577,261	81,577,261
Property, plant and equipment (net)	18	771,195,483	663,706,442	701,848,484	589,669,240
Intangible assets (net)	19	31,515,740	27,454,963	31,408,680	27,099,027
Deferred tax asset (net)	20	7,154,932	7,306,063	6,412,988	6,187,530
Prepaid income tax		4,280,699	450,900	4,212,586	-
Refundable deposits		685,732	293,803	685,732	293,803
Total non-current assets		934,935,699	784,500,879	884,271,533	729,138,258
Total assets		1,710,363,895	1,619,379,070	1,693,144,871	1,577,801,873

Director _____ Director _____

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.
Statement of Financial Position (Cont'd)
As at 31 December 2016

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Liabilities and Equity					
Current liabilities					
Short-term borrowings from financial institutions	22	358,575,194	729,564,016	355,255,024	726,314,511
Trade and other accounts payable	21	280,107,113	110,216,234	276,427,902	105,101,910
Current portions of					
- long-term borrowings from financial institutions	23	924,000	924,000	-	-
- liability under finance lease agreements (net)	24	10,138,522	9,964,995	10,138,522	9,751,696
Progress billings in excess of contract work in progress (net)	10 b)	18,767,397	-	18,767,397	-
Financial instrument liabilities	38 a)	-	106,367	-	106,367
Provision for warranty		5,941,588	6,759,242	5,701,707	6,519,361
Accrued income tax		1,266,918	3,354,568	1,266,918	3,354,568
Other current liabilities	25	2,312,152	1,526,270	2,207,356	1,416,775
Total current liabilities		678,032,884	862,415,692	669,764,826	852,565,188
Non-current liabilities					
Long-term borrowings from financial institutions	23	1,618,879	2,536,047	-	-
Liability under finance lease agreements (net)	24	31,165,640	41,304,162	31,165,640	41,304,162
Debenture (net)	26	298,810,868	-	298,810,868	-
Employee benefit obligations	27	19,731,746	16,122,130	19,036,083	14,855,616
Total non-current liabilities		351,327,133	59,962,339	349,012,591	56,159,778
Total liabilities		1,029,360,017	922,378,031	1,018,777,417	908,724,966

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.
Statement of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and Equity (Cont'd)					
Equity					
Share capital	28				
Authorised share capital					
1,187,889,978 ordinary shares					
of Baht 0.25 each		296,972,495		296,972,295	
1,080,000,000 ordinary shares					
of Baht 0.25 each			270,000,000		270,000,000
Issued and paid-up share capital					
824,510,700 ordinary shares					
of Baht 0.25 each			206,127,675		206,127,675
1,182,941,773 ordinary shares					
of Baht 0.25 each		295,735,443		295,735,443	
Share premium	28	375,903,848	317,327,131	375,903,848	317,327,131
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	-	44,677,801
Discount from increment of					
investments in subsidiary		(5,633,115)	(5,633,115)	-	-
Retained earnings (deficit)					
Appropriated - Legal reserve	30	6,820,000	6,820,000	6,820,000	6,820,000
Unappropriated		(20,838,590)	98,663,085	(31,159,829)	67,056,308
Equity attributable to owners of the parent		681,001,074	696,996,065	674,367,454	669,076,907
Non-controlling interests		2,804	4,974	-	-
Total equity		681,003,878	697,001,039	674,367,454	669,076,907
Total liabilities and equity		1,710,363,895	1,619,379,070	1,693,144,871	1,577,801,873

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.
Statement of Comprehensive Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenues					
Revenues from contract work		926,160,095	972,726,577	915,477,124	919,491,006
Revenues from sales and services		132,077,628	169,904,248	134,972,499	173,601,639
Cost of contract work		(822,180,359)	(805,089,930)	(814,787,062)	(767,890,641)
Cost of sales and services		(95,320,825)	(87,343,424)	(97,953,795)	(92,749,348)
Gross profit		140,736,539	250,197,471	137,708,766	232,452,656
Other income	32	12,281,881	16,342,416	20,541,934	24,333,942
Gain on exchange rates		9,321,290	2,815,422	9,268,064	2,805,433
Profit before expense		162,339,710	269,355,309	167,518,764	259,592,031
Selling expenses		(40,769,744)	(57,878,759)	(37,544,052)	(53,448,721)
Administrative expenses		(175,268,191)	(137,190,817)	(162,593,390)	(130,710,915)
Net loss on disposal fixed asset		(179,855)	(182,341)	(179,855)	(182,341)
Finance costs - interest expense	33	(38,700,742)	(28,855,882)	(38,119,806)	(28,168,318)
Profit (loss) before income tax		(92,578,822)	45,247,510	(70,918,339)	47,081,736
Tax income (Income tax expense)	35	1,290,600	(9,508,322)	1,517,316	(10,175,593)
Profit (loss) for the year		(91,288,222)	35,739,188	(69,401,023)	36,906,143
Other comprehensive income (expense)					
Items that not reclassified to profit or loss					
• Remeasurements of post-employment benefit obligations		13,124	(34,287)	(736,240)	(120,537)
• Income tax on remeasurements of post-employment benefit obligations		(2,625)	6,857	147,248	24,107
Other comprehensive income (expense) for the year, net of tax		10,499	(27,430)	(588,992)	(96,430)
Total comprehensive income (expense) for the year		(91,277,723)	35,711,758	(69,990,015)	36,809,713
Profit (loss) attributable to:					
Owners of the parent		(91,285,991)	35,739,347	(69,401,023)	36,906,143
Non-controlling interests		(2,231)	(159)	-	-
		(91,288,222)	35,739,188	(69,401,023)	36,906,143
Total comprehensive income (expense) attributable to:					
Owners of the parent		(91,275,553)	35,711,911	(69,990,015)	36,809,713
Non-controlling interests		(2,170)	(153)	-	-
		(91,277,723)	35,711,758	(69,990,015)	36,809,713
Earnings (deficits) per share					
Basic earnings (deficits) per share (Baht)	36 a)	(0.0875)	0.0404	(0.0666)	0.0417
Diluted earnings per share (Baht)	36 b)	(0.0875)	0.0327	(0.0666)	0.0338

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.

Statements of Changes in Equity

For the year ended 31 December 2016

Consolidated financial statements (Baht)										
Attributable to owners of the parent										
Note	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 equity
					Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2015	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
Changes in equity for the year 2015										
Advance received from share subscription	-	-	-	74,062,006	-	-	-	74,062,006	-	74,062,006
Warrant exercised	28	26,127,675	25,966,889	(52,094,564)	-	-	-	-	-	-
Loss from remeasurements of post-employee benefit obligations	-	-	-	-	-	(27,436)	-	(27,436)	6	(27,430)
Total profit for the year	-	-	-	-	-	35,739,347	-	35,739,347	(159)	35,739,188
Dividend payment	29	-	-	-	-	(49,018,527)	-	(49,018,527)	-	(49,018,527)
Legal reserve	30	-	-	-	1,310,000	(1,310,000)	-	-	-	-
Closing balance as at 31 December 2015	<u>206,127,675</u>	<u>317,327,131</u>	<u>29,013,488</u>	<u>44,677,801</u>	<u>6,820,000</u>	<u>98,663,085</u>	<u>(5,633,115)</u>	<u>696,996,065</u>	<u>4,974</u>	<u>697,001,039</u>
Opening balance as at 1 January 2016	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
Changes in equity for the year 2016										
Advance received from share subscription	-	-	-	80,595,878	-	-	-	80,595,878	-	80,595,878
Warrant exercised	28	66,696,962	58,576,717	(125,273,679)	-	-	-	-	-	-
Loss from remeasurements of post-employee benefit obligations	-	-	-	-	-	10,438	-	10,438	61	10,499
Total loss for the year	-	-	-	-	-	(91,285,991)	-	(91,285,991)	(2,231)	(91,288,222)
Dividend payment	29	22,910,806	-	-	-	(28,226,122)	-	(5,315,316)	-	(5,315,316)
Closing balance as at 31 December 2016	<u>295,735,443</u>	<u>375,903,848</u>	<u>29,013,488</u>	<u>-</u>	<u>6,820,000</u>	<u>(20,838,590)</u>	<u>(5,633,115)</u>	<u>681,001,074</u>	<u>2,804</u>	<u>681,003,878</u>

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2016

Separate financial statements (Baht)							
Notes	Authorised, issued and fully paid-up share capital	Share premium	Share premium from share-based premium	Advance received from share subscription	Retained earnings		Total equity
					Appropriated - legal reserve	Unappropriated	
Opening balance as at 1 January 2015	180,000,000	291,360,242	27,067,992	22,710,359	5,510,000	80,575,122	607,223,715
Changes in equity for the year 2015							
Advance received from share subscription	-	-	-	74,062,006	-	-	74,062,006
Warrant exercised	28	26,127,675	25,966,889	(52,094,564)	-	-	-
Loss from remeasurements of post-employee benefit obligations		-	-	-	-	(96,430)	(96,430)
Total profit for the year		-	-	-	-	36,906,143	36,906,143
Dividend payment	29	-	-	-	-	(49,018,527)	(49,018,527)
Legal reserve	30	-	-	-	1,310,000	(1,310,000)	-
Closing balance as at 31 December 2015	<u>206,127,675</u>	<u>317,327,131</u>	<u>27,067,992</u>	<u>44,677,801</u>	<u>6,820,000</u>	<u>67,056,308</u>	<u>669,076,907</u>
Opening balance as at 1 January 2016	206,127,675	317,327,131	27,067,992	44,677,801	6,820,000	67,056,308	669,076,907
Changes in equity for the year 2016							
Advance received from share subscription	-	-	-	80,595,878	-	-	80,595,878
Warrant exercised	28	66,696,962	58,576,717	(125,273,679)	-	-	-
Loss from remeasurements of post-employee benefit obligations		-	-	-	-	(588,992)	(588,992)
Total loss for the year		-	-	-	-	(69,401,023)	(69,401,023)
Dividend payment	29	22,910,806	-	-	-	(28,226,122)	(5,315,316)
Closing balance as at 31 December 2016	<u>295,735,443</u>	<u>375,903,848</u>	<u>27,067,992</u>	<u>-</u>	<u>6,820,000</u>	<u>(31,159,829)</u>	<u>674,367,454</u>

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

Cho Thavee Public Co., Ltd.
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit (loss) before income tax		(92,578,822)	45,247,510	(70,918,339)	47,081,736
Adjustments					
Depreciation expenses	18	34,023,632	27,243,618	27,455,333	20,603,174
Amortisation charge	19	4,906,008	4,795,159	4,657,132	4,378,648
Revenue from finance lease agreement		-	(927,975)	-	(927,975)
Allowance for doubtful accounts	8	(1,207,139)	909,085	(1,007,139)	(267,415)
Allowance for obsolete and slow moving inventories	11	(2,860,042)	(870,510)	(3,108,072)	(1,004,087)
Allowance for project loss		-	328,096	-	328,096
Provision for warranty		(817,654)	(2,833,588)	(817,654)	(2,283,927)
Loss from write-off of property, plant and equipment		179,855	192,247	179,855	192,247
Gain from disposal of property, plant and equipment		-	(9,906)	-	(9,906)
Unrealised (gain) loss from financial instrument		(599,019)	106,367	(599,019)	106,367
Employee benefit obligations	27	3,622,740	2,587,803	3,444,227	2,312,745
Interest income	32	(4,185,131)	(9,199,297)	(8,700,504)	(13,062,958)
Interest income from finance lease agreement	32	(22,785)	(3,797)	(22,785)	(3,797)
Front end fee		14,000,000	-	14,000,000	-
Finance costs					
- Interest expense for borrowings from finance institutions	33	36,022,821	28,598,988	35,444,032	27,938,360
- Interest expenses under finance lease agreements	33	2,367,053	256,894	2,364,906	229,958
- Amortisation of prepaid under writing fee for debenture	33	310,868	-	310,868	-
		(6,837,615)	96,420,694	2,682,841	85,611,266
Changes in operating assets and liabilities					
Trade and other accounts receivable		83,721,434	(82,420,434)	80,949,074	(83,713,216)
Inventories		(38,477,635)	2,043,034	(42,787,452)	8,238,263
Financial instrument		(106,367)	222,217	(106,367)	222,217
Value added tax		(1,944,700)	(9,538,587)	(2,492,866)	(8,849,118)
Refundable deposits		(391,929)	(80,003)	(391,929)	(80,003)
Trade and other accounts payable		165,573,435	12,812,150	168,368,770	8,316,704
Progress billings in excess of contract work in progress		18,767,397	(18,755,209)	18,767,397	(18,755,209)
Other current liabilities		785,882	(1,534,988)	790,581	(1,520,748)
Cash received (paid) from operating before					
interest income received, finance costs paid and					
income tax paid		221,089,902	(831,126)	225,780,049	(10,529,844)
Interest income		3,840,486	9,199,297	8,704,248	13,213,199
Cash received from receivables under finance lease					
agreements		208,380	34,730	208,380	34,730
Finance costs paid					
- Interest expense for borrowings from finance institutions		(12,776,484)	(5,026,164)	(13,711,927)	(4,365,536)
Income tax paid		(4,478,343)	(25,607,635)	(4,861,130)	(22,833,533)
Net cash from operating activities		207,883,941	(22,230,898)	216,119,620	(24,480,984)

The accompanying notes on pages 13 to 73 are an integral part of the financial statements.

1 General information

Cho Thavee 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 subsidiary are engaged in manufacturing, selling and providing service of trailer assembly, vehicles and special equipments.

On 10 May 2016, the Company registered with Ministry of commerce to change its name from “Cho Thavee Dollasien Public Company Limited” to “Cho Thavee Public Co., Ltd.”

For reporting purposes, the Company and its subsidiary are referred to as “the Group”.

These consolidated and separate financial statements have been approved by the Board of Directors on 24 February 2017.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate 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 separate 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 separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate 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 New/revised financial reporting standards, and related interpretations

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.

a) New/revised financial reporting standards and interpretation which are relevant and 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.

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.

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, except for disclosures.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting Company 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.

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 and 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, except for disclosures.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016. (Cont'd)

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

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.

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.

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.

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.

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.

TFRS 4 (revised 2015) applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. The standard exempts an insurer temporarily from some requirements of other standards, including the requirement to consider the Framework in selecting accounting policies for insurance contracts. However, the standard (a) prohibits provision for possible claims under contracts that are not in existence at the end of the reporting period; (b) requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets; and (c) requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expired, and to present insurance liabilities without offsetting them against related reinsurance assets. The management is currently assessing the impact of TFRS 4. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016. (Cont'd)

- a) New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Group: (Cont'd)

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 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, except for disclosures.

TFRS 10 (revised 2015) 'Consolidated' 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.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. This standard has no impact to the Group.

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 TFRS 9 (when announced). This standard has no impact to the Group.

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. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. This standard has no impact to the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016. (Cont'd)

b) Revised financial reporting standards and interpretations 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 TAS 29 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)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS 41(revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

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 losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the 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 with 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 arrangements

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 operations. The Group accounts for its share of the results of in addition, its share of receivables and liabilities of the joint operations are included in the Group's statement of financial position.

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 separate 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 separate 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.

The Group determined the stage of completion of a contract by using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. 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 accounts receivable.

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.

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.

2.12.4 Know-how

Expenditure on acquired Know-how which consists of consulting fee for expertise in production of FRP-PU sandwich panels and technical and engineering assistance is capitalised and amortised using the straight line basis over their useful lives, generally over 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 Accounting policies (Cont'd)

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.

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 profit or loss 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 Accounting policies (Cont'd)

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.

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. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2 Accounting policies (Cont'd)

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.

2.19 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 Accounting policies (Cont'd)

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 Financial risk management

3.1 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.

3.1.1 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.

3.1.2 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.

3.1.3 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.

3.1.4 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.

3 Financial risk management (Cont'd)

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined 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 financial assets which are cash and cash equivalents, temporary investments, trade accounts receivables, other receivables and derivative assets and financial liabilities which are short-term loans, trade accounts payable, other payables and derivative liabilities are approximately to the carrying amounts due to their short maturities.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value as at 31 December 2016 and 2015.

	Consolidated and Separate financial statements							
	31 December 2016				31 December 2015			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets								
Financial assets								
Financial instrument assets	-	599,091	-	599,091	-	-	-	-
Total assets	-	599,091	-	599,091	-	-	-	-
Liabilities								
Financial liabilities								
Financial instrument liabilities	-	-	-	-	-	106,367	-	106,367
Total liabilities	-	-	-	-	-	106,367	-	106,367

The fair value of foreign exchange forward contracts is determined by using rates quoted by group's counterparties to terminate the contracts at 31 December 2016 and 2015 and are within level 2 of fair value hierarchy.

There were no changes in valuation techniques during the periods.

The valuation processes

The Group's Finance Department performs the valuations of financial assets required for financial reporting purposes and reports directly to the Financial Executive every quarter.

4 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. The Group determined the stage of completion of a contract by using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(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.

5 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.

6 Segment information

To assess the Group's operation, the Group considers the gross profit from the revenue transactions comprising revenues from contract work, revenues from sales, revenues from services and revenues from joint operations. Intercompany sales were already eliminated. Gross profit was determined by subtracting cost of contract work, cost of sales and services and cost from joint operations.

Consolidated statements of comprehensive income					
For the year ended 31 December 2016					
	Revenues from contract work Baht	Revenues from sales Baht	Revenues from services Baht	Revenues from joint operations Baht	Total Baht
Revenue	926,160,095	12,451,108	119,626,520	-	1,058,237,723
Gross profit (loss)	103,979,736	5,917,780	42,828,984	(11,989,961)	140,736,539
Unallocated selling and administrative expenses and finance costs					(254,738,677)
Unallocated other income					12,281,881
Unallocated gain (loss) on exchange rate					9,321,290
Unallocated gain (loss) on disposal of fixed asset					(179,855)
Unallocated income tax					1,290,600
Unallocated other comprehensive income (expense)					10,499
Total comprehensive income (expense) for the year					(91,277,723)
<u>Less</u> Non-controlling interest					2,170
Total comprehensive income (expense) - equity holders of the parent					(91,275,553)

6 Segment information (Cont'd)

	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 operations Baht
				Total Baht
Revenue	972,726,577	31,571,242	94,118,676	44,214,330
Gross profit	167,636,647	3,034,781	44,182,115	35,343,928
Unallocated selling and administrative expenses and finance costs				(223,925,458)
Unallocated other income				16,342,416
Unallocated gain (loss) on exchange rate				2,815,422
Unallocated gain (loss) on disposal of fixed asset				(182,341)
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

The group does not allocated its assets by business segment.

The group's revenue from major customers for the year ended 31 December 2016 and 2015 were Baht 362.84 million and Baht 326.10 million, respectively.

The group's segment revenues based on the geographic location of customers for the year ended 31 December 2016 and 2015 are as followings:

	2016 Thousand Baht	2015 Thousand Baht
Thailand	620,180	672,396
The United Arab Emirates	13,513	101,675
Others	424,545	368,560
Total	1,058,238	1,142,631

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	318,120	188,312	318,120	154,046
Cash at banks - current accounts	43,503,495	45,170,129	42,711,245	44,406,708
- savings accounts	27,408	28,008	27,408	28,008
- fixed deposits	11,000	3,910,000	11,000	3,910,000
	43,860,023	49,296,449	43,067,773	48,498,762

As at 31 December 2016, savings accounts and fixed deposits which represent 3-month fixed deposit carrying interest at the rates of 0.04% per annum and 0.80% - 1.00% per annum, respectively (31 December 2015 : 0.028% - 1% per annum and 0.80% - 1.50% per annum)

8 Trade and other accounts receivable (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable				
- other	143,582,999	195,869,894	141,843,053	194,120,781
- related companies (Note 37 b))	156,092	48,072,238	1,133,836	48,150,382
	143,739,091	243,942,132	142,976,889	242,271,163
<u>Less</u> Allowance for doubtful accounts				
- trade accounts receivable - other	(3,280,525)	(4,487,664)	(2,304,025)	(3,311,164)
	140,458,566	239,454,468	140,672,864	238,959,999
Trade accounts receivable - unbilled	-	72,108,943	-	72,108,943
Contract work in progress in excess of progress billings (net) (Note 10 a))	224,657,813	122,200,036	224,657,813	120,544,673
Other accounts receivable				
- other	-	273,367	-	230,973
- related companies (Note 37 b))	911,555	4,210,776	1,107,335	4,298,387
Retention receivable	1,565,000	-	1,372,500	-
Advance payment				
- other	607,300	1,132,527	562,817	952,817
- related companies (Note 37 b))	10,950	3,538,312	10,950	3,538,312
Deferred front end fee	-	22,990,969	-	22,990,969
Interest receivable				
- other	344,645	-	344,645	-
- related companies (Note 37 b))	-	-	-	348,389
Prepaid expenses	5,060,531	3,805,227	5,053,042	3,682,798
Loans receivable to employee	24,986	96,371	24,986	96,371
	373,641,346	469,810,996	373,806,952	467,752,631

Trade accounts receivable classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Accounts receivable not overdue	102,239,377	51,677,842	102,508,245	51,495,301
Overdue				
1 - 30 days	16,831,738	60,518,350	16,777,168	60,370,690
31 - 60 days	14,974,622	5,844,808	14,974,622	5,680,540
61 - 90 days	609,163	1,573,754	609,163	1,573,754
91 - 180 days	2,287,086	76,074,752	2,287,086	76,074,752
181 - 365 days	2,798,882	20,540,815	2,798,882	19,364,315
Over 365 days	3,998,223	27,711,811	3,021,723	27,711,811
	143,739,091	243,942,132	142,976,889	242,271,163

Trade accounts receivable from related companies classified by aging are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Account receivable - related companies not overdue	128,400	15,883,588	1,106,144	15,961,732
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	27,692	-	27,692	-
Over 365 days	-	18,765,125	-	18,765,125
	156,092	48,072,238	1,133,836	48,150,382

9 Employee receivables under finance lease agreements (net)

As at 31 December 2016 and 2015, 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 Separate financial statements					
	Amounts due under contracts					
	Less than 1 year		1 - 5 year Baht		Total Baht	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Employee receivables under finance lease agreements	208,380	208,380	591,410	798,790	798,790	1,007,170
Unearned interest income	(22,785)	(22,785)	(67,558)	(87,343)	(87,343)	(110,128)
	185,595	185,595	523,852	711,447	711,447	897,042
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
	<u>185,595</u>	<u>185,595</u>	<u>523,852</u>	<u>711,447</u>	<u>711,447</u>	<u>897,042</u>

As at 31 December 2016 and 2015, the Group had no overdue amount for the purchase receivables.

10 Contract work in progress

a) Contract work in progress in excess of progress billings (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Contract work in progress	256,524,161	162,942,287	256,524,161	160,743,470
Attributable profit	40,300,902	37,500,848	40,300,902	37,065,189
Attributable loss	-	(277,942)	-	(277,942)
	296,825,063	200,165,193	296,825,063	197,530,717
<u>Less</u> Progress billings	(72,167,250)	(77,965,157)	(72,167,250)	(76,986,044)
	224,657,813	122,200,036	224,657,813	120,544,673
<u>Less</u> Provision for project loss	-	-	-	-
	224,657,813	122,200,036	224,657,813	120,544,673

b) Progress billings in excess of contract work in progress (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Progress billings	38,170,756	-	38,170,756	-
<u>Less</u> Contract work in progress	(18,366,588)	-	(18,366,588)	-
Attributable profit	(1,036,771)	-	(1,036,771)	-
	18,767,397	-	18,767,397	-

11 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finished goods	16,944,895	26,071,404	14,287,306	23,330,535
Work in progress	56,092,759	42,938,519	43,874,983	28,943,283
Raw materials	215,732,063	198,329,222	197,666,877	173,831,992
Spare parts and supplies	9,350,996	9,224,368	8,739,471	8,677,802
<u>Less</u> Allowance for obsolete and slow-moving inventories	(4,122,536)	(6,982,578)	(3,170,452)	(6,278,524)
	293,989,177	269,580,935	261,398,185	228,505,088
Deposits for purchase of raw materials	10,089,595	13,901,996	10,066,752	13,811,152
Raw materials in transit	31,028,065	12,011,544	26,699,498	11,677,986
	335,106,837	295,494,475	298,164,435	253,994,226

12 Value added tax

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Value added tax refundable	17,431,260	17,844,695	17,138,609	17,406,100
Undue input tax	5,259,187	2,311,871	5,060,122	2,292,191
Value added tax payable	(581,607)	-	-	-
Undue output tax	(73,464)	(65,890)	(73,464)	(65,890)
	<u>22,035,376</u>	<u>20,090,676</u>	<u>22,125,267</u>	<u>19,632,401</u>

13 Restricted deposits at financial institution

As at 31 December 2016 and 2015, restricted deposits at financial institutions represent 3-month to 12-month fixed deposits with interest rate of 1.00% per annum (2015 : 1.10% per annum). The fixed deposits are held as collateral against short-term borrowings from financial institutions (Note 22).

14 Investments in subsidiary

Company name	Type of business	Incorporated in	Percentage of shareholding		Paid-up share capital (ordinary shares)		Separate financial statements	
			2016 %	2015 %	2016 Million Baht	2015 Million Baht	Cost method	
							2016 Baht	2015 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

15 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	
			2016	2015
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	
	2016 Baht	2015 Baht
Current assets	1,486,297	75,304,868
Current liabilities	(2,388,054)	(48,123,262)
Net current assets	(901,757)	27,181,606
Revenue	4,545	44,214,640
Expenses	(12,326,360)	(33,435,536)

16 Held-to-maturity investment

Held-to-maturity investment as at 31 December 2016 and 2015 are as follows:

Security name	Consolidated and Separate financial statements					
	Units held		Cost (Baht) per unit		Total cost Baht	
	2016	2015	2016	2015	2016	2015
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

16 Held-to-maturity investment (Cont'd)

The movement of held-to-maturity investment for the year ended 31 December 2016 and 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
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

17 Investment property

	Consolidated and Separate financial statements
	Land Baht
As at 1 January 2015	
Cost	-
<u>Less</u> Accumulated depreciation	-
Net book amount	-
For the year ended 31 December 2015	
Opening net book amount	-
Additions	81,577,261
Closing net book amount	81,577,261
As at 31 December 2015	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	81,577,261
For the year ended 31 December 2016	
Opening net book amount	81,577,261
Additions	-
Closing net book amount	81,577,261
As at 31 December 2016	
Cost	81,577,261
<u>Less</u> Accumulated depreciation	-
Net book amount	81,577,261
Fair value as at 31 December 2015	79,382,040
Fair value as at 31 December 2016	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 2016, the Group has no amounts recognised in profit and loss that are related to investment properties.

Cho Thavee Public Co., Ltd.
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18 Property, plant and equipment (net)

	Consolidated financial statements (Baht)								
	Land	Land improvements	Building	Building improvements	Machinery and equipment	Furniture, fixtures, office equipment, and computer equipment	Vehicles	Construction in progress	Total
As at 1 January 2015									
Cost or revalued amount	150,693,277	5,414,511	137,285,687	92,991,782	132,794,395	11,885,353	26,560,350	7,322,505	564,947,860
<u>Less</u> Accumulated depreciation	-	(2,305,392)	(49,228,322)	(19,295,337)	(109,655,098)	(6,997,440)	(16,145,308)	-	(203,626,897)
Net book value	150,693,277	3,109,119	88,057,365	73,696,445	23,139,297	4,887,913	10,415,042	7,322,505	361,320,963
For the year ended 31 December 2015									
Opening net book value	150,693,277	3,109,119	88,057,365	73,696,445	23,139,297	4,887,913	10,415,042	7,322,505	361,320,963
Additions	214,986,402	-	4,535,250	4,176,890	8,888,426	4,522,001	58,429,757	33,200,702	328,739,428
Transfers from construction in progress	-	-	-	-	-	-	639,567	(639,567)	-
Transfers from inventory	-	-	-	-	-	-	1,100,000	-	1,100,000
Disposal - cost	-	-	-	-	-	(29,813)	-	-	(29,813)
- accumulated depreciation	-	-	-	-	-	11,729	-	-	11,729
Write-off - cost	-	-	-	-	(801,200)	(837,649)	-	-	(1,638,849)
- accumulated depreciation	-	-	-	-	629,224	817,378	-	-	1,446,602
Depreciation charge (Note 34)	-	(661,654)	(6,953,223)	(4,718,914)	(8,924,730)	(1,924,387)	(4,060,710)	-	(27,243,618)
Closing net book value	365,679,679	2,447,465	85,639,392	73,154,421	22,931,017	7,447,172	66,523,656	39,883,640	663,706,442
As at 31 December 2015									
Cost or revalued amount	365,679,679	5,414,511	141,820,937	97,168,672	140,881,621	15,539,892	86,729,674	39,883,640	893,118,626
<u>Less</u> Accumulated depreciation	-	(2,967,046)	(56,181,545)	(24,014,251)	(117,950,604)	(8,092,720)	(20,206,018)	-	(229,412,184)
Net book value	365,679,679	2,447,465	85,639,392	73,154,421	22,931,017	7,447,172	66,523,656	39,883,640	663,706,442

Cho Thavee Public Co., Ltd.
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18 Property, plant and equipment (net) (Cont'd)

	Consolidated financial statements (Baht)								
	Land	Land improvements	Building	Building improvements	Machinery and equipment	Furniture, fixtures, office equipment, and computer equipment	Vehicles	Construction in progress	Total
For the year ended 31 December 2016									
Opening net book value	365,679,679	2,447,465	85,639,392	73,154,421	22,931,017	7,447,172	66,523,656	39,883,640	663,706,442
Additions	-	-	229,253	15,165,986	7,604,480	4,641,816	4,309,852	108,015,826	139,967,213
Transfers from construction in progress	-	-	5,081,738	10,105,253	5,413,512	-	3,316,514	(23,917,017)	-
Transfer from inventory	-	-	-	-	-	-	1,725,315	-	1,725,315
Write-off - cost	-	-	-	-	(12,647,303)	(58,311)	-	-	(12,705,614)
- accumulated depreciation	-	-	-	-	12,487,975	37,784	-	-	12,525,759
Depreciation charge (Note 34)	-	(661,868)	(7,383,424)	(4,792,750)	(9,281,068)	(2,420,727)	(9,483,795)	-	(34,023,632)
Closing net book value	365,679,679	1,785,597	83,566,959	93,632,910	26,508,613	9,647,734	66,391,542	123,982,449	771,195,483
As at 31 December 2016									
Cost	365,679,679	5,414,511	147,131,928	122,439,911	141,252,310	20,123,397	96,081,355	123,982,449	1,022,105,540
<u>Less</u> Accumulated depreciation	-	(3,628,914)	(63,564,969)	(28,807,001)	(114,743,697)	(10,475,663)	(29,689,813)	-	(250,910,057)
Net book value	365,679,679	1,785,597	83,566,959	93,632,910	26,508,613	9,647,734	66,391,542	123,982,449	771,195,483

Cho Thavee Public Co., Ltd.
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For the year ended 31 December 2016

18 Property, plant and equipment (net) (Cont'd)

	Separate financial statements (Baht)								
	Land	Land improvements	Building	Building improvements	Machinery and equipment	Furniture, fixtures, office equipment, and computer equipment	Vehicles	Construction in progress	Total
As at 1 January 2015									
Cost	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
<u>Less</u> 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
For the year ended 31 December 2015									
Opening 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
Additions	214,986,402	-	4,535,250	4,176,890	7,526,804	4,440,584	58,429,757	30,212,408	324,308,095
Transfers from construction in progress	-	-	-	-	-	-	639,567	(639,567)	-
Transfers from inventory	-	-	-	-	-	-	1,100,000	-	1,100,000
Disposal - cost	-	-	-	-	-	(29,813)	-	-	(29,813)
- accumulated depreciation	-	-	-	-	-	11,729	-	-	11,729
Write-off - cost	-	-	-	-	(801,200)	(837,649)	-	-	(1,638,849)
- accumulated depreciation	-	-	-	-	629,224	817,378	-	-	1,446,602
Depreciation charge (Note 34)	-	(583,001)	(4,289,485)	(4,614,095)	(5,497,212)	(1,858,871)	(3,760,510)	-	(20,603,174)
Closing net book value	349,641,003	1,114,891	40,520,319	72,054,543	16,056,331	7,236,551	66,150,256	36,895,346	589,669,240
As at 31 December 2015									
Cost	349,641,003	3,841,450	89,515,616	95,072,299	98,046,944	14,881,499	85,228,674	36,895,346	773,122,831
<u>Less</u> Accumulated depreciation	-	(2,726,559)	(48,995,297)	(23,017,756)	(81,990,613)	(7,644,948)	(19,078,418)	-	(183,453,591)
Net book value	349,641,003	1,114,891	40,520,319	72,054,543	16,056,331	7,236,551	66,150,256	36,895,346	589,669,240

Cho Thavee Public Co., Ltd.
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

18 Property, plant and equipment (net) (Cont'd)

	Separate financial statements (Baht)								
	Land	Land improvements	Building	Building improvements	Machinery and equipment	Furniture, fixtures, Office equipment, and computer equipment	Vehicles	Construction in progress	Total
For the year ended 31 December 2016									
Opening net book value	349,641,003	1,114,891	40,520,319	72,054,543	16,056,331	7,236,551	66,150,256	36,895,346	589,669,240
Additions	-	-	229,253	15,081,108	6,681,853	4,516,702	4,309,852	107,270,349	138,089,117
Transfers from construction in progress	-	-	5,081,738	10,105,253	1,679,741	-	3,316,514	(20,183,246)	-
Transfers from inventory	-	-	-	-	-	-	1,725,315	-	1,725,315
Write-off - cost	-	-	-	-	(12,647,303)	(58,311)	-	-	(12,705,614)
- accumulated depreciation	-	-	-	-	12,487,975	37,784	-	-	12,525,759
Depreciation charge (Note 34)	-	(582,999)	(4,712,387)	(4,687,609)	(5,952,355)	(2,337,210)	(9,182,773)	-	(27,455,333)
Closing net book value	<u>349,641,003</u>	<u>531,892</u>	<u>41,118,923</u>	<u>92,553,295</u>	<u>18,306,242</u>	<u>9,395,516</u>	<u>66,319,164</u>	<u>123,982,449</u>	<u>701,848,484</u>
As at 31 December 2016									
Cost	349,641,003	3,841,450	94,826,607	120,258,660	93,761,235	19,339,890	94,580,355	123,982,449	900,231,649
<u>Less</u> Accumulated depreciation	<u>-</u>	<u>(3,309,558)</u>	<u>(53,707,684)</u>	<u>(27,705,365)</u>	<u>(75,454,993)</u>	<u>(9,944,374)</u>	<u>(28,261,191)</u>	<u>-</u>	<u>(198,383,165)</u>
Net book value	<u>349,641,003</u>	<u>531,892</u>	<u>41,118,923</u>	<u>92,553,295</u>	<u>18,306,242</u>	<u>9,395,516</u>	<u>66,319,164</u>	<u>123,982,449</u>	<u>701,848,484</u>

As at 31 December 2016 and 2015, land including construction thereon of the Company with net book value of Baht 218 million and Baht 226 million are being used as collaterals against borrowings from financial institutions (Note 22 and 23).

As at 31 December 2016, the gross carrying amount of fully depreciated plant and equipment that are still in used and included in the Consolidated and Separate financial statements were Baht 119,551,262 and Baht 89,647,771 (2015 : Baht 116,094,381 and Baht 86,646,434), respectively.

18 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:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost - capitalised finance lease	60,213,655	61,714,655	60,213,655	60,213,655
<u>Less</u> Accumulated depreciation	(8,683,126)	(3,154,484)	(8,683,126)	(2,026,883)
Net book amount	<u>51,530,529</u>	<u>58,560,171</u>	<u>51,530,529</u>	<u>58,186,772</u>

19 Intangible assets (net)

	Consolidated financial statements					
	Trademark Baht	Patent Baht	Computer software Baht	Know-how Baht	Computer software under installation Baht	Total Baht
As at 1 January 2015						
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>-</u>	<u>31,950,122</u>
For the year ended 31 December 2015						
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>-</u>	<u>27,454,963</u>
As at 31 December 2015						
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>-</u>	<u>27,454,963</u>
For the year ended 31 December 2016						
Opening net book amount	4,752,897	2,491,310	19,978,427	232,329	-	27,454,963
Additions	-	-	3,062,402	-	5,904,383	8,966,785
Amortisation charge (Note 34)	-	(472,423)	(4,201,258)	(232,327)	-	(4,906,008)
Closing net book value	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,839,571</u>	<u>2</u>	<u>5,904,383</u>	<u>31,515,740</u>
As at 31 December 2016						
Cost	4,752,897	4,724,230	42,294,694	4,000,000	5,904,383	61,676,204
<u>Less</u> Accumulated amortisation	-	(2,705,343)	(23,455,123)	(3,999,998)	-	(30,160,464)
Net book amount	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,839,571</u>	<u>2</u>	<u>5,904,383</u>	<u>31,515,740</u>

19 Intangible assets (net) (Cont'd)

	Separate financial statements				Total Baht
	Trademark Baht	Patent Baht	Computer software Baht	Computer software under installation Baht	
As at 1 January 2015					
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>-</u>	<u>31,177,675</u>
For the year ended 31 December 2015					
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>-</u>	<u>27,099,027</u>
As at 31 December 2015					
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>-</u>	<u>27,099,027</u>
For the year ended 31 December 2016					
Opening net book amount	4,752,897	2,491,310	19,854,820	-	27,099,027
Additions	-	-	3,062,402	5,904,383	8,966,785
Amortisation charge (Note 34)	-	(472,423)	(4,184,709)	-	(4,657,132)
Closing net book value	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,732,513</u>	<u>5,904,383</u>	<u>31,408,680</u>
As at 31 December 2016					
Cost	4,752,897	4,724,230	42,129,584	5,904,383	57,511,094
<u>Less</u> Accumulated amortisation	-	(2,705,343)	(23,397,071)	-	(26,102,414)
Net book amount	<u>4,752,897</u>	<u>2,018,887</u>	<u>18,732,513</u>	<u>5,904,383</u>	<u>31,408,680</u>

20 Deferred tax (net)

Deferred taxes as at 31 December 2016 and 2015 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	3,162,521	4,287,238	2,545,234	3,540,514
Deferred tax asset to be recovered after more than 12 months	5,393,242	4,952,709	5,254,110	4,506,220
	<u>8,555,763</u>	<u>9,239,947</u>	<u>7,799,344</u>	<u>8,046,734</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	638,595	666,907	624,120	592,227
Deferred tax liabilities to be settled after more than 12 months	762,236	1,266,977	762,236	1,266,977
	<u>1,400,831</u>	<u>1,933,884</u>	<u>1,386,356</u>	<u>1,859,204</u>
Deferred tax assets (net)	<u>7,154,932</u>	<u>7,306,063</u>	<u>6,412,988</u>	<u>6,187,530</u>

The movement of deferred taxes for the year ended 31 December 2016 and 2015 comprises the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	7,306,063	7,468,091	6,187,530	6,999,579
Increase/(Decrease) to profit or loss (Note 35)	(148,506)	(168,885)	78,210	(836,156)
Increase/(Decrease) to other comprehensive income	(2,625)	6,857	147,248	24,107
Closing balance	<u>7,154,932</u>	<u>7,306,063</u>	<u>6,412,988</u>	<u>6,187,530</u>

20 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2016 and 2015 comprises the following: (Cont'd)

	Consolidated financial statements			
	1 January 2016 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht	31 December 2016 Baht
Deferred tax assets:				
Allowance for doubtful accounts	897,533	(241,428)	-	656,105
Allowance for obsolete and slow-moving inventories	1,396,516	(572,009)	-	824,507
Gain on disposal of inventories among related companies	279,977	(96,384)	-	183,593
Unrealised loss on financial instruments	21,273	(21,273)	-	-
Provision for warranty	1,351,849	(163,531)	-	1,188,318
Employee benefit obligations	3,224,426	949,638	(2,625)	4,171,439
Asset under finance lease agreements				
- Hire purchase	1,258,023	(129,203)	-	1,128,820
Liability under finance lease agreements				
- Lease	617,164	(214,183)	-	402,981
Tax loss	193,186	(193,186)	-	-
	<u>9,239,947</u>	<u>(681,559)</u>	<u>(2,625)</u>	<u>8,555,763</u>
Deferred tax liabilities:				
Unrealised gain on financial instruments	-	119,804	-	119,804
Asset under finance lease agreements				
- Lease	674,827	(215,980)	-	458,847
Liability under finance lease agreements				
- Hire purchase	1,259,057	(436,877)	-	822,180
	<u>1,933,884</u>	<u>(533,053)</u>	<u>-</u>	<u>1,400,831</u>
	<u>7,306,063</u>	<u>(148,506)</u>	<u>(2,625)</u>	<u>7,154,932</u>

20 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2016 and 2015 comprises the following: (Cont'd)

	Consolidated financial statements			31 December 2015 Baht
	1 January 2015 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht	
Deferred tax assets:				
Allowance for doubtful accounts	715,716	181,817	-	897,533
Allowance for obsolete and slow-moving inventories	1,570,617	(174,101)	-	1,396,516
Gain on disposal of inventories among related companies	584,499	(304,522)	-	279,977
Unrealised loss on financial instruments	-	21,273	-	21,273
Provision for warranty	1,918,567	(566,718)	-	1,351,849
Allowance for contract loss	65,619	(65,619)	-	-
Employee benefit obligations	2,700,008	517,561	6,857	3,224,426
Asset under finance lease agreements				
- Hire purchase	-	1,258,023	-	1,258,023
Liability under finance lease agreements				
- Lease	737,822	(120,658)	-	617,164
Tax loss	-	193,186	-	193,186
	<u>8,292,848</u>	<u>940,242</u>	<u>6,857</u>	<u>9,239,947</u>
Deferred tax liabilities:				
Unrealised gain on financial instruments	44,444	(44,444)	-	-
Asset under finance lease agreements				
- Lease	780,313	(105,486)	-	674,827
Liability under finance lease agreements				
- Hire purchase	-	1,259,057	-	1,259,057
	<u>824,757</u>	<u>1,109,127</u>	<u>-</u>	<u>1,933,884</u>
	<u>7,468,091</u>	<u>(168,885)</u>	<u>6,857</u>	<u>7,306,063</u>

20 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2016 and 2015 comprises the following: (Cont'd)

	Separate financial statements			
	1 January 2016 Baht	Increase/ (Decrease) to profit or loss Baht	Increase/ (Decrease) to other comprehensive income Baht	31 December 2016 Baht
Deferred tax assets:				
Allowance for doubtful accounts	662,233	(201,428)	-	460,805
Allowance for obsolete and slow-moving inventories	1,255,705	(621,615)	-	634,090
Provision for warranty	1,303,872	(163,531)	-	1,140,341
Unrealised loss on financial instruments	21,273	(21,273)	-	-
Employee benefit obligations	2,971,123	913,936	147,248	4,032,307
Asset under finance lease agreements				
- Hire purchase	1,258,023	(129,203)	-	1,128,820
Liability under finance lease agreements				
- Lease	574,505	(171,524)	-	402,981
	<u>8,046,734</u>	<u>(394,638)</u>	<u>147,248</u>	<u>7,799,344</u>
Deferred tax liabilities:				
Unrealised gain on financial instruments	-	119,804	-	119,804
Asset under finance lease agreements				
- Lease	600,147	(155,775)	-	444,372
Liability under finance lease agreements				
- Hire purchase	1,259,057	(436,877)	-	822,180
	<u>1,859,204</u>	<u>(472,848)</u>	<u>-</u>	<u>1,386,356</u>
	<u>6,187,530</u>	<u>78,210</u>	<u>147,248</u>	<u>6,412,988</u>

20 Deferred tax (net) (Cont'd)

The movement of deferred taxes for the year ended 31 December 2016 and 2015 comprises the following: (Cont'd)

	Separate financial statements		
	1 January 2015 Baht	Credits/ (debits) to profit or loss Baht	Credits/ (debits) to other comprehensive income Baht
Deferred tax assets:			
Allowance for doubtful accounts	715,716	(53,483)	-
Allowance for obsolete and slow-moving inventories	1,456,522	(200,817)	-
Gain on disposal of inventories among related companies	584,499	(584,499)	-
Unrealised loss on financial instruments	-	21,273	-
Provision for warranty	1,760,658	(456,786)	-
Allowance for contract loss	65,619	(65,619)	-
Employee benefit obligations	2,484,467	462,549	24,107
Asset under finance lease agreements			
- Hire purchase	-	1,258,023	-
Liability under finance lease agreements			
- Lease	622,134	(47,629)	-
	7,689,615	333,012	24,107
Deferred tax liabilities:			
Unrealised gain on financial instruments	44,444	(44,444)	-
Asset under finance lease agreements			
- Lease	645,592	(45,445)	-
Liability under finance lease agreements			
- Hire purchase	-	1,259,057	-
	690,036	1,169,168	-
	6,999,579	(836,156)	24,107

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. On 31 December 2016, the Group and the Company did not recognise deferred income tax assets in the consolidated and separate financial statements of Baht 18,985,222 and Baht 14,560,026 (2015 : None), respectively in respect of losses in the consolidated and separate financial statements amounting to Baht 94,926,113 and Baht 72,800,130 (2015 : None), that can be carried forward against future taxable income. Losses comprise the following:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Tax losses expired 2020	965,932	-	-	-
Tax losses expired 2021	93,960,181	-	72,800,130	-
Total tax losses	94,926,113	-	72,800,130	-
Unrecognised deferred income tax assets	18,985,222	-	14,560,026	-

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%.

21 Trade and other accounts payable

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable				
- other companies	121,921,518	62,300,738	109,346,717	58,463,225
- related companies (note 37 b))	115,786,125	3,976,511	126,957,072	5,011,637
Other accounts payable				
- other companies	2,927,349	790,056	2,599,155	787,916
- related companies (note 37 b))	200,000	230,000	200,000	230,000
Accrued expenses				
- Accrued staff expenses	22,868,112	22,916,416	21,423,679	22,916,416
- Accrued penalty from later delivery	-	6,407,444	-	6,407,444
- Others accruals	12,366,458	9,103,928	11,863,728	7,054,131
Advance received from customer	513,499	2,637,157	513,499	2,377,157
Retention payable	3,509,052	1,838,984	3,509,052	1,838,984
Unearned revenue	15,000	15,000	15,000	15,000
	<u>280,107,113</u>	<u>110,216,234</u>	<u>276,427,902</u>	<u>105,101,910</u>

22 Bank overdrafts and short-term borrowings from financial institutions

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2016 and 31 December 2015 comprise the following:

		Consolidated financial statements							
Type of Short-term borrowings	Currency	2016				2015			
		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	-	5,116,703	7.12 - 7.68	-	-	19,434,011	7.36 - 7.68	-
			5,116,703				19,434,011		
Trust receipts	THB	-	30,147,688	2.25 - 5.25	April - June 2017	-	-	-	-
	USD	681,032	24,518,847	4.88	March 2017	-	-	-	-
	EUR	-	-	-	-	378,667	15,070,763	1.75 - 3.51	April - May 2016
			54,666,535				15,070,763		
Bills of exchange	THB	-	298,791,956	3.85 - 4.00	January - February 2017	-	695,059,242	4.10 - 4.30	January - June 2016
			298,791,956				695,059,242		
Total			358,575,194				729,564,016		

The Group uses its land including construction (Note 18) and fixed deposit (Note 13) entitled to the Group as a collateral against these credit facilities.

22 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

Bank overdrafts and short-term borrowings from financial institutions as at 31 December 2016 and 31 December 2015 comprise the following: (Cont'd)

Type of Short-term borrowings	Currency	Separate financial statements							
		2016				2015			
		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	-	2,831,534	7.12 - 7.68	-	-	16,184,506	7.36 - 7.50	-
			2,831,534				16,184,506		
Trust receipts	THB	-	29,112,687	2.25 - 4.78	April - May 2017	-	-	-	-
	USD	681,032	24,518,847	4.88	March 2017	-	-	-	-
	EUR	-	-	-	-	378,667	15,070,763	1.75 - 3.51	April - May 2016
			53,631,534				15,070,763		
Bills of exchange	THB	-	298,791,956	3.85 - 4.00	January - February 2017	-	695,059,242	4.10 - 4.30	January - June 2016
			298,791,956				695,059,242		
Total			355,255,024				726,314,511		

The Group uses its land including construction (Note 18) and fixed deposit (Note 13) entitled to the Company as a collateral against these credit facilities.

22 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 2016 is as follows:

Consolidated financial statements						
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange		Total Baht
				Bills of exchange Baht	Deferred interest Baht	
Opening net book value	19,434,011	-	15,070,763	700,000,000	(4,940,758)	729,564,016
Additions	4,652,139,780	270,000,000	164,441,668	1,250,000,000	(18,768,558)	6,317,812,890
Repayments	(4,666,457,088)	(270,000,000)	(124,845,896)	(1,650,000,000)	-	(6,711,302,984)
Amortisation of deferred interest	-	-	-	-	22,501,272	22,501,272
Ending net book value	5,116,703	-	54,666,535	300,000,000	(1,208,044)	358,575,194
Separate financial statements						
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange		Total Baht
				Bills of exchange Baht	Deferred interest Baht	
Opening net book value	16,184,506	-	15,070,763	700,000,000	(4,940,758)	726,314,511
Additions	4,565,157,355	270,000,000	162,197,545	1,250,000,000	(18,768,558)	6,228,586,342
Repayments	(4,578,510,327)	(270,000,000)	(123,636,774)	(1,650,000,000)	-	(6,622,147,101)
Amortisation of deferred interest	-	-	-	-	22,501,272	22,501,272
Ending net book value	2,831,534	-	53,631,534	300,000,000	(1,208,044)	355,255,024

22 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 financial statements						
				Bills of exchange			
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht	Total 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
	Separate financial statements						
				Bills of exchange			
	Bank overdrafts Baht	Promissory notes Baht	Trust receipts Baht	Bills of exchange Baht	Deferred interest Baht	Bills of exchange (net) Baht	Total 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

22 Bank overdrafts and short-term borrowings from financial institutions (Cont'd)

As at 31 December 2016, credit facilities of the Group granted from 8 financial institutions (31 December 2015 : 8 financial institutions) consist of:

Type	Consolidated financial statements				Separate financial statements			
	2016		2015		2016		2015	
	US Dollar	Baht	US Dollar	Baht	US Dollar	Baht	US Dollar	Baht
Bank overdrafts	-	83,000,000	-	73,000,000	-	76,000,000	-	66,000,000
Long-term borrowings	-	6,000,000	-	6,000,000	-	-	-	-
Short-term borrowings/promissory notes	-	470,000,000	-	798,000,000	-	460,000,000	-	790,000,000
Letter of credit/trust receipts/domestic letter of credit	-	1,444,302,000	-	3,658,740,000	-	1,424,302,000	-	3,623,740,000
Foreign currencies forward contracts	7,720,000	1,320,000,000	7,320,000	510,000,000	7,320,000	1,310,000,000	7,320,000	510,000,000
Letter of bank guarantees	-	137,698,000	-	106,260,000	-	135,698,000	-	106,260,000

The credit facilities and secured by:

- 1) Mortgage of the Company and subsidiary's land including construction (Note 18)
- 2) Deposits at financial institutions under pledge (Note 13)
- 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

The fair values of short-term loans equal their carrying amount, as the impact of discounting is not significant.

23 Long-term borrowings from financial institutions

The movement of long-term borrowings from financial institutions for the year ended 31 December 2016 and 2015 comprises:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening net book value for the year	3,460,047	4,384,047	-	-
Additions	-	-	-	-
Repayments	(917,168)	(924,000)	-	-
Ending net book value for the year	2,542,879	3,460,047	-	-
<u>Less</u> Current portion	(924,000)	(924,000)	-	-
	1,618,879	2,536,047	-	-

The Group has long-term borrowing from a financial institution 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 18) as collateral of this loans. As at 31 December 2016, the total outstanding borrowings amount is Baht 2,542,879 (31 December 2015 : Baht 3,460,047).

As at 31 December 2016 and 2015, 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, as the impact of discounting is not significant.

24 Liability under finance lease agreements (net)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liability under finance lease agreements	45,571,907	57,903,954	45,571,907	57,688,508
<u>Less</u> Future finance charges on finance lease	(4,267,745)	(6,634,797)	(4,267,745)	(6,632,650)
	41,304,162	51,269,157	41,304,162	51,055,858
<u>Less</u> Current portion	(10,138,522)	(9,964,995)	(10,138,522)	(9,751,696)
	31,165,640	41,304,162	31,165,640	41,304,162

Payment to be made in subsequent years are as follows:

Liabilities under finance lease agreements				
Within 1 year	11,997,041	12,332,047	11,997,041	12,116,601
More than 1 year but no longer than 5 years	33,574,866	45,571,907	33,574,866	45,571,907
	45,571,907	57,903,954	45,571,907	57,688,508

25 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Withholding tax payable	1,493,530	768,478	1,444,438	714,481
Social security payable	818,622	757,792	762,918	702,294
	2,312,152	1,526,270	2,207,356	1,416,775

26 Debenture (net)

Debenture (net) as at 31 December 2016 represented unsubordinated, unsecured debenture with name registered and without debenture holders' representative as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Debenture, net	298,810,868	-	298,810,868	-
<u>Less</u> Current portion of debenture, net	-	-	-	-
	<u>298,810,868</u>	<u>-</u>	<u>298,810,868</u>	<u>-</u>

The movements of the debenture for the year ended 31 December 2016 comprise the followings:

	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book value	-	-
Cash received from debenture	300,000,000	300,000,000
Prepaid underwriting fee	(1,500,000)	(1,500,000)
Amortisation of prepaid underwriting fee	310,868	310,868
Closing net book value	<u>298,810,868</u>	<u>298,810,868</u>

At the Annual General Meeting of the Company's shareholders held on 21 April 2016, it was unanimously resolved to approve the issuance and offering of debenture not over than Baht 1,000 million.

Afterward, on 16 June 2016, the Company offered the unsubordinated, unsecured debenture with name registered and without bond holders' representative to public and/or institution investors at 300,000 units in par value of Baht 1,000 per unit aggregating to Baht 300 million. Interest was carried at the rate of 4.95% per annum. Moreover, interest is repaid quarterly. Debenture holds a lifespan of 2 years and 6 months and maturity on 16 December 2018.

In addition, the Company must comply with terms and conditions governing the rights and obligations of the issuer and the Debenture holders as stipulated in the Prospectus of the debenture.

As at 31 December 2016, the fair value of debenture is Baht 300,042,969. The fair value of debenture is based on the market price of debentures on the date of statement of financial position (Level 1 of the fair value hierarchy).

27 Employee benefit obligations

Employee benefit obligations as at 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Statement of financial position				
Retirement benefits	19,731,746	16,122,130	19,036,083	14,855,616
Liability in the statement of financial position	<u>19,731,746</u>	<u>16,122,130</u>	<u>19,036,083</u>	<u>14,855,616</u>
Profit or loss charge included in operating profit for:				
Retirement benefit	3,622,740	2,587,803	3,444,227	2,312,745
	<u>3,622,740</u>	<u>2,587,803</u>	<u>3,444,227</u>	<u>2,312,745</u>
Rremeasurement for:				
Retirement benefit	(13,124)	34,287	736,240	120,537
	<u>(13,124)</u>	<u>34,287</u>	<u>736,240</u>	<u>120,537</u>

27 Employee benefit obligations (Cont'd)

The plan is final salary retirement plan. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement of employee benefit obligations for the year ended 31 December 2016 and 2015 comprises:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	16,122,130	13,500,040	14,855,616	12,422,334
Current service cost	3,159,899	2,054,506	3,006,814	1,822,556
Interest expense	462,842	533,297	437,413	490,189
	3,622,741	2,587,803	3,444,227	2,312,745
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(706,449)	-	(50,147)	-
(Gain)/loss from change in financial assumptions	871,328	-	711,168	-
Experience (gain)/loss	(178,004)	34,287	75,219	120,537
	(13,125)	34,287	736,240	120,537
	19,731,746	16,122,130	19,036,083	14,855,616

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
The discount rate	2.49 - 2.81%	4.00%	2.49%	4.00%
The assumed increasing salary rate	5.00%	5.62 - 6.37%	5.00%	6.37%
The personnel turnover rate	5.00 - 30.00%	1.50 - 5.00%	5.00 - 30.00%	5.00%
The mortality rate	50% of Thai Mortality Table (year 2008)	Based on Thai Mortality Table (year 2008)	50% of Thai Mortality Table (year 2008)	Based on Thai Mortality Table (year 2008)
The disability rate	10% of Thai Mortality Table	15% of Thai Mortality Table	10% of Thai Mortality Table	15% of Thai Mortality Table

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 Zero bond yields will increase plan liabilities.

Sensitivity analysis for significant assumptions disclosed is as follows. :

Consolidated financial statements Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 11.15%	Decrease by 11.70%	Increase by 13.23%	Increase by 14.02%
Salary growth rate	1%	1%	Increase by 12.44%	Increase by 14.02%	Decrease by 10.75%	Decrease by 11.94%
Separate financial statements Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 10.97%	Decrease by 11.18%	Increase by 12.99%	Increase by 13.32%
Salary growth rate	1%	1%	Increase by 12.20%	Increase by 13.34%	Decrease by 10.57%	Decrease by 11.42%

27 Employee benefit obligations (Cont'd)

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 retirement 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.

The weighted average duration of the defined benefit obligation is 24.23 years (2015 : 25.04 years).

Expected maturity analysis of undiscounted retirement benefits:

Consolidated financial statements						
	Under 1 years Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Between 10 - 15 years Baht	Over 15 years Baht	Total Baht
At 2016						
Retirement benefits	491,250	3,100,453	12,684,551	16,123,022	49,525,525	81,924,801
At 2015						
Retirement benefits	439,391	2,659,773	8,041,993	16,079,812	88,006,967	115,227,936
Separate financial statements						
	Under 1 years Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	Between 10 - 15 years Baht	Over 15 years Baht	Total Baht
At 2016						
Retirement benefits	491,250	3,100,453	12,551,927	15,783,721	45,673,615	77,600,966
At 2015						
Retirement benefits	439,391	2,659,773	7,874,539	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 Share capital and premium on treasury shares

Share capital as at 31 December comprises the following:

	Consolidated and Separate financial statements				
	Authorised share capital		Issued and fully paid-up		Share premium
	shares	Baht	shares	Baht	Baht
As at 31 December 2014	1,080,000,000	270,000,000	720,000,000	180,000,000	291,360,242
Warrant exercised (Note 28.3)	-	-	104,510,700	26,127,675	25,966,889
As at 31 December 2015	1,080,000,000	270,000,000	824,510,700	206,127,675	317,327,131
Decrease share capital (Note 28.1)	(100,020)	(25,005)	-	-	-
Increase share capital (Note 28.2)	107,989,998	26,997,500	-	-	-
Stock dividend (Note 29)	-	-	91,643,225	22,910,806	-
Warrant exercised (Note 28.3)	-	-	266,787,848	66,696,962	58,576,717
As at 31 December 2016	1,187,889,978	296,972,495	1,182,941,773	295,735,443	375,903,848

The Company's authorised share capital as at 31 December 2016 comprises 1,187,889,978 ordinary shares (31 December 2015 : 1,080,000,000 ordinary shares) of Baht 0.25 each (31 December 2015 : Baht 0.25 each).

28 Share capital and premium on treasury shares (Cont'd)

28.1 Decrease share capital

At the Annual General Shareholders Meeting's Meeting No. 1/2016 held on 21 April 2016, the shareholders passed a resolution to decrease the registered share capital from 1,080,000,000 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 270,000,000 to 1,079,899,980 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 269,974,995 by cancelling unissued and unreserved for exercising the right of the warrant for 100,020 ordinary shares at par value of Baht 0.25 per share, totalling Baht 25,005.

The Company registered a decreasing in registered share capital with the Department of Business Development, Ministry of Commerce on 10 May 2016.

28.2 Increase share capital

At the Annual General Shareholders Meeting's Meeting No. 1/2016 held on 21 April 2016, the Board passed a resolution approving the increasing registered share capital and warrants for such new ordinary shares by increasing of the Company's registered capital from 1,079,899,980 shares with a par value of Baht 0.25 per share, totalling Baht 269,974,995 to new registered capital of 1,187,889,978 ordinary shares with a par value of Baht 0.25 per share totalling Baht 296,972,495, by issuing new 107,989,998 ordinary shares at par value of Baht 0.25 per share, totalling Baht 26,997,500. The details of which are as follows:

Allotted to	Number (shares)	Ratio (old : new)	Par value (Baht)
Reserve for stock dividends allotted to the existing shareholders	107,989,998	10 existing shares : 1 new ordinary share	Baht 0.25

The Company registered an increasing in registered share capital with Department of Business Development on 11 May 2016.

28.3 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.

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).

At the Annual General Shareholders Meeting's Meeting No. 1/2016 held on 21 April 2016, the shareholders passed a resolution approving the adjustment in right of exercise ratio and exercise price in warrants to purchase ordinary shares No. 1 (CHO-W1) according to the share dividend payment (Note 29) met the condition allowing the Company to adjust the right of exercise ratio and exercise price in warrants. The details are as follows:

Description	Previous Right	After Adjusted Right
Exercise ratio	1 warrant per 1 ordinary share	1 warrant per 1.1 ordinary share
Exercise price	Baht 0.50 per share	Baht 0.454 per share

28 Share capital and premium on treasury shares (Cont'd)

28.3 Warrants (Cont'd)

As at 31 December 2016, the details of warrants to purchase ordinary shares No. 1 (CHO-W1) are as follows:

- Exercise ration : 1 unit of warrant to 1.1 new ordinary share (the exercise ration may from time to time be changed in accordance with the adjustment provisions of the warrants).
- Exercise price : Baht 0.454 per share (the exercise price may from 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 one year of the issuing date of the warrants. The exercise date shall be the 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

On 31 December 2014, the warrants holders exercised their warrants of 45,461,300 units, totalling paid-up capital of Baht 22,710,359 (net of related expenses incurred for exercising of warrants in amount of Baht 20,291) and it was recorded be advance received on 31 December 2017. The Company registered those warrants with the Department of Business Development Ministry of Commerce on 7 January 2015.

During the year 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). The exercised warrants of 59,049,400 units, totalling paid-up capital of Baht 29,384,205 were registered with the Department of Business Development Ministry of Commerce on 3 April 2015, 2 July 2015 and 6 October 2015. As at 31 December 2015, the rest of warrants 89,402,100 units, totalling paid-up capital of Baht 44,677,801 were 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.

During the year ended 31 December 2016, the warrants holders expressed the desire to exercise their warrants of 177,385,748 units, totalling paid-up capital of Baht 80,737,007 (net of related expenses incurred for exercising of warrants in amount of Baht 141,129). As at 31 December 2016, warrants of 177,385,748 units, totalling paid-up capital of Baht 80,737,007, are registered with the Department of Business Development Ministry of Commerce on 5 April 2016, 8 July 2016 and 2 November 2016.

As at 31 December 2016, there is no outstanding balance of unexercised warrants to purchase ordinary shares (CHO-W1) as due to its expiration of exercise date. (2015 : outstanding balance of unexercised warrants to purchase ordinary share is 165,987,180 units).

29 Dividends payment and legal reserve

The Company paid dividends for the year 2015 by issuing 91.64 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 22.91 million, or equivalent to Baht 0.0250 per share and paying in cash at Baht 0.0058 per share, totalling Baht 5.32 million. The Company approved an appropriation of legal reserve amounting to Baht 1,310,000 in 2015. The Company paid dividend amounting to Baht 28,214,995 to shareholders on 19 May 2016. As at 31 December 2016, the Company has dividend payable amounting to Baht 9,421 (31 December 2015 : Baht 26,927).

30 Legal reserve

	Consolidated and Separate financial statements	
	2016 Baht	2015 Baht
Opening balance	6,820,000	5,510,000
Appropriation during the year	-	1,310,000
Ending balance	6,820,000	6,820,000

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 financial statements	
	2016 Baht	2015 Baht
Opening balance	4,974	5,127
Share of net loss of subsidiary	(2,170)	(153)
Ending balance	2,804	4,974

32 Other income

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Service income	6,646,238	4,384,189	10,559,687	8,512,118
Interest income	4,207,916	9,203,094	8,723,289	13,066,755
Other income	1,427,727	2,755,133	1,258,958	2,755,069
	12,281,881	16,342,416	20,541,934	24,333,942

33 Finance cost

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest expense for borrowings from financial institutions	28,051,953	28,598,988	27,473,164	27,938,360
Interest expense for liability under finance lease agreement	2,367,053	256,894	2,364,906	229,958
Interest expense for debenture	7,970,868	-	7,970,868	-
Amortisation of prepaid underwriting fee for debenture	310,868	-	310,868	-
	38,700,742	28,855,882	38,119,806	28,168,318

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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Change in inventories of finished goods and work in process	(16,053,698)	(1,275,223)	(5,888,470)	(4,572,773)
Raw material and consumables used	716,643,322	712,962,693	693,297,578	677,276,917
Staff costs	170,404,179	163,347,830	159,285,992	151,259,138
Depreciation and amortisation	38,929,640	32,286,527	32,112,465	24,980,383
Transportation expenses	6,464,863	21,708,274	5,951,913	21,483,621

35 Income tax

Reconciliations of income tax for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current income tax:				
Current income tax on taxable profit for the year	-	(9,798,250)	-	(9,798,250)
Adjustments over recorded income tax of prior year	1,439,106	458,813	1,439,106	458,813
Total current income tax	1,439,106	(9,339,437)	1,439,106	(9,339,437)
Deferred income tax				
Origination and reversal of temporary differences (Note 20)	(148,506)	(168,885)	78,210	(836,156)
Income tax (tax expense)	1,290,600	(9,508,322)	1,517,316	(10,175,593)
	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
(Loss) profit before tax accounting base	(92,578,822)	45,247,510	(70,918,339)	47,081,736
Tax calculated at a tax rate of 20%	18,515,764	(9,049,502)	14,183,667	(9,416,347)
Tax effect of:				
Expenses not deductible for tax purpose	(766,068)	(1,801,419)	(625,661)	(1,792,996)
Additional expenses deductible for tax purpose	1,080,230	1,027,121	1,080,230	1,027,121
Recognition of unrecognised deferred tax on loss	(18,792,036)	(452,184)	(14,560,026)	(452,184)
Written off deferred tax assets on tax loss carry forward	(193,186)	-	-	-
Temporary differences for which no deferred tax asset was recognised	6,790	308,849	-	-
Adjustments over record income tax of prior year	1,439,106	458,813	1,439,106	458,813
Income tax (tax expense)	1,290,600	(9,508,322)	1,517,316	(10,175,593)

36 Earnings (loss) per share

a) Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit (loss) attributable to equity holders of the parent (Baht)	(91,285,991)	35,739,347	(69,401,023)	36,906,143
Weighted average number of ordinary shares in issue during the year (Number of shares)	1,042,753,891	884,860,561	1,042,753,891	884,860,561
Basic earnings (loss) per share (Baht)	(0.0875)	0.0404	(0.0666)	0.0417

The Company recalculates basic earnings per share for the year ended 31 December 2015 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the number of issued and paid-up share capital was changed in consistent with the change in the number of issued and paid-up share capital from stock dividends during the year ended 31 December 2016.

b) Diluted earnings (loss) per share

The diluted earnings (loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares that are warrants (Note 28). For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of subscription right attached to outstanding share options. No adjustment is made to earnings.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit (loss) attributable to shareholders of the parent (Baht)	(91,285,991)	35,739,347	(69,401,023)	36,906,143
Weighted average number of ordinary shares outstanding (Shares)	1,042,753,891	884,860,561	1,042,753,891	884,860,561
Incremental shares from assumed conversion (Shares)	-	206,718,725	-	206,718,725
Weighted average number of ordinary shares for diluted earnings per share (Shares)	1,042,753,891	1,091,579,286	1,042,753,891	1,091,579,286
Diluted earnings (loss) per share (Baht)	(0.0875)	0.0327	(0.0666)	0.0338

As at 31 December 2016, the incremental shares from assumed warrant conversions should not be treated as dilutive as their conversion to ordinary shares would not increase loss per share to ordinary shareholders.

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.

As at 31 December 2016, Taweesaengsakulthai family together held 52.24% of shares of the Company. The remaining 47.76% of the shares are widely held.

As at 31 December 2015, Taweesaengsakulthai family together held 46.63% of shares of the Company. The remaining 53.37% of the shares are widely held.

37 Related party transactions (Cont'd)

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 14.

Relationship between company and related parties:

Company and party	Type of business	Relationships
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
Joint Venture JVCE	Installation of system for inspecting and tracing of Global Positioning System (GPS) for bus	Joint operations
Lekise & Cho Thavee Joint Venture	Installation of electric system and LED lighting	Joint operations
JVCKK Joint Venture	Building of shelter for offshore patrol vessels (OPVs)	Joint operations
JVOPV Joint Venture	Producing of blocks for offshore patrol vessels (OPVs)	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
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
CH. Ruamthavee (Laksi) Co., Ltd.	Trading of vehicles - retail	Common-shareholders and directors
Khon Kaen City Development (KKT) Co., Ltd.	Raise fund for mass transportation system construction in Khon Kaen	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 Nakhonpathom Ltd., Partnership	Trading and repair of truck and trailer and trading of spare parts	Common-partnerships
Volrep Truck and Bus Co., Ltd.	Trading of vehicles	Common-shareholders
Dongfeng Hangzhou Motor (Thailand) Co., Ltd.	Trading of vehicles	Common-shareholders
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Manufacture and trading of other chemical products and ethanol	Common-directors
Ubon Bio Ethanol Co., Ltd.	Manufacture of other chemical products and ethanol	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. Aussana Taweesaengsakulthai	-	The Company's shareholder

37 Related party transactions (Cont'd)

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

Type of transactions	Pricing policies
Contract revenue, revenue from sales and rendering of services	Agreed price
Purchase and sales of fixed assets intangible assets	Agreed price
Purchase of materials	Agreed price
Managements, rental and other income	Contract price and/or agreed price
Rental expense	Contract price
Interest income and interest expense	7% per annum

a) Related party transactions for the year ended 31 December 2016 and 2015

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Subsidiary				
Revenue from sale and rendering of services	-	-	2,774,079	4,131,469
Management fee income	-	-	2,566,800	2,566,800
Rental income	-	-	2,640,000	2,640,000
Interest income	-	-	4,515,373	3,863,962
Other income	-	-	1,273,449	1,487,929
Purchase of materials	-	-	(54,167,304)	(31,030,442)
Rental expense	-	-	(48,000)	(48,000)
Related parties				
Revenue from contract work	-	22,665,240	-	22,665,240
Revenue from sale and rendering of services	73,584	12,682,316	73,584	12,682,316
Management fee income	3,829,177	1,584,699	3,829,177	1,584,699
Rental income	360,000	360,000	360,000	360,000
Interest income	-	2,850,377	-	2,850,377
Revenue from sale on fixed asset	38,116	-	38,116	-
Other income	-	518,495	-	518,495
Purchase of materials	(118,623,012)	(76,512,917)	(118,623,012)	(76,512,917)
Rental expense	(252,000)	(252,000)	-	-
Other expense	(5,467,183)	(1,950,000)	(5,239,197)	(1,950,000)
Key management compensation				
- Short-term employee benefits	17,580,343	18,184,115	17,580,343	18,184,115
- Retirement benefits	675,462	370,535	675,462	370,535

37 Related party transactions (Cont'd)

- b) Outstanding balance arising from sale/purchases of goods and services and others as at 31 December 2016 and 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivable (Note 8)				
<u>Subsidiary</u>	-	-	977,744	78,144
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	-	37,609	-	37,609
Ruamthavee Khonkaen Co., Ltd.	27,692	-	27,692	-
Joint venture TSP-CTV	-	32,168,961	-	32,168,961
Doll Fahrzeugbau GmbH	-	15,865,668	-	15,865,668
Khon Kaen City Development (KKT) Co., Ltd.	128,400	-	128,400	-
Total	156,092	48,072,238	1,133,836	48,150,382
Interest receivable from subsidiary (Note 8)	-	-	-	348,389
Other accounts receivable (Note 8)				
<u>Subsidiary</u>	-	-	195,780	87,611
<u>Related parties</u>				
Volrep Truck and Bus Co., Ltd.	669	-	669	-
Joint venture TSP-CTV	910,886	4,210,776	910,886	4,210,776
Total	911,555	4,210,776	1,170,335	4,298,387
Advance payment (Note 8)				
<u>Subsidiary</u>	-	-	-	-
<u>Related parties</u>				
Joint venture TSP-CTV	10,950	2,887,912	10,950	2,887,912
Volrep Truck and Bus Co., Ltd.	-	650,400	-	650,400
Total	10,950	3,538,312	10,950	3,538,312
Trade accounts payable (Note 21)				
<u>Subsidiary</u>	-	-	11,170,947	1,035,126
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	284,300	3,151,006	284,300	3,151,006
Doll Fahrzeugbau GmbH	-	772,669	-	772,669
Ruamthavee Khonkaen Co., Ltd.	2,492,535	50,439	2,492,535	50,439
Volrep Truck and Bus Co., Ltd.	54,740	2,397	54,740	2,397
Tang Hua Singh Nakhonpathom Ltd. Partnership	112,954,550	-	112,954,550	-
Total	115,786,125	3,976,511	126,957,072	5,011,637
Other accounts payables (Note 21)				
<u>Subsidiary</u>	-	-	-	-
<u>Related parties</u>				
Khon Kaen Cho Thavee (1993) Co., Ltd.	-	30,000	-	30,000
Ms. Aussana Taveesangsakulthai	200,000	200,000	200,000	200,000
Total	200,000	230,000	200,000	230,000

37 Related party transactions (Cont'd)

- c) The movement of short-term loans to subsidiary for the years ended 31 December 2016 and 2015 comprises:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	-	-	58,600,000	25,500,000
Additions	-	-	24,963,762	58,500,000
Repayments	-	-	(12,639,465)	(25,400,000)
Ending balance	-	-	70,924,297	58,600,000

At 31 December 2016 and 2015, 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.

The fair values of short-term loans to subsidiary equal their carrying amount, as the impact of discounting is not significant.

38 Commitments

a) Forward foreign currency exchange contracts

At 31 December 2016 and 2015, the settlement dates on open forward contracts ranged between 1 month and 7 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

Foreign currency	Consolidated and Separate financial statements					
	Contract amount		Contract rate		2016 Baht	2015 Baht
	2016	2015	2016	2015		
Buying forward contract						
USD	100,000	-	35.65	-	3,565,000	-
EUR	154,202	-	38.11 - 38.91	-	5,920,242	-
CNY	300,000	-	5.06	-	1,517,182	-
Contract value					11,002,424	-
Fair value					11,001,708	-
Unrealised gain (loss) from financial instrument					(716)	-
Selling forward contract						
USD	417,455	-	35.66 - 35.86	-	14,962,927	-
EUR	309,616	220,201	39.50 - 39.68	38.78 - 39.49	12,255,812	8,624,747
Contract value					27,218,739	8,624,747
Fair value					26,619,004	8,731,114
Unrealised gain (loss) from financial instrument					599,735	(106,367)
Financial instrument assets (liabilities)					599,019	(106,367)

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 2016 and 2015 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 2016 and 2015, the bank guarantees issued on behalf of the Company were outlined below:

	Consolidated and Separate financial statements	
	2016 Baht	2015 Baht
Performance bond	102,447,703	325,614,439
Electricity	1,200,000	800,000
	103,647,703	326,414,439

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 2016 and 2015 the letter of credits issued on behalf of the Company were outlined below:

Consolidated financial statements				
	2016		2015	
	Foreign currency	Baht or Baht equivalent	Foreign currency	Baht or Baht equivalent
Unused letter of credits	EUR 236,966	9,036,980	EUR 481,200	19,151,524
	CNY 3,537,720	18,454,516	-	-
		-	JPY 10,000,000	3,027,560
		<u>27,491,496</u>		<u>22,179,084</u>
Separate financial statements				
	2016		2015	
	Foreign currency	Baht or Baht equivalent	Foreign currency	Baht or Baht equivalent
Unused letter of credits	EUR 236,966	9,036,980	EUR 481,200	19,151,524
	CNY 3,537,720	18,454,516	-	-
		-	JPY 10,000,000	3,027,560
		<u>27,491,496</u>		<u>22,179,084</u>

d) Operating lease commitments

As at 31 December 2016 and 2015, 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:

	Consolidated financial statements	Separate financial statements
	2016 Baht	2016 Baht
Due within the years ending		
31 December 2017	6,699,200	6,431,200
31 December 2018	2,919,700	2,919,700
31 December 2019	2,308,000	2,308,000
	<u>11,926,900</u>	<u>11,658,900</u>
	Consolidated financial statements	Separate financial statements
	2015 Baht	2015 Baht
Due within the years ending		
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>

e) Capital commitment

As at 31 December 2016, the Group has capital commitment in respect of construction of buildings and computer software installation amounting to Baht 8,255,612 (31 December 2015 : Baht 980,394).

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 separate 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 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 2016 and 2015 classified as sales under BOI and non-BOI promoted activities are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from activities				
BOI Promoted				
- Revenue from contract work	-	-	-	-
- Revenue from sales and services	-	-	-	-
Total	-	-	-	-
Non-BOI promoted				
- Revenue from contract work	926,160,095	972,726,577	915,477,124	919,491,006
- Revenue from sales and services	132,077,628	169,904,248	134,972,499	173,601,639
Total	1,058,237,723	1,142,630,825	1,050,449,623	1,093,092,645
	1,058,237,723	1,142,630,825	1,050,449,623	1,093,092,645

41 Post statement of financial position event

On 24 February 2017, the Board of Directors' Meeting agreed to propose the Annual General Shareholders Meeting to consider decrease in the registered share capital from 1,187,889,978 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 296,972,495 to 1,182,941,773 ordinary shares with a par value of Baht 0.25 per share, totalling Baht 295,735,444 by cancelling the remaining registered share capital for stock dividends and expired warrants for 4,948,205 ordinary shares at par value of Baht 0.25 per share, totalling Baht 1,237,051.



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