



บริษัท สุธากัญจน์ จำกัด (มหาชน)  
Golden Lime Public Company Limited



**SUTHA** ... doing better



รายงานประจำปี  
ANNUAL REPORT  
**2558**



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The Company has prepared the annual report 2015 with disclosure of the Company's policy, the operating results, regulations, and practices which the stakeholders should be aware. Each section will be described by the guidelines in the annual report (form 56-2) in order to clarify the Company's information by section in the above index.

Shareholders, investors, stakeholders, and interested person can learn more from the company's annual registration statements (form 56-1), as listed in [www.sec.or.th](http://www.sec.or.th) or [www.set.or.th](http://www.set.or.th) by searching the symbol "SUTHA" or the Company's website at [www.goldenlime.co.th](http://www.goldenlime.co.th)

If you have any feedback about this report, please contact the Company's secretary by email: [glmis@goldenlime.co.th](mailto:glmis@goldenlime.co.th) or phone number: 0 2961 8652-6.



Lime and other value-added products and minerals to enhance quality with fair pricing for various industries, To expand business opportunity abroad and domestic market in order to keep sustainable growth and predictable returns to the shareholder; To continuously research and develop new products, every day is better.







**Golden Lime (“Sutha”)** is committed to the following operation

- Producer of quality products with efficient cost and effective management. Good and sound marketing and application knowledge to satisfy customer requirement.
- Transparent management for good investment return for shareholders.
- Promotion of internal organizational loyalty and happiness at working atmosphere.
- Promotion of self-learning with continuous knowledge input to company personnels with “Doing Better” philosophy.
- Promotion of environment and surrounding ecosystem.
- Organization with stable and consistent growth.







## Message from the Chairman



On April 3<sup>rd</sup>, 2014, Golden Lime Public Company Limited became the first lime and calcium carbonate manufacturer and distributor to register with the Stock Exchange of Thailand.

We strived to expand our business continuously and stably, attend the kind of business which can enhance income and benefits for every one of our stakeholders. Building on proven business foundation, we are ready to tackle new challenges, ride the wave of new trends, and diversify into new, purposely chosen directions.

In this year of 2015, with a compelling strategic vision, the board of directors has issued a new vision and mission to be undertaken toward a crystal clear goal that shall be realized as our all of stakeholders to abide by and maintain intention to ensure the Company's stable and sustainable business.

However, the Board of director is determined to lead the Company into the sustainable organization under both good governance and corporate governance. In order to achieve such a goat, the Company urges all company's Stakeholders including the Company's Executive, Employee, Shareholders, Community society and Environment to carry out the business in line with the Company's good control policy. Meanwhile, under the good conscience the Company's business will definitely be moved forward for the benefits of all sectors.



Cherdkiat Monsereenusorn  
Chairman of the Board Directors  
14 August 2015



## Board of Director and Audit Committee



**Mr. Cherdkiat Monseereenusorn**  
Chairman of the Board of Director



**Mr. Sripop Sarasas**  
Chairman of the Audit  
Committee/  
Independent Director



**Mr. Kiatikul Monseereenusorn**  
Director and Chairman of the  
Executive Board and Managing



**Mr. Suvit Mapaisansin**  
Audit Committee/  
Independent Director



**Mr. Pucharit Monseereenusorn**  
Director, the Executive Board,  
Director and the Executive Board  
Assistant MD and Marketing



**Mr. Kitimethee Monseereenusorn**  
Director and the Executive Board



**Mr. Bowon Vongsinudom**  
Audit Committee/  
Independent Director  
Date of Join 26 February 2016



**Mr. Suvait Teeravachirakul**  
Audit Committee/  
Independent Director  
(Tenure until 15 December 2015)

**Message from Managing Director**

In 2015 the Executive guideline of the management team were concentrated in order to be reduce the production cost and various expenses. As for the production, the Company focuses on process and supervision so that it can standardize the products as needed by the customers. Meanwhile the products must then be efficiently used; The Company also requires the sales department to sell its major products as the imported amount of lime is decreased in order to lower the production cost. As for the company's sales policy, it encourages both marketing department and sales department to evaluate and study different factors so as to enhance and develop the management before delivering products to its customers. Besides, both departments are required to understand customers and inform them how to use the products. They must also deeply understand the product qualities as needed by the customers so that the products can then be developed in line with the market's needs.

As for the financial management, it requires that the payment and reimbursement be made on schedule and the company is to control reimbursement; the cash flow and debt-equity ratio in order to maintain liquidity.

The Executives also seek for the chance of business expansion aiming to process various minerals and add values for the business. In order to achieve such a goal, a reaching team has been sent to survey economic mineral that can be processed and sold.

Above all, the company will strictly adhere to the philosophy as follow,

**Quality Lime**

Setting the guideline of operation so that the production of lime, which is the main product, is of quality for customers in various industries.

**Green Technology**

Developing the lime ignition technology and production process that is environmentally friendly with the focus on the management to reduce the use of energy or use the energy and available resource efficiently to create maximum benefit

**Environmental Friendly**

Focusing on the operation and activities that are environmentally friendly and promoting the environmental conservation activities such as afforesting or constantly growing trees in the place of operation as well as adapting the application of various environmentally friendly materials and equipments that can reduce the use of production.

**Social Responsibility**

Developing various activities according to the Corporate Social Responsibility policy established by the Board of Directors, The main topics including "Running the business with fairness", "Anti-corruption", "Respect for human right", "Behaving towards labors with fairness", "Responsibilities towards consumers", "Environment protection", "Community and social cor-development", "Innovation and its dissemination".

**Kiatikul Monsereenusorn**

Managing Director

13 August 2015





### Executive Committee



Mr.Pucharit  
Monsereenusorn  
Executive Committee  
Assistant Managing Director  
Acting Head of Sales and marketing

Mr.Kititmethee  
Monsereenusorn  
Executive Committee

Mr.Kiatikul  
Monsereenusorn  
Chairman of Executive committee  
Managing Director



Ms.Amornpan Suwanrat  
Accountant and Budget Manager



Mr.Watcharin Pongkua  
Plant Manager



Mr.Panya Srisapa  
Kiln Manager



Ms.Pornsuee Mayunpong  
Human of Resource and  
Social Responsibility



Ms.Thidarat Sihawanlop  
Office Manager  
Company secretary and  
Secretary of Audit Committee



## General Information

**Corporate Information**

Company Name : Golden Lime Public Company Limited

Business : Manufacturer and distributor of 1) Lime (Calcium Oxide and Calcium Hydroxide) 2) Calcium Carbonate 3) Trading Products and services and 4) Sales of equipment and machines.

Registration Number : 0107556000248

Location of Head Office: 8/222 Moo 3, Srisamarn Soi 2 Road , Banmai , Pakkred , Nonthaburi 11120

Telephone : +66(0) 2961 8652-6

Fax : +66(0) 2961 8650-1

Website : <http://www.goldenlime.co.th>

**Factory Location**

Branch 1 : 61 Moo 1 , Phaholyothin Road, Nha-Pralarn , Chalerm-Prakiat , Saraburi 18240

Branch 2 : 7 Soi 11 Sai 3 Moo 12 , Saraburi lomsak-saimai , Chongsarika , Pattananikom , Lopburi 15220

Branch 3 : 111 Moo 11 , Huai Pa Wai, Prabuddhabaht , Saraburi 18120 (In process to building Factory)

Listing Date : As at 3<sup>rd</sup> April 2014 Symbol "SUTHA"

Listing Securities : 300,000,000 Common shares with a par value of THB 1 per share totaling THB 300,000,000

Capital : As at 31<sup>st</sup> December 2015

Registered Capital :

Common Shares THB	300 Million (300 million shares)
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Paid-up Capital :

Common Shares THB	300 Million (300 million shares)
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**Reference Parties**

**Securities Registrar**

Company Name : Thailand Securities Depository Co., Ltd.  
Company Address : The Stock Exchange of Thailand Building  
93 Rajadapisek Road,  
Dindaeng, Bangkok 10400  
Telephone 0-2009 9385 Fax 0-2009 9476

**Auditor**

Company Name : EY OFFICE LIMITED  
Auditor : Mrs Gingkarn Atsawarangsalit, Certified Public Accountant No. 4496  
or  
Ms.Pimjai Manitkajohnkit, Certified Public Accountant No. 4521  
or  
Mr.Chayapol Suppasertanon, Certified Public Accountant No. 3972  
or  
Ms.Sumana Punpongsanon, Certified Public Accountant No.5872

Company Address : 33<sup>rd</sup> Floor Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klong Toey , Bangkok 10110  
Telephone 0 2264 9090 Fax 02 264 0789

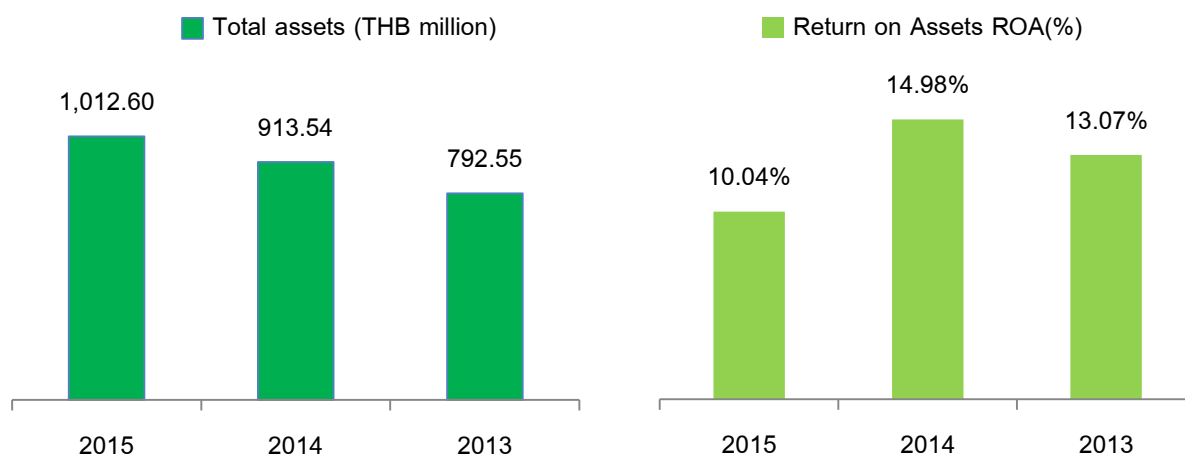






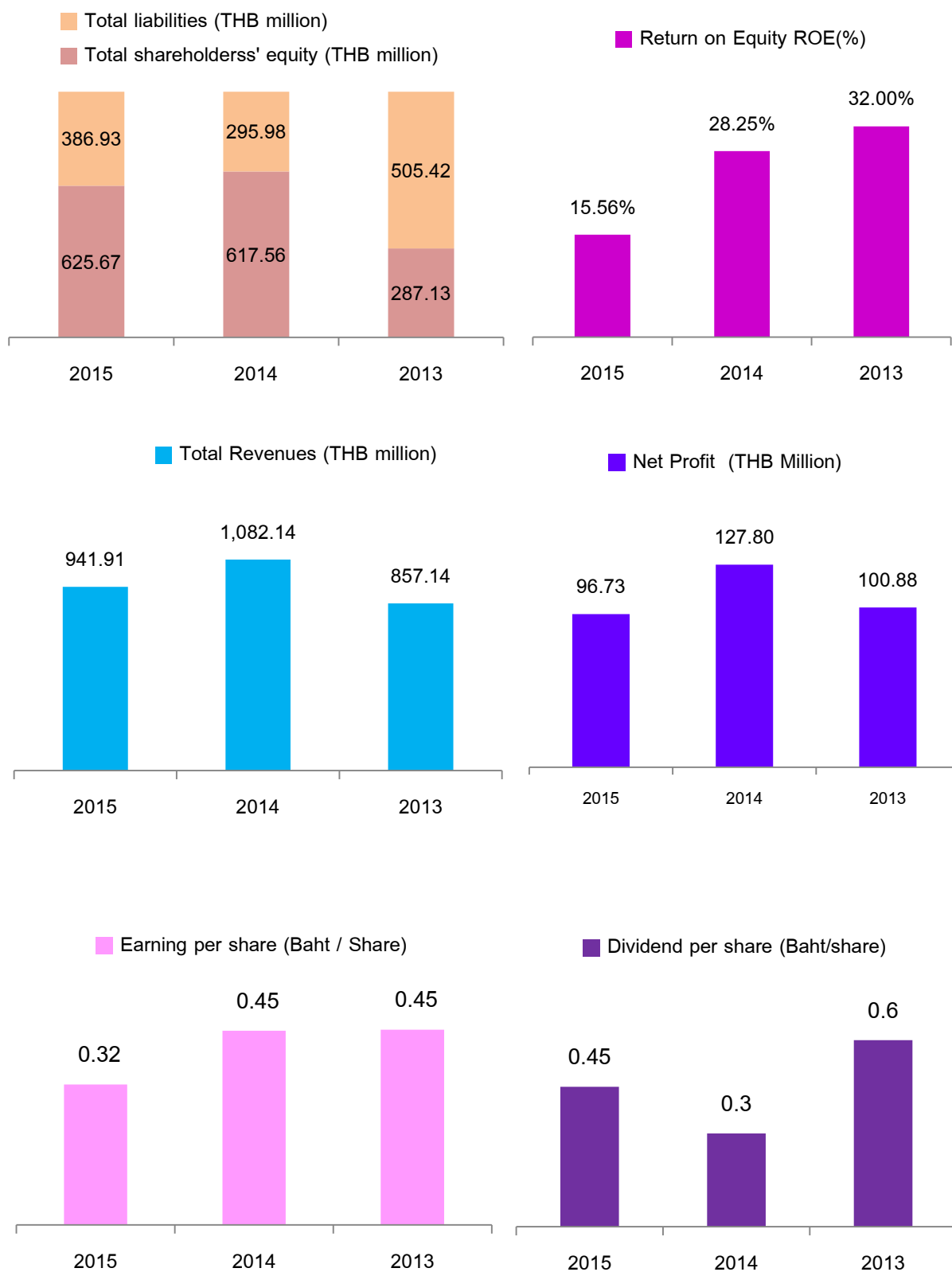
## Financial Data

Financial Highligh	Year		
	2015	2014	2013
Total assets (THB million)	1,012.60	913.54	792.55
Total liabilities (THB million)	386.93	295.98	505.42
Total shareholders' equity (THB million)	625.67	617.56	287.13
Weighted average number of ordinary shares (shares)	300.00	300.00	225.00
Total Revenues (THB million)	941.91	1,082.14	857.14
Net Profit (THB Million)	96.73	127.80	100.88
Earning per share (Baht / Share)	0.32	0.45	0.45
Return on Assets ROA(%)	10.04%	14.98%	13.07%
Return on Equity ROE(%)	15.56%	28.25%	32.00%
Net Profit Margin (%)	10.27%	11.81%	11.77%
Number of Share (Million share)	300	300	225
Par value (Baht/share)	1	1	1
Dividend per share (Baht/share)	0.45	0.3	0.6





## Financial Data





## Financial Data

Ratio	Audited		
	Yearly Report End December 31		
	2015	2014	2013
<b>1. Liquidity ratio</b>			
Current Ratio (Times)	1.53	2.00	0.88
Quick Ratio (Times)	0.84	1.23	0.66
Cash Flow Liquidity Ratio (Times)	0.70	0.48	0.74
Accounts Receivable Turnover Ratio (Times)	6.37	7.70	5.94
Average Collection Period (Days) <sup>3/</sup>	57	47	61
Inventory Turnover (Times)	58.88	101.14	116.19
Sales Turnover Ratio (Days) <sup>1/3/</sup>	6	4	3
Account Payable Turnover (Times)	6.20	10.09	10.29
Average Payment Period (Days) <sup>3/</sup>	59	36	35
Cash Cycle (Days) <sup>3/</sup>	122	87	100
<b>2. Profitability ratio</b>			
Gross Profit Margin (%)	31.84%	33.92%	38.60%
Operating Profit Margin (%)	10.43%	11.94%	11.85%
Operating Cash Flow to Operating Profit(%)	195.86%	116.89%	233.99%
Net Profit Margin (%)	10.27%	11.81%	11.77%
Return on Equity (%) - ROE	15.56%	28.25%	32.00%
<b>3. Efficiency ratio</b>			
Return on Assets (%) - ROA	10.04%	14.98%	13.07%
Return on Fixed Assets (%) - ROFA	39.60%	49.96%	40.50%
Asset Turnover (Times)	0.98	1.27	1.11
<b>4. Financial policy ratio</b>			
Debt to Equity Ratio (Times)	0.62	0.48	1.76
Net interest bearing debt to Equity Ratio (Times)	0.37	0.30	1.41
Interest Coverage Ratio (Times)	24.06	9.01	9.31
Operating Cash Flow to Total Cash Outflow Ratio (Times)	2.50	2.34	2.99
Dividend Payout Ratio (%) <sup>2/</sup>	93.05%	52.82%	156.13%

Note : 1/ Calculate based on finish goods only

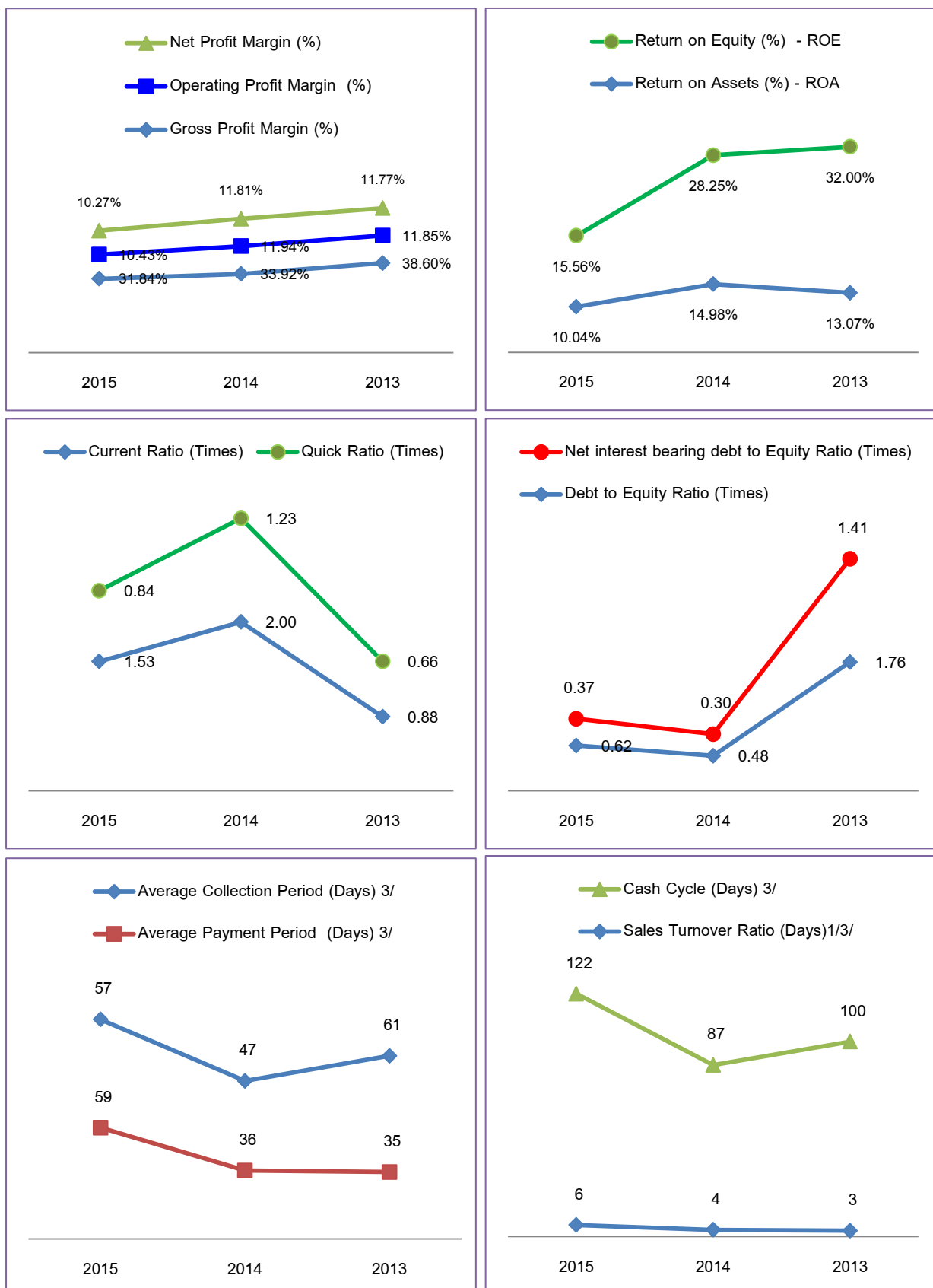
2/ Dividend Payout ratio of the year is calculated from the amount of dividend paid in the account period compare by the net profit same the account period

3/ In 2015 the Company change the formula for calculate of ratio had unit days by used day per years from 360 day per year to 365 days per year.





## Financial Data





## Business Operations

### Overview of the company's operations

SUTHA engages in manufacturing and distribution of 1) Lime (Calcium Oxide and Calcium Hydroxide) 2) Calcium Carbonate 3) trading products and other products and services, and 4) sales and installation of machineries and equipment. Lime is widely used in production process of various industries, for example, steel, pulp and paper, mining, sugar, construction, and chemical industries. For Calcium Carbonate, it can be used as filler and/or extender in plastic and rubber industries. The Company supplies lime and Calcium Carbonate for both domestic and oversea customers.

The Company has 2 factories located in Chongsarika Sub-district, Lopburi and Napralan Sub-district, Saraburi. SUTHA has 6 kilns for burnt lime operating 24 hours a day, with a production capacity of 900 tons/day (328,500 tons/day quicklime capacity). Kilns are automatically controlled by modern computerized system and closely monitored by experienced and skilled staffs. The Company's products and services can be divided into 3 categories as follows:

#### 1) Lime Product

##### 1.1) Calcium Oxide (CaO) or Quicklime

Quicklime is derived from burning limestone, containing mostly Calcium Carbonate ( $\text{CaCO}_3$ ), at approximately 900 degree Celsius. Limestone turns into Calcium Oxide (white-burnt limestone sized 1.5-4"). A lump of quicklime can be ground into smaller size as pebble or powder. The Company supplies quicklime in the form of lump, pebble and powder depending on customers' specific needs.

##### 1.2) Calcium Hydroxide ( $\text{Ca(OH)}_2$ ) or Hydrated Lime

Hydrated Lime is a continual production process from quicklime production. Burnt lime (Quicklime) is ground and treated with water ( $\text{H}_2\text{O}$ ). After a chemical reaction (Quicklime and water), Calcium Hydroxide is derived, in a powder form.

#### 2) Calcium Carbonate ( $\text{CaCO}_3$ )

Calcium Carbonate is the product resulting from grinding calcite (with high degree of whiteness) into very small particles. The Company supplies as Uncoated Calcium Carbonate or Coated Calcium Carbonate (Uncoated Calcium Carbonate coated with stearic acid).

#### 3) Trading products and other products and services

Trading products for domestic and oversea customers comprise of trading of lime and Calcium Carbonate products, burnt dolomite and chemicals used in industries, and coa (the type that SUTHA uses as fuel currently). In addition, the Company provides grinding services to customers.

#### 4) Sales and installation of machinery and equipment



## Business Operations

The Company sells, assembles and installs machineries and equipment relating to production of lime, including lime kilns, Calcium Oxide conveyance systems, fuel burning parts, etc. as well as providing advisory services to clients on procurement, installation, production and maintenance of equipment and machineries.

## Revenue Structure:

Revenue of the Company for period end of December 2015 has detail follow below:

Revenues of the Company's structure	2015	2014	2013
<b>1. Revenue from sales of goods and services</b>	<b>927.18</b>	<b>1,070.76</b>	<b>850.98</b>
LIME (Calcium Oxide and Calcium Hydroxide)	<b>756.31</b>	<b>849.71</b>	<b>762.89</b>
- Domestic	664.99	773.38	682.76
- Export	91.33	76.33	80.13
Calcium Carbonate	<b>52.98</b>	<b>50.78</b>	<b>47.52</b>
- Domestic	51.01	47.25	45.90
- Export	1.97	3.53	1.62
Trading Products Group	<b>101.08</b>	<b>112.61</b>	<b>39.91</b>
- Domestic	26.54	100.42	39.72
- Export	74.54	12.19	0.19
Machine and Equipment trading and service	<b>16.8</b>	<b>57.66</b>	<b>0.67</b>
2. Foreign exchange gain (loss)	4.74	1.51	1.31
3. Other revenue 1/	9.99	9.87	4.85
<b>Total revenue</b>	<b>941.91</b>	<b>1,082.14</b>	<b>857.14</b>

Remark: <sup>1/</sup>Other Revenue include rental fees, interest, and gain from sales of properties, Engineering Consult including scab in production process, etc.



**Business Operations****Appearances of products and services**

The Company supplies lime and Calcium Carbonate for both domestic and overseas customers. Categories as follows:

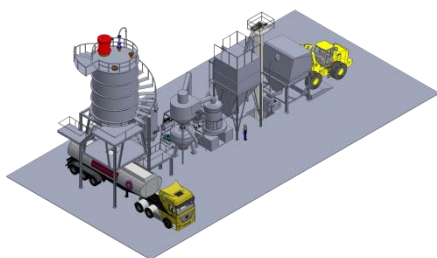
- 1) Lime
  - 1.1) Calcium Oxide (CaO) or Hot Lime

Calcium Oxide is obtained by burning limestone, a sedimentary rock that consists mostly of calcium carbonate ( $\text{CaCO}_3$ ), to a temperature beyond the melting point of the carbonate until carbon dioxide ( $\text{CO}_2$ ) gas is released. This burning process is called calcination. Our lime production burns limestone at 900° Celsius for 18 hours in a closed system, obtaining 1.5 to 4 inch white particles consisting of 85% or over CaO and some magnesium oxide (MgO) and ferric oxide ( $\text{Fe}_2\text{O}_3$ ). Being alkaline (pH 12.2), they react violently with water releasing a large amount of heat. At the end of the reaction, only a few small cores are left.

The composition of calcine limestone—such as available CaO, MgO,  $\text{Fe}_2\text{O}_3$ ,  $\text{SiO}_2$ , and moisture content—as well as its properties—such as the amount of small cores remained after reaction with water, reactivity, and particle size—vary depending on raw material, burning fuel, and burning procedure and technique.

We deliver lime of the following sizes: medium-sized (1.5-4 inches), small-sized (0.1-10.1 millimeters), and finely-ground (100-200 mesh). The small-sized and finely-ground lime products are obtained from grinding medium-sized lime particles with a grinder to the desired size. All products are either put into packages or transferred directly to transport vehicles that deliver them to customers, branded as 'Rhinoceros' or 'Mountain'.

**Chemical reaction:  $\text{CaCO}_3 + \text{heat} \rightarrow \text{CaO} + \text{CO}_2$ .**

**Kiln****Quicklime - Lump****Quicklime - Pebble****Grinding Plant****Quicklime - Powder**



## Business Operations

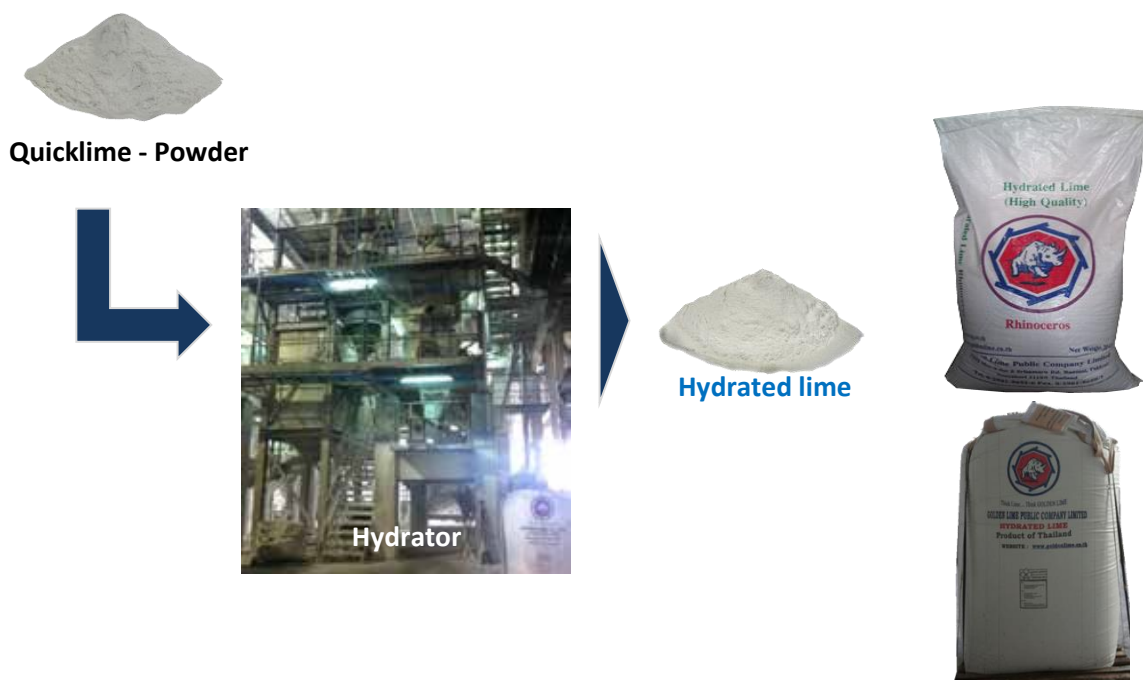
1.2) Calcium Hydroxide ( $\text{Ca}(\text{OH})_2$ ) or Hydrated Lime

Calcium hydroxide or hydrated lime are products of a chemical reaction between ground  $\text{CaO}$  and water. They are produced in a mixture tank, ground into powder (170-230 mesh), then put into packages or transferred to bulk trucks, and delivered to customers branded as 'Rhinceros' or 'Mountain'.

The composition and properties of the product, such as available  $\text{Ca}(\text{OH})_2$ ,  $\text{MgO}$ ,  $\text{Fe}_2\text{O}_3$ ,  $\text{SiO}_2$ , moisture content, and particle size, vary depending on hot lime raw material, reaction with water, and production process.

**Chemical reaction:**  $\text{CaO} + \text{H}_2\text{O (water)} \rightarrow \text{Ca}(\text{OH})_2 + \text{heat}$ .

Packing: Bag and truck bulk



The product line provides various types of quality lime to meet the wide ranging and ever growing needs of our customers that Golden Lime Public Company Limited is currently serving.

Industry	Usage
Steel	- Fluxing agent for steel purification
Chemicals	- pH regulator - Filtering aid - Waste water treatment
Sugar	- Filtering aid - Refining agent
Pulp & Paper	- Caustic zinc agent - Waste water treatment

**Business Operations**

Industry	Usage
Mining	<ul style="list-style-type: none"> <li>- Caustic zine agent</li> <li>- Filtering aid</li> <li>- Depressant in ore floatation</li> <li>- pH regulator</li> <li>- Waste water treatment</li> <li>- Cyanidation of ores</li> </ul>
Agriculture	<ul style="list-style-type: none"> <li>- Adjusting pH in soli/water</li> <li>- Waste water treatment</li> </ul>
Construction	<ul style="list-style-type: none"> <li>- Asphalt paving ant-stripping agent and additive</li> <li>- Autoclaved Aerated concrete (AAC)</li> <li>- Mixture in soil stabilization</li> <li>- Cement/Brick</li> <li>- Glass manufacturing</li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>- Water softening</li> <li>- pH regulator</li> <li>- Purification</li> <li>- Sludge conditioning</li> <li>- Waste water treatment</li> </ul>
Waste Water Treatment	<ul style="list-style-type: none"> <li>- Waste water treatment</li> <li>- Filtering aid</li> <li>- pH regulator</li> </ul>

**2) Calcium Carbonate (CaCO<sub>3</sub>)**

Calcium Carbonate produced by the grinding process Calcite (sand size) into powder. Calcite is also the most stable among the rock forming minerals with CaCO<sub>3</sub> structure. It is glassy luster, transparent to translucent, white or colorless.

The Company produced two types of calcium carbonate production, which are coated and uncoated form, approximately 1.5 to 4.0 microns. The uncoated calcium carbonate has been processed by grinding calcite (sand size) and screening the specific size, then packing for sale. For the coated calcium carbonate, it has been processed by grinding calcite (sand size) and coating with the stearic acid, then packing for sale. Calcium carbonate can be used in the various industries; for example, as a filler and extender in paint, rubber, plastic, PVC, paper industries, or used as an ingredient in toothpaste, detergents, drugs, unshielded telephone cable, insulated wire, pen, eraser, gloves, glasses, etc., distributed domestically and internationally under the registered rhinoceros trademark.



## Business Operations

Calcium Carbonate (COATED)



Calcium Carbonate (UN COATED)



Industry	Usage
<b>Pipe and PVC</b>	Uses as a filler to improve the following plastic properties: <ul style="list-style-type: none"> <li>- Sheen and shine</li> <li>- Electrical resistance</li> <li>- Compression force resistance</li> <li>- Shrinkage</li> <li>- Temperature and humidity resistance</li> </ul>
<b>Pulp &amp; Paper</b>	<ul style="list-style-type: none"> <li>- Increases pulp opacity</li> <li>- Enhances pulp consistency and homogeneity</li> <li>- Improves printing and ink-absorbing properties of paper</li> <li>- Enhances pulp and paper structure by filling in the spaces inside it</li> <li>- Improves water-draining property, essential during production process</li> <li>- Reduces needed energy to dry paper because it holds less water since calcium carbonate takes up space inside it</li> </ul>
<b>Rubber</b>	<ul style="list-style-type: none"> <li>- Improves rubber electrical resistance</li> <li>- Enhances compression force resistance</li> </ul>
<b>Ink and Paint</b>	<ul style="list-style-type: none"> <li>- Improves ink and paint consistency and homogeneity</li> </ul>
<b>Animal Feed</b>	<ul style="list-style-type: none"> <li>- Raw material for animal food supplement pellets</li> </ul>

**3) Trading products and other products and services**

Trading products for domestic and oversea customers comprise of trading of lime and Calcium Carbonate products, burnt dolomite and chemicals used in industries , and coal (the type that SUTHA uses as fuel currently). In addition, the Company provides grinding services to customers. In 2015, the amount of raw material supply that we used and the amount of burned dolomite product that we sold to foreign steel-industry customers are increasing steadily



## Business Operations

### 4) Sales and installation of machinery and equipment

The Company sells, assembles and installs machineries and equipment relating to production of lime, including lime kilns, Calcium Oxide conveyance systems, fuel burning parts, etc. as well as providing advisory services to clients on procurement, installation, production and maintenance of equipment and machineries.

In 2015 we are in the process of finishing the installation of new project equipment at a customer site in Indonesia, which is expected to be fully operational in 2016. On top of that, a new customer has issued an L/C for new project equipment.







## Business Operations

### Objectives of Business Operation

1) The Company is determined to maintain its leading role for the production business and distribution of lime and calcium carbonate in order to create the satisfaction for customers by producing and distributing the goods that are of quality and meet the needs of each industry at reasonable price and by providing the suggestion about the usage of products that are suitable for the production process of the customers. The Company also aims to maintain its industrial competitiveness, become one of the leaders in terms of revenue from selling and production capacity.



Last year, the Company aimed at improving product quality to meet customers' needs in all industry segments, each industry can effectively execute its product allocation. Moreover, the Company also focused on controlling costs and expenses, freight and logistics management, effective on-time product delivery with potential costs and expenses of selling and delivering in order to offer competitive price in the downward trend of oil price which unable to raise price. In addition, to maintain the existing level of market share and expanding it for the Company's future goals, product development process should be planned to meet customer needs continuously, and costs of production and distribution should be managed for appropriately returning profits for stakeholders involved. We also aim to expand both of our domestic and foreign customer bases this year, focusing on customers who are producers or distributors themselves, as well as to specially boost sales from chemical-industry customers who we are keen on serving.



2) Lastly, we aim to expand our product lines for both domestic and foreign customers. We have begun to achieve this aim early this year: having sold our lime furnace parts and delivering them to a customer in Indonesia and having initiated a new barite production (from barium sulfate) project. Barite is widely used in many industries and we intend to make it one of our main products that we will be offering in the near future.



## Risk Factors

At present, the Company has analyzed various risk factors that may affect the Company's business operations. While the identified risk factors have not yet had material impact on the current business operation of the Company, they are presented for shareholders in order to exercise prudence in such matters. In addition, the information is presented as a Forward Looking Statement and uses language such as "believe", "expect", "plan to", "intend to", and "approximate". The presented business, industry, performance and other operational forecasts are expectations of events that may happen in the future, and therefore may vary materially from our forecast and speculation.

### 1 Business Risks

#### 1.1 Risk Relating to raw materials

The main raw material in lime production is limestone. At present, the Company procures limestone from suppliers holding concessions to operate limestone quarries in nearby areas e.g. Saraburi and Lopburi, which can provide the required quality limestone. Limestone purchase accounted for 47.05 percent of the total purchases in production. During 2015-2013, the Company purchased limestone of the total purchases as 47.05, 30.77 and 39.88 respectively from around 6-10 suppliers, with continuous procurement with some supplier for more than 3 years despite lack of any contractual obligations.



However, the Company can neither guarantee nor forecast whether it can continue to buy limestone in the quantity and quality that will ensure sufficient production, which may affect the Company's costs. On the other hand, the Company has never encountered a situation where it is lacking in limestone supply. Furthermore, the Company has an inventory and budgeting controlling system that keeps a minimum stock of limestone for use enough around 1-3 months.

The Company sends out a geologist team along with the quality assurance team to survey and collect limestone samples for quality testing both from present and potential supply sources. With the Company's 10-year experience in limestone calcinations, it can utilize limestone from different sources to deliver lime quality which meets its customers' needs.





## Risk Factors

In 2013, the Company started developing the lime production technology by using undersized limestone which was the limestone with 0.75-1.5 inches in size. In the normal production process, the system would sort the limestone that was smaller than 1.5 inches out of the production process. This undersized limestone that was smaller than 1.5 inches would be regarded as the waste from the production process. Originally, this undersized limestone that had to be sorted out of the production process and was regarded as the waste from the production capacity was at 15% and the Company collected and stored this undersized limestone. In 2013, the Company improved the production process and conducted the experiment by using one kiln and selecting the limestone that was between 0.75-1.5 inches in size (in the normal production process, limestone material to be used in the production was between 1.5-4 inches in size), and the production was experimentally operated during March – June 2013. The result of the experiment showed that the mentioned undersized material could be used in the production but the Company must be improving increase some machine that could be continues producing.

Therefore, in 2014, the Company invested in the installation of screening system for selecting the undersized limestone that has sufficient capacity for daily production. Such project was completed and the Company has started producing lime by using undersized limestone used 1 kiln in June 2014. Although the Lime production can used the Undersized limestone to produced that is of quality with lower production cost but had limited of the capacity per day can be produce only 125 ton per day per kiln such decreased 25 ton per day per kiln. However, the production as above is the benefit worthwhile to use of resource and managements to reduce the risk of shortage of limestone a certain level.

In 2015, the Company provides an approach to raw material risk management by selecting and making sales contracts with qualified limestone suppliers. Such suppliers shall regularly deliver limestone that allows the Company to prevent insufficient limestone supply in production process.

Guideline for sustainable management of raw materials is also provided in order to support the ASEAN Economic Community (AEC), which member countries are from Southeast Asia. There are ten member countries of AEC, including Thailand, Myanmar, Malaysia, Indonesia, Philippines, Singapore, Vietnam, Laos, Cambodia and Brunei.





## Risk Factors

In practice, the Company has sent explorers and geologists to search for sources of raw materials, including minerals and limestone in neighboring countries such as Laos, Myanmar, Vietnam, Indonesia, etc. This helps the Company prepare itself and find opportunities or possibilities of doing business as well as find partners in each country for the future. In addition, there are also opportunities and channels to expand their production to neighboring countries, which will be an alternative limestone sources for the Company as well.

### 1.2 Risk relating to fuel price and supply

At present, the Company procures coal for use in its production from 2 abroad suppliers. The current has made long-term purchase contracts with a certain supplier in order to fully cover annual quantity fuel usage at an agreed price in order to limit the risk of fuel shortage and price volatility. Additionally, to prevent risk of delay of fuel shipment from overseas, the Company has prepared fuel reserves with inventory management which will satisfy the Company's usage requirement for no less than 3 months.

### 1.3 Risk relating to environment and personnel safety

Due to the nature of the Company's operation, there may be adverse effects to the surrounding environment or to the safety of its personnel. The Company is under the supervision of the Department of Industrial Works, Ministry of Industry, meaning that it must follow environmental laws and regulations, including the disposal of waste or unused materials, the regulation of factory exhaust air, submitting reports on the types and volumes of pollutants that are emitted from the factory, etc. The aforementioned regulations may be subject to changes or additions in the future.

In any case, the Company places great importance on managing its environmental impact in order to adhere to the laws and controls its production process to be within the specified environmental standard parameters. The Company has specified health, safety and environmental policies, including selecting production technology and processes; designing, implementing and defining operating procedures; building a culture of safety; performing environmental risk analysis as well as improving and developing an aggressive environmental management system; and reducing environmental impact to stakeholders. The Company has implemented pollution control for its production process by installing dust control, and installing control systems of smoke, gas and



**Risk Factors**

smell that are generated from the calcination process. The Company has a water treatment and recycling facility in the production process as well as having environmental checks in the areas around the factory. Since establishment, the Company never has not had any significant disputes or received any complaints either from the public or from a government unit. Either way, due to the complexity of and potential changes to the aforementioned regulations, the Company cannot guarantee that it will not receive any complaints regarding the environment in the future, and if an impact or a complaint arises, the Company may be subjected to additional expenditures in order to address such problems.

**2. Financial Risks****2.1 Risk relating to exchange rates**

At present, the Company has purchased fuels from overseas and also exported goods, using the USD as the primary currency. In 2015-2013, the costs of importation of fuels, including import taxes, freight and other shipping costs, amount to 27.96, 48.22 and 29.98 percent of total purchases, and the revenue from exports in foreign currencies amounts to 8 percent of total revenues in 2015. By buying fuels from abroad, the Company is exposed to a 30-day exchange rate fluctuation risk, which is the amount of time from when the debt is incurred to the Company's account in foreign currency to when financial institutions settle with the Company's supplier on behalf of the Company (via trust receipts) and the debt is converted into THB. Towards the establishment of the ASEAN Economic Community (AEC), which promotes free flow of foreign capital, this may result in increased volatile currency exchange rates and potential risk in exchange rate.

In any case, the Company maintains its assessment on foreign currency risk, closely monitors the movement of the USD against the THB and continuously studies ways in which such risks could be mitigated. This is done via consultations with partner banks. Up until now, the Company has never been materially affected by exchange rate volatility. In 2015-2013 the Company has gain on foreign exchange amount to 4.74 THB million, 1.51 THB million and 1.31 THB million respectively.





## Risk Factors

### 2.2 Risks relating to interest rates

The Company has interest-bearing debt-to-equity ratios of 0.37 , 0.30 and 1.41 at the end of 2015, 2014 and 2013 respectively. In 2015, total debt has increased and shareholders' equity has increased due from increasing capital, share premium and retain earnings. Furthermore, interest rates of the Company's short- and long-term institutional borrowings are floating, and hence if institutions decide to adjust their interest rates upwards, the Company's interest burden will also increase respectively, which would adversely affect the Company's profits and returns to shareholders. However, the Company manages the interest rate risk by appropriately allocating fixed-rate and floating-rate debts and constantly monitoring interest rates.

## 3 Management Risks

### 3.1 Risk from having major shareholders influencing the Company's policies

As of 28 August, 2014, the family of Mr. Kiatikul Monsereenusorn altogether holds 69.18 percent of the paid-up capital of the Company, and Mr. Kiatikul Monsereenusorn holds the position of managing director of the Company. Therefore, the Company and/or its shareholders may be exposed to the risk that Mr.Kiatikul Monsereenusorn's family can heavily influence managing policies one way or another, as the family controls almost the entirety of the votes of shareholders and also has control over policies and management decisions of the Company. The other shareholders may not have sufficient votes to ensure checks and balances on the matters proposed by Mr. Kiatikul Monsereenusorn's family's to the shareholders' meeting.

However, the Board of Directors of the Company focuses on operating with fairness and transparency and have issued a Good Corporate Governance policy, and appointed Independent Directors to the Audit Committee to provide check and balance and approve any issues before being proposed at shareholders' meetings, in order to ensure transparency of the Company and avoid transactions that may cause potential conflicts of interest.





#### 4. ASEAN Economic Community - AEC Impact of Business Risks

The ASEAN countries have made an agreement and commitment to AEC, with the AEC Blueprint which is the master plan, identifying economic integration measures, that guides ASEAN towards achieving an AEC by 2015. AEC Blueprint consists of four key pillars based on the ASEAN's goal of regional economic integration under the declaration of Bali Concord II, includes:

1) **A single market and production base.** Allow free flow of goods, services, investment, capital and skilled labor, as well as promote the priority integration sectors.

2) **A highly competitive economic region.** Give priority to the economic integration of ASEAN such as competition policy, consumer protection, intellectual property rights, e-commerce, taxation, and infrastructure development (finance, transport, information technology and energy).

3) **A region of equitable economic development.** Promote the economic integration of the member countries, reduces a *capability* performance *gap* through the initiative for ASEAN Integration (IAI). This helps narrow the economic development gap.

4) **A region fully integrated into the global economy.** Focus on the coherent approach towards external economic relations and enhanced participation in global supply networks.

The progression of the ASEAN Economic Community or AEC in June 2015 reported by Economic Division, Department of ASEAN Affairs, is the adoption of the ASEAN Comprehensive Investment Agreement (ACIA). It determines to advance the free flow between the member countries which are Thailand, Myanmar, Malaysia, Indonesia, Philippines, Singapore, Vietnam, Laos, Cambodia and Brunei and provides the national treatment to the agreed five sectors of agriculture, forestry, fishing, mining and manufacturing, including provides the protection, promotion and facilitation of investment in such sectors. The ASEAN Comprehensive Investment Agreement (ACIA) has been effective on March 28<sup>th</sup>, 2013 with the period of 12 months for modification of reservations.

The company has analyzed the impact of trade liberalization policies of the AEC, which may affect the business result, by studying in the final report – project on the study of impacts of ASEAN Economic Community on SME Entrepreneurs in High Impact Sectors of the Thai Economic System.



## Risk Factors

According to table 86, describes the countries that Thailand should become a strategic partner. Such data are summarized below.

Country	Foreign Investment in Thailand	Production Relocation to Foreign Countries	Labor	Material	Technology and Innovation	Transport and Logistics	Market and Domestic Demand	Service	Research and Development
AEC Member Countries	Brunei			✓			✓		
	Indonesia	✓	✓	✓			★		✓
	Cambodia	✓	★	✓		✓	★	✓	
	Laos	★	★	✓			✓		
	Malaysia	✓		✓		✓	★	✓	✓
	Myanmar	✓	★	✓		✓	✓		
	Philippines	✓	✓	✓			★		
	Singapore					★	★	★	
	Vietnam	★	★	✓		✓	★	✓	
Non-member countries	China	✓		★	✓	✓	★	✓	✓
	Korea	✓		✓	★	✓	★	✓	✓
	Japan	✓		✓	★	✓	★	✓	★
	Australia	✓		✓	✓		★	✓	
	New Zealand			✓			★	✓	
	India	✓	✓	✓	✓		★	✓	
Note: ** ★ refers to more than 4 of 6 industry groups that Thailand should become a strategic partner with a member country.									

**Source:** The final report: project on the study of impacts of ASEAN Economic Community on SME Entrepreneurs in High Impact Sectors of the Thai Economic System, by the Office of SMEs Promotion (OSMEP) with the collaboration between Thammasat University Research and Consultancy Institute (TURAC), Institute of Business Economics Research and Development (IBERD), and the International Institute for Trade and Development (ITD).



## Risk Factors

According to the above data, it can be analyzed and assessed the likely impact on the Company's business in the area of production of lime, calcium carbonate, chemicals and minerals, as well as the distribution of industrial machinery and equipment. This is because the Company mainly provides the production of basic chemicals for key industries such as steel, chemical, sugar,



pulp and paper, mining, construction, water supply, agriculture, and other industries with wastewater treatment. Additionally, the potential impact on SMEs which is important to Thai economic system, includes machinery, food, rubber, packaging and plastic, textiles and apparel, and gem and jewelry industries, has been researched and studied. It was found that those businesses have been affected by the ASEAN Economic Community (AEC) strategy. Therefore, the possible business impact or risk factor, or the possibility of future direct or indirect business impact, should be export because of the opportunities of foreign investment, the relevant production relocation including lime, calcium carbonate production relocated to the CLMV countries. The CLMV consists of four countries, namely Cambodia, Laos, Myanmar, Vietnam, the ASEAN member countries, that have abundant raw materials and minerals, as well as low wage labor. This risk may result in intense competition for export markets which are currently doing business with the Company, or competition in distribution to the Company's trading partners, such as Indonesia, Laos, and Philippines, as well as other neighboring countries. When considering the export revenue of the Company from 2015 – 2013 with the product sales and services, exported products to foreign countries were 18, 9 and 10 percent respectively. However, the Company has provided the guideline to prevent such risks; for example, continuous improvement in product development in order to increase product diversity and demand in major industries. This is another way to reduce risk of export dependence. In contrast, there is also the positive impact of AEC, that is from the increasing migration of foreign labor from ASEAN to support the growth of primary industries, resulting in raising demand of domestic products. Such impact can create growth opportunities for domestic businesses and industries as well.



## Shareholder and Management Structure

**Shareholder** as at 28<sup>th</sup> August 2015 closing date has 2,073 shareholders. The Major Shareholders detail below:

	Name	Number of share	% Shares
1	Monseereenusorn Family	207,545,670.00	69.18
	Mr.Kiatikul Monseereenusorn	149,493,400.00	49.83
	Mr.Kitimethee Monseereenusorn	52,730,250.00	17.58
	Mr.Cherdkiat Monseereenusorn	4,000,000.00	1.33
	Mr.Puncharit Monseereenusorn	1,250,010.00	0.42
	Mrs.Nuchcha Monseereenusorn	72,000.00	0.02
	Mr.Sasis Monseereenusorn	5.00	0.00
	Mr.Yongyot Monseereenusorn	5.00	0.00
2	Possawong Family	8,726,500.00	2.91
	Mr.Promote Possawong	8,651,500.00	2.88
	Mr.Thanarach Possawong	75,000.00	0.03
3	Mr.Piriyarach Phatarakitkaseam	4,990,000.00	1.66
4	Miss Tongrak Kijwatanachai	4,050,000.00	1.35
5	Mr.Chay ManoPhas	2,188,000.00	0.73
6	Mrs.Jarunee Chinwongworakul	2,072,800.00	0.69
7	Mr.Anan Thanungnurak	2,000,000.00	0.67
8	Sarasas Family	3,445,000.00	1.15
	Mr.Pun Sarasas	1,865,000.00	0.62
	Mr.KunPhet Sarasas	1,210,000.00	0.40
	Mr.Suntitawee Sarasas	370,000.00	0.12
9	Bunsawang Family	1,774,400.00	0.59
	Mr.Anurak Bunsawang	1,220,000.00	0.41
	Mrs.Piyarat Bunsawang	527,000.00	0.18
	Mrs.Yaowapha Bunsawang	27,400.00	0.01
10	Others	63,207,630.00	21.07
		300,000,000.00	100.00

**Foreign Shareholders** As of 28<sup>th</sup> August 2015 , the Company have only one the foreign shareholders.

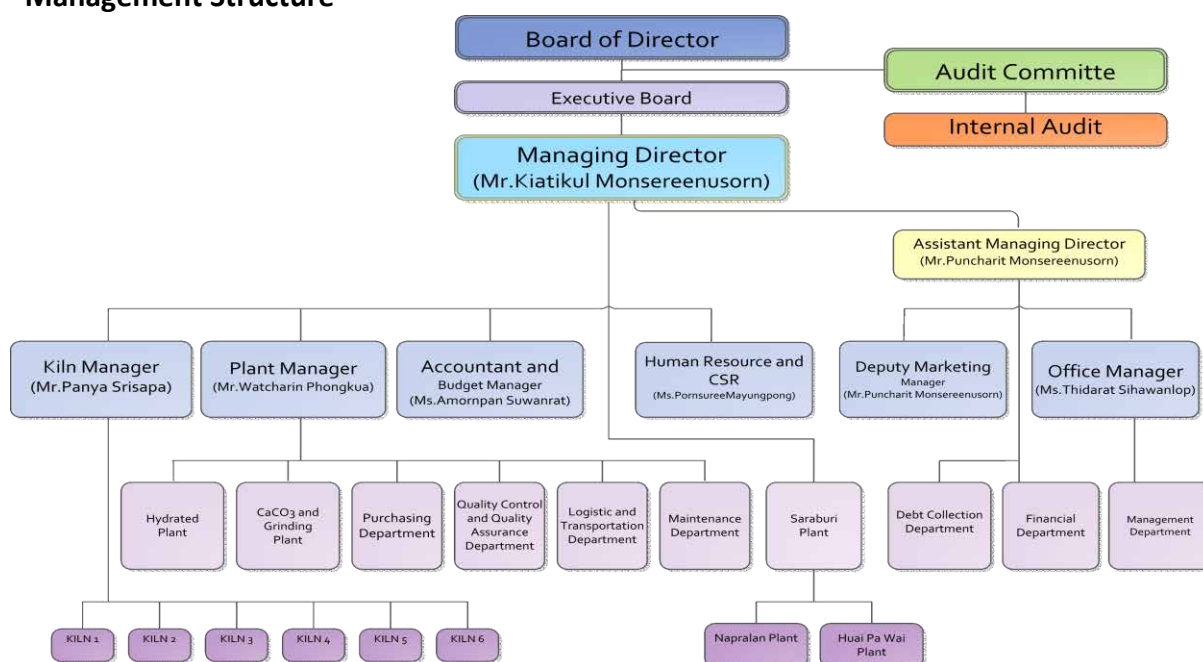
Note: The Company's Article of Association, chapter 3 section 11, impose restrictions on foreign shareholding as follows: "The Company's shares can be liberally transferred, except in the case of any share transfer that causes the foreign shareholding to exceed forty-nine percent (49%) of total paid-up share capital of the Company".





## Shareholder and Management Structure

### Management Management Structure



### The Management in Organization

The Management structures in organization including the Board of Director and 2 Sub Committee follows namely the Audit Committee and the Executive Committees.

#### The Board of Directors

As of 3 April 2015, the Board of Director consists of 7 directors as follow:

Name-Surname	Position
1. Mr. Cherdkiat Monsereenusorn	Chairman of the Board of Director
2. Mr. Kiatikul Monsereenusorn	Director Chairman of the Executive Board and Managing Director
3. Mr.Pucharit Monsereenusorn	Director and Assistant Managing Director, Member of the Executive Board, Acting Head of Sales and Marketing
4. Mr.Kitimethee Monsereenusorn	Director and Member of the Executive Board
5. Mr.Sripop Sarasas	Chairman of Audit Committee/Independent Director
6. Mr.Suvit Mapaisansin	Audit Committee/Independent Director
7. Mr. Suvait Theeravachirakul */ Mr. Bowon Vongsinudom	Audit Committee/Independent Director

Ms. Thidarat Sihawanlop is the secretary of the Board of Director Committee, appointed by the Board of Director committee at the meeting no. 1/2013 held on 28 January 2013.

Remark : \* Mr. Suvait Theeravachirakul has resigned from office due to his an increasing duty. The resignation takes effect on December 16, 2015.

Mr.Bowon Vongsinudom has been appointed in a position of Independent Director and Audit Committee member in replacement of vacant position passed of the resolution of the Board of Director's Meeting no.1/2559 held on February 26<sup>th</sup>, 2016



## Shareholder and Management Structure

## The Board of Directors

**Mr.Cherdkiat Monsereenusorn****Chairman of the Board of Director****Age : 60 years****Expertise**

Business Administration /

Chemical and Industrial Engineering

**Education:**

- Master : Industrial Engineering, University of Arizona
- Bachelor : Chemical Engineering, Chulalongkorn University

**Training Course:**

- Director Accreditation Program (DAP) Year 2004(B.E.2547)

**Shareholding (%):**

Beginning of year: 4,000,000 Shares (1.33%)

End of year : 4,000,010 Shares (1.33%)

Changed during year : - non-

**Personnel Relationship with the Management:**

- Father of Mr.Kitimethee Monsereenusorn
- Uncle of Mr.Puncharit Monsereenusorn
- Older brother of Mr.Cherdkiat Monsereenusorn

**Illegal Record:** None**Position date in position to Director :**

2 May 2011

**Term of Directorship:** 3 years**Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand – Non-
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ) : 1 Company at Director , Cherdseeree Co., Limited
- 3) Other Organization that may have conflict of interest with the Company : -Non-

**Work experience in previous 5 years : Mr.Cherdkiat Monsereenusorn**

<b>2011-Current</b>	Chairman of the Board of Director	Golden Lime Public Company Limited
<b>2010-Current</b>	Director	Cherdseeree Company Limited
<b>Aug 2015-Current</b>	Business Consult	Kiattana Transport Public Company Limited
<b>2004-Aug 2015</b>	Chairman of the Board of Director	Kiattana Transport Public Company Limited
<b>2013-Aug 2015</b>	Director in the Subsidiary Company	Kiattana Transport Public Company Limited
<b>1994-2012</b>	Deputy Chairman of South East Asia	Ecolab Co., Ltd.



## Shareholder and Management Structure

## The Board of Directors

**Mr.Kiatikul Monsereenusorn****Director and Managing Director****Chairman of the Executive Board****Age: 61 years****Expertise**Lime and Calcium Carbonate Industry/  
Mineral and Chemical**Education:**

- Master Degree: MBA Marketing, Chaminade University of Honolulu, US
- Bachelor of Science, Chaminade University of Honolulu, USA

**Training Course:**

- Director Accreditation Program (DAP) Year 2012 (B.E. 2555)

**Shareholding (%):**

Beginning of year: 149,493,400 Shares (49.83%)

End of year : 149,493,400 Shares (49.83%)

Changed during year : - non-

**Personnel Relationship with the Management:**

- Father of Mr.Kitimethee Monsereenusorn
- Uncle of Mr.Puncharit Monsereenusorn
- Older brother of Mr.Cherdkiat Monsereenusorn

**Illegal Record:** None**Position date in position to Director :**

2 May 2011

**Term of Directorship: 3 years****Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand:  
-Non-
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ):  
1 Company at  
Chairman of  
Oleofine Organics (Thailand) Co., Ltd.
- 3) Other Organization that may have conflict of interest with the Company :  
1 Company at  
Chairman of  
Oleofine Organics (Thailand) Co., Ltd

**Work experience in previous 5 years : Mr.Kiatikul Monsereenusorn**

<b>Apr 2011-Current</b>	Director and Managing Director	Golden Lime Public Company Limited
<b>Dec 2011-current</b>	Chairman of the Executive Board	Golden Lime Public Company Limited
<b>1996-2013</b>	Director and Managing Director	Oleofine Organics (Thailand) Co., Ltd.
<b>2014-Current</b>	Chairman	Oleofine Organics (Thailand) Co., Ltd.



## Shareholder and Management Structure

## The Board of Directors

**Mr.Puncharit Monsereenusorn**

**Director and Assistant Managing Director and  
Member of the Executive Board  
acting Head of Sales and Marketing  
Age: 48 years**

**Expertise**

Market Management /  
Business Administration of Lime Industry

**Education:**

- Master Degree: MBA Marketing,  
CITY University, U.S.A

**Training Course:**

- Director Accreditation Program (DAP)  
Year 2012 (B.E. 2555)
- Sasin Executive Program (SEP-21)
- IR Professional Training 2015 (SET)

**Shareholding (%):**

Beginning of year: 1,300,010 Shares (0.43%)  
End of year : 1,250,010 Shares (0.42%)  
Changed during year : 50,000 shares

**Personnel Relationship with the Management:**

- Son of older brother of Mr.Kiatikul Monsereenusorn  
and Mr.Cherdkiat Monsereenusorn

**Illegal Record:** None

**Position date in position to Director :**

2 May 2011

**Term of Directorship after conversion to  
public company :** 3 years

**Present position in other:**

- 1) Listed Companies in the Stock  
Exchange of Thailand:  
-None-
- 2) Other Organization / Companies (Non  
Listed in the Stock Exchange of  
Thailand ) : -None-
- 3) Other Organization that may have  
conflict of interest with the Company :  
-None-

**Work experience in previous 5 years : Mr.Puncharit Monsereenusorn**

<b>2003-Current</b>	Director and Assistant Managing Director, member of the executive Board	Golden Lime Public Company Limited
<b>2011-Current</b>	Member of the Executive Board	Golden Lime Public Company Limited
<b>1999-2012</b>	Director and managing director	99 Di Cal Co., Ltd.



## Shareholder and Management Structure

## The Board of Directors

**Mr.Kitimethee Monsereenusorn****Director and Member of the Executive Board****Age : 31 years****Expertise**

Risk Management / Business Admiration  
Chemical and Food industry

**Education:**

- Master Degree: Risk Management, Monash University, Australia
- Bachelor Degree: Business and Commerce Administration (majored in e-commerce), Victoria University of Wellington, Wellington, New Zealand

**Training Course:**

- Director Accreditation Program (DAP) Year 2012 (B.E. 2555)

**Shareholding (%):**

Beginning of year: 52,730,250 Shares (23.44%)  
End of year : 52,730,250 Shares (23.44%)  
Changed during year : - none-

**Personnel Relationship with the Management:**

- Son of Mr.Kiatikul Monsereenusorn, Director and Managing director

**Illegal Record:** None**Position date in position to Director :**

2 May 2011

**Term of Directorship after conversion to public company : 3 years****Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand:  
-None-
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ) :  
1 Company at  
Director and Managing Director  
Oleofine Organics (Thailand) Co., Ltd.
- 3) Other Organization that may have conflict of interest with the Company :  
-None transaction in Current-

**Work experience in previous 5 years : Mr.Kitimethee Monsereenusorn**

<b>2011-Current</b>	Director and member of the Executive Board	Golden Lime Public Company Limited
<b>2013-Current</b>	Director and Managing Director	Oleofine Organics (Thailand) Co., Ltd.
<b>2010-2012</b>	ERM Senior Consultant	Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd





## Shareholder and Management Structure

## The Board of Directors

**Mr.Sripop Sarasas**

Independent Director and  
Chairman of the Audit Committee

**Age: 58 years**

**Expertise**

Business Administration

Finance and Banking and Audit

**Education:**

- Bachelor of science Program in Medical Technology ,  
Chulalongkorn University
- Master of Business Administration,  
University of Southern California , USA

**Training Course:**

- Director Certification Program (DCP) Y. 2002
- Director Examination 2002 (Diploma)
- Audit Committee Program (ACP) 2004

**Shareholding (%):**

- None

**Personnel Relationship with the Management:**

- None

**Illegal Record:** None



**Position date in position to Director :**

2 May 2011

**Term of Directorship after conversion to  
public company : 3 years**

**Present position in other:**

- 1) Listed Companies in the Stock Exchange of  
Thailand: -4 Company at : (\*) -
- 2) Other Organization / Companies (Non  
Listed  
in the Stock Exchange of Thailand ) :  
2 Company at (\*\*) -
- 3) Other Organization that may have conflict  
of interest with the Company : -Non-

**Work experience in previous 5 years : Mr.Sripop Sarasas**

<b>2011- Current</b>	Independent Director and Chairman of the Audit Committee	Golden Lime Public Company Limited
<b>*2011- Current</b>	Independent Director and Chairman of the Audit Committee	Bangkok Airways Public Company Limited
<b>*2008- Current</b>	Independent Director / Member of the Audit Committee /Member of the Nomination and Remuneration Committee	Bangkok Dusit Medical Services Public Company Limited
<b>*2008- Current</b>	Director and member of the Audit Committee	Kiattana Transport Public Company Limited
<b>**2007- Current</b>	Director	Khan Company Limited
<b>**2007- Current</b>	Director	Parute (2008) Co., Ltd.
<b>*2003- Current</b>	Director , member of the Nomination and Remuneration Committee and member of the Audit Committee	Advance Information Technology PCL.
<b>2003-1 Feb 2016</b>	Independent Director	The Royal Ceramic Industry Public Company Limited
<b>2003-Mar. 2014</b>	Member of the Audit Committee	The Royal Ceramic Industry Public Company Limited
<b>2008-2012</b>	Director and member of the Audit Committee	Living Land Capital Public Company Limited



## Shareholder and Management Structure

## The Board of Directors

**Mr.Suvit Mapaisansin****Independent Director and Audit Committee****Age : 56 years****Expertise**Business Administration/Money Market  
and Capital Market/Audit**Education :**

- Master of Business Administration,  
Sasin Graduate Institute Business , Chulalongkorn University
- Bachelor of Faculty of Economics , Chulalongkorn University

**Training Course:**

- Directors Certification Program (DCP) Y.2001
- Audit Committee Program (ACP) 2011

**Shareholding (%) :**

- None

**Personnel Relationship with the Management :**

- None

**Illegal Record:** None**Position date in position to Director :**

2 May 2011

**Term of Directorship after conversion to public company :** 3 years**Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand: 4 Company (\*)
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ) : 2 Company (\*\*)
- 3) Other Organization that may have conflict of interest with the Company : -Non-

**Work experience in previous 5 years : Mr.Suvit Mapaisansin**

<b>**2015 – Current</b>	Director and Shareholder	Takecare International Co.,Ltd.
<b>*2015 – Current</b>	Independent Director and Member of the Audit Committee	GMM Grammy Public Company Limited
<b>*2012 – Current</b>	Director	Kiatnakin Bank Public Company
<b>2011 - Current</b>	Independent Director and Member of the Audit Committee	Golden Lime Public Company Limited
<b>*2010 - Current</b>	Director	Phatra Capital Public Company Limited
<b>*2009 – Current</b>	Director	Phatra Securities Public Company Limited
<b>2012 – 2014</b>	Chairman of the Board of Directors	KK Trade Securities Company Limited
<b>2012 – 2014</b>	Chairman of the Board of Directors	Phatra Asset Management Company Limited
<b>2011-2012</b>	Chairman of the Audit Committee and Audit Committee	Krunghthai Card PCL (KTC)
<b>2009-2012</b>	Director Independent Director	Phatra Securities Public Company Limited Krunghthai Card PCL (KTC)
<b>2003-2009</b>	Chief Executive Office	Phatra Securities Public Company Limited



## Shareholder and Management Structure

## The Board of Directors

**Mr. Suvait Theeravachirakul**  
**Independent Director and Audit Committee**  
**Age: 57 years**

**Expertise**

Business Admiration / Accounting / Real Estate Management

**Education:**

- Master of Business Administration, Wagner College, NY New York, U.S.A.
- Chief Executive Program, Capital Market Academy (CMA), Classio

**Training Course:**

- Director Certification Program (DCP) Year 2001
- Audit Committee Program (ACP) Year 2006
- SFE Year 2006
- Anti-Corruption Strategic Management course for Senior Executives, Class 5, Sanya Dharmasakti Anti-Corruption Institute.

**Shareholding (%):**

- None

**Personnel Relationship with the Management:**

- None

**Illegal Record:** None**Position date in position to Director :** 2 May 2011**Term of Directorship after conversion to****Public company:** 3 years

(Tenure to date: 15 December 2015)

**Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand: 5 Company (\*)
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ) : 2 Company (\*\*)
- 3) Other Organization that may have conflict of interest with the Company : -Non-

**Work experience in previous 5 years : Mr. Suvait Theeravachirakul**

<b>*2002- Current</b>	Director and CEO	MBK
<b>2006- Current</b>	Member of the Executive Committee	MBK
<b>2009-Current</b>	Chairman of the Board of Directors and Director	MBK
<b>**Current</b>	Chairman of the Board of Directors and Director	The subsidiaries and associates of MBK as shown on List of the Board of Directors and the Executive Management entitled in MBK's subsidiaries and associates
<b>2011-Current</b>	Independent Director and Member of the Audit Committee	Golden Lime Company Limited
<b>*2007-Current</b>	Independent Director and Member of the Audit Committee	IFS Capital (Thailand) Public Company Limited
<b>*2005-Current</b>	Independent Director and Member of the Audit Committee and Member of Risk Management Committee	Thai Rung Union Car Public Company Limited
<b>*2009-Current</b>	Director and Vice Chairman of the Executive Committee	Patum Rice Mill and Granary Public Company Limited
<b>*2000-Current</b>	Director	Royal Orchid Hotel (Thailand) Public Company Limited
<b>**1994-Current</b>	Director	Vachirachat Company Limited



## Shareholder and Management Structure

## The Board of Directors

**Mr. Bowon Vongsinudom****Independence Director / Audit Committee****Age : 61 years****Expertise****Chemical Engineering / Business Management****Education**

- Master of Management, Sasun Graduate Institute of Business Administration of Chulalongkorn University
- Master of Chemical Engineering - Chulalongkorn University
- Bachelor of Chemical Engineering - Chulalongkorn University
- National Defence Course, Class 17, National Defence College

**Training Courses**

- Director Accreditation Program (DAP) Y.2008
- Director Certificate Program (DCP) Y. 2015

**Shareholding (%): -**

Beginning of year: -None-

End of year : -None-

Changed during year : - None-

**Personnel Relationship with the Management:**

- -None-

**Illegal Record : - None-****Position date in position to Director :**

26 February 2016 / 8 April 2016 (re-elected)

**Term of Directorship after conversion to public company : -****Present position in other:**

- 1) Listed Companies in the Stock Exchange of Thailand: 3 at :  
Chairman of the Board of Thai British Security Printing Public Co., Ltd.  
Independence director of WP Energy Public Co.,Ltd.
- 2) Other Organization / Companies (Non Listed in the Stock Exchange of Thailand ) : 3 at  
Chairman, PTT Phenol Company Limited  
Director, Metropolitan Waterworks Authority  
Director, ASEAN Potash Chaiyaphum PCL.
- 3) Other Organization that may have conflict of interest with the Company : -None-

**Work experience in previous 5 years : Mr. Bowon Vongsinudom**

<b>26 Feb 2016-Current</b>	Independent Directors/Audit Committee	Golden Lime Public Company Limited
<b>2015-Current</b>	Director	ASEAN Potash Chaiyaphum Public Company Limited
<b>2013-2014</b>	President & Chief Executive Officer,	PTT Global Chemical Public Company Limited
<b>2012-2014</b>	Director	PTT Chemical International Private Limited
<b>2012-2014</b>	Director	PTT Chemical International (Asia Pacific ROH) Limited
<b>2012-2014</b>	Director	Global Power Synergy Public Company Limited.
<b>2012-2014</b>	Vice Chairman,	Vinythai Public Company Limited
<b>2012-2014</b>	Chairman	NPC Safety and Environment Service Company Limited
<b>2012-2014</b>	Chairman	PTT Maintenance and Engineering Company Limited.
<b>2011-2014</b>	Director/Risk Management Committee	PTT Global Chemical Public Company Limited
<b>2006-2014</b>	Senior executive Vice President, Downstream Petroleum Business Group	PTT Public Company Limited



## Shareholder and Management Structure

Changing in Directors' and the Executive Managements' Shareholding of Golden Lime Public Company Limited Report as at December 31, 2015

No.	Name	Position	Common Shares (Shares)		
			Own	Spouse or Underage Child	Increase(- Decrease) during Jan-Dec 2015
1	Mr.Cherdkiat Monsereenusorn	Chairman of the Board of Director	4,000,000	-None-	-None-
2	Mr.Kiatikul Monsereenusorn	Director Chairman of the Executive Board and Managing Director	149,493,400	-None-	-None-
3	Mr.Kitimethee Monsereenusorn	Director and Member of the Executive Board	52,730,250	-None-	-None-
4	Mr.Puncharit Monsereenusorn	Director and Assistant Managing Director, Member of the Executive Board, Acting Head of Sales and Marketing	1,250,010	-None-	- 50,000
5	Mr.Sripop Sarasas	Chairman of Audit Committee/Independent Director	-Non-	-None-	-None-
6	Mr.Suvit Mapaisansin	Audit ommittee/ Independent Director	-Non-	-None-	-None-
7	Mr. Suvait Theeravachirakul	Audit Committee/Independent Director	-Non-	-None-	-None-
8	Mr.Watcharin Pongkua	Plant Manager	-Non-	-None-	-None-
9	Ms. Pornsuree Mayungpong	Human of Resource and Social Responsibility	-Non-	-None-	-None-
10	Ms. Amornpan Suwanrat	Accountant and Budget Manager	-Non-	-None-	-None-
11	Mr. Panya Srisapa	Kiln Manager	-Non-	-None-	-None-
12	Ms. Thidarat Sihawanlop	Office Manager	5	-None-	-None-

Remark : 1. Sutha has registered capital of 300,000,000 Baht, paid-up capital 300,000,000 Baht (as at Demcember 31,2015) and total common share of 300,000,000 shares

2. The information of shareholding may change, if any director, sponuse or underage child buys stock after the date as said.





## Shareholder and Management Structure

Board of Directors which consists of seven persons as stated above, have been elected by the resolution Annual General Meeting of Shareholders in 2015 dated 3<sup>rd</sup> April 2015 under Section 71 of Public Limited Companies Act B.E. 2535 (1992) and the Articles of Association, Article 17, considered in every Annual General Meeting of Shareholders. One-third of directors shall vacate office. If the number of directors is not a multiple of three, then the number of directors closest to one-third shall vacate. A director who vacates office under this section may be re-elected. For 2015, seven directors which are one-third of the total number of directors shall vacate office as the first year after registration as a public company. The directors to vacate office in the first and second years following the registration of the Company, shall be drawn by lots. In every subsequent year, the director who has held office longest shall vacate. Tenure of an independent committee is not over 9 years following the first appointment.

In 2015, the Directors who by rotation quit the position by mean of drawing lots and whom the Annual General Meeting of the shareholders on April 3, 2015 has resolved to reappoint include Mr.Kiatikul Monsereenusorn, Mr.Sripop Sarasas and Mr.Suvit Mapaisansin

### The authorized directors of the company

Mr. Kiatikul Monsereenusorn, Mr. Cherdkiat Monsereenusorn, Mr. Pucharit Monsereenusorn, Mr. Kitimethee Monsereenusorn, two of these four directors are required to jointly sign with the Company's seal affixed.

### Term of Directorship

In every Annual General Meeting (AGM), one-third of the Directors must retire; moreover, if this number is not a multiple of three, then the number nearest to one-third. The Director must retire during First and Second year after the Company registration by means of drawing lots. For the next year (2016), those who remain in position for longest period will be retired. By the way, the directors who have completed their terms may be re-appointed. In 2015 Mr.Suvait Theeravachirakul has filed a resignation due to his additional duty. This resignation which results in a retirement from office of one committee took effect on December 16, 2015.

### Scope of Duties and Responsibilities

The Board of Director are authorized to operate the Company's business in line with the law including the company's goals, regulation and the meeting resolution of the shareholders on basis of honesty and maintain the company's benefits, On the conclusion, the Board of Director are required to comply with the following tasks;



## Shareholder and Management Structure

1. Providing an Annual General Meeting (AGM) for the shareholder within 4 months after the end of the period of the company's yearly accounts.
2. Provide a meeting for the Board of Director every three months. In 2015 the Board of Directors had meeting 4 times and the Audit Committee meeting had total 4 times.
3. Operating the statement of financial and statement of comprehensive income at the end of the period of the Company's audited accounts and seeking for deliberation and approval at the shareholder meeting.
4. A single director or numerous Directors can be authorized to perform the tasks under the Board of Director and in appropriate period. At any rate the Board of Director can revoke, change or correct the authorized director or subcommittee at any particular time.

The Board of Directors thereby may authorize the Management Committee to perform the Company's tasks. However, the authorization must not authorize the Management Committee to be able to give any consideration or approval to any transaction which the Management Committee has conflict of interest or any other conflict, except with prior approval of the Board of Directors under the Company's policy and regulation.

The Board of Director had appointed 2 Sub Committee consists of the Audit Committee and the Executive Committee with defined scope of the power responsibility of each sub committee.

5. Regulating the Company's goals as well as vision, mission, guidelines, policy, plan and budget. Supervising the administration and management of the Executive Board in line with the mentioned policy. However, the following topics including the increase in stock capital, reduction of capital debenture, auction or purchasing of business asset or business transfer, revision of memorandum of association must be approved by the shareholder meeting. Besides, the Company's vision and mission should be reviewed and approved at least every 5 years. In 2015 the Committee had reviewed the Company's vision and Mission and the Board of Director has resolution to approve the revise vision and mission on November 13, 2015.

Moreover the Board of Directors is also required to supervise and direct the Company to conduct its business procedures in accordance to the rules and regulation of the Security Exchange Commission and those of the Stock Exchange, such as connected transactions that may have conflict of interest, and Information of the Acquisition of Assets required to be reported and disclosed to the Stock Exchange of Thailand, or other law related to the Company's business. In the pass, the Company strictly carried out the operation including the disclosure of important information based on regulations and procedures required by Securities and Exchange Commission (SEC). The disclosure conducted on website of the Stock Exchange of Thailand (SET) and the Company is aimed to inform the stakeholders.

6. Deliberating the administration structure and nomination of the Executive Board or other appropriate subcommittee.
7. Following up the overall operation and budget management continually.
8. The Board of Director must not operate the same business and in competition with the Company's business, or be partner in the ordinary partnership, be unlimited partner in the limited partnership and be director of the private company or any other companies with the same business operation no matter for the individual of other benefits.



## Shareholder and Management Structure

Nevertheless, all above can be operated in case they are reported to the shareholder meeting prior to the appointment.

9. The Board of Director must immediately inform the Company if involved directly or indirectly being parties in interest of the Company's Contract or holding share in the Company or the affiliated companies. In the past year none this transaction.

10. In order to assure that the committee devote themselves to performing their duties completely, it requires that the committee should not take position in more than 5 listed companies. However, in case of an excusive number of the Company in which the committee takes positions, they are required to publicize such circumstance.

### The approval authority of board of directors

The board of directors meeting no. 2/2013, held on 5<sup>th</sup> March 2013, has passed a resolution approving transactions to the Executive board, Managing director, and assistant to managing director, by the limits specified in the table of approval authority at the meeting. Transactions are as follows:

1. Negotiation as well as entering into contracts or agreements, producing letters or documents, and procurement related to the Company's business operation such as capital expenditure, and purchase of machinery, equipment, raw materials, fuels, trading, etc.
2. The procurement for the general management including selling expenses, marketing expenses, office supplies, travelling, training, donation, etc.
3. Financial transactions including the loan approval, credit contract, mortgage or pawn contract, applying from guarantee from a bank or financial institution, letter of credit (L/C) application for the payment for goods or raw material.
4. Approval of the credit loan for customers

### Calling board of directors' meeting

**Based on the articles of association of the Company, as follows:**

#### Quorum for Board of Directors Meeting

In the Board of Director's Meeting, there shall be not less than one half (1/2) of the total number of directors attending the meeting in order to constitute a quorum. The Chairman of the Board shall act as a Chairman of the meeting. If at any time Chairman is absent or is unable to perform the duty and there is a Vice Chairman is unable to perform the duty, the meeting shall elect one of the Directors to act as a chairman of the meeting.

Decisions of the meeting shall be made by a majority vote. Each Director shall have one (1) vote, but the Directors who have interests in any matters shall have no right to vote on such matter. In case of a tie vote, the Chairman of the meeting.

The Chairman or other person assigned shall be the person to call a meeting of the Board of Directors and shall send notices calling a meeting to Directors not less than seven (7) days prior to the date of the meeting. However, In case of necessity and urgency for the purpose of maintaining the rights or interests of the Company, a meeting may be called by other means and the date of the meeting may be fixed sooner.



## Shareholder and Management Structure

### Formalities when a director resigns

#### **The Company's articles of association regarding director resignation**

- Any Directors wishing to resign from his office shall submit his resignation letter to the Company, and the resignation shall be effective on the dates the resignation letter reaches the Company.

The Director whose resignation follows the first paragraph may inform his resignation to Registrar for acknowledgement.

- In case any vacancy occurs in the Board of Directors due to reasons other than retirement from rotation, the Board of Directors shall elect a person who has the qualifications and who does not have any prohibited characteristic under the Public Limited Companies Act and the Securities and Exchange Act as a replacement of the Director at the following meeting of the Board of Directors, unless the remaining duration of the directors term of office is less than two months. The elected person shall hold office only for the remaining terms of office of the director whom he has replaced.

The Board of Directors' resolution under the first paragraph shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

### Procedure for resignation of director

The company will follow the guidelines of the listed companies when a director resigns.

The director shall carried out any of the following actions, if

- The board of directors elect any person having qualifications and not prohibited prescribed under the Public Companies Limited Act and the Securities and Exchange Commission as director to fill the vacancy in the next meeting, unless the remaining duration of the director's term of office is less than two (2) months. Any person so appointed shall retain his office during such time only the remaining term of the vacating director. The resolution of the board of directors shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

- The company shall disclose its information to the Stock Exchange within 3 days after the date of submitting or the required date of resignation, or notify the change of director through the Stock Exchange of Thailand's information dissemination system (F24-1 form (for audit committee appointment), F24-2 form) within three business days after the date of change of director, or to an authorized person of the listed companies.

- The Company shall notify the change in the list of the Company's directors within 7 days according to the operation of the Securities and Exchange Commission.

- The company shall register a new director or the change of director with the commercial registrar within 14 days after the date of the Board meeting date to approve the appointment of director, or the date of director's resignation.



## Shareholder and Management Structure

### The implementation of the new director

- Submit the 59-1 form to the Securities and Exchange Commission (SEC) (for first submitting, within 30 days after the closing date of the securities offering or the date of the appointment).

However, the case of a change in shareholding, director shall always submit the 59-2 form to the Securities and Exchange Commission (SEC) when purchasing, selling, transferring to/from the securities within three days after the date of purchasing, selling, transferring to/from the securities.

- Submit the conflict of interest statement to the Company Secretary by the Company's schedule.

- Submit the director's biography in accordance with the requirements of the Stock Exchange of Thailand (Certificate and biography of the director / audit committee (F24-2)) within 3 business days after the date of appointment of the new director.

If the new appointed director is an audit committee, the Company shall submit the F24-1 form (Names of members and scope of work of the audit committee) and the director shall submit the F24-2 form (Certificate and biography of the director / audit committee) to SET. You must submit a F24-1 form through the Stock Exchange of Thailand's information dissemination system and submit a F24-2 form as a document, not required to submit electronically.

### Board orientation

The guideline practice of orientation the new directors will hold an orientation session for new director in accordance with Board Orientation Guideline set forth by the Stock Exchange. The required documents for the orientation session are as follows:

1. The latest edition of the Good corporate governance and business ethics of the Company document, which contain the corporate governance policy and other policies defined by the board of directors such as anti-corruption policy, internal control, audit, and risk management, corporate social responsibilities, human resource management, etc.

2. The Company's latest annual report, which contains the material information of the Company, including financial information for last three years for a new director, introduction of ownership structure, management structures in different areas, the company's history, nature of business, details of remuneration for director, scope of responsibilities of the board of directors, sub-committees and operations of the Company and the board of directors last year.

3. Memorandum and articles of association of the Company.

4. Minutes of board of directors meetings for last 1 year and annual schedule

5. Related party and connected transactions

6. Provide meeting chairman / managing director before the first meeting, in order to inform the new director about the important policies and give an advice and describe his/her responsibilities.





## Shareholder and Management Structure

### The Nomination of Directors

With reference to the Company's Articles of Association, the selection for the Company's Directors are indicated that:

1. The Board of Directors of the Company shall consist of no less than five members. Not less than one-half (1/2) of the directors shall have residence within the Kingdom of Thailand.

Directors may or may not be the shareholders.

2. Directors of the Company shall be elected by the Shareholder's Meeting in accordance with the following rules and procedures:

(1) Each shareholder shall have one vote on each share.

(2) Each shareholder shall exercise all votes he has according to (1) to elect a nominated person or nominated persons to be the Director(s). In case he elects nominated persons to be the Directors, he cannot divide his vote to any person to any or in the basis extent.

(3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the amount required or ought to be in that election. Provided the event that persons receiving votes in descending order are tied in and exceeds the number of positions required or ought to be in that election, the Chairman shall have a casting vote.

3. At every annual Ordinary Shareholder's Meeting, one-thirds (1/3) of the total number of Directors shall retire. If the number of Directors is not a multiple of three, the closest number of one-thirds (1/3) of the total number of Directors shall retire.

The Directors retiring from rotation may be re-elected.

The Directors retiring after the first and second year, the Directors who have held office the longest shall retire.

4. Apart from retirement by rotation, the Director shall vacate his office upon:

(1) Death

(2) Resignation

(3) Lack of qualification, or having prohibited characteristics under the Public Limited Companies Act and the Securities and Exchange Act

(4) Removal by a resolution of Shareholders' Meeting

(5) Removal by a court order

5. Any Directors wishing to resign from his office shall submit his resignation letter to the Company, and the resignation shall be effective on the dates the resignation letter reaches the Company.

The Director whose resignation follows the first paragraph may inform his resignation to Registrar for acknowledgement.

6. The shareholder's meeting may resolve to remove any director from office before the expiration of his term of office with the vote of no less than three-fourths (3/4) of the number of shareholders who attend the meeting and are eligible for the voting and their shares, in total, are no less than a half of the shares held by the shareholders who attend the meeting and are eligible for the voting.

7. In case any vacancy occurs in the Board of Directors due to reasons other than retirement from rotation, the Board of Directors shall elect a person who has the qualifications and who does not have any prohibited characteristic under the Public Limited Companies Act and the Securities and Exchange Act as a replacement of the Director at the



## Shareholder and Management Structure

following meeting of the Board of Directors, unless the remaining duration of the directors term of office is less than two months. The elected person shall hold office only for the remaining terms of office of the director whom he has replaced.

The Board of Directors' resolution under the first paragraph shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

8. The Company shall be legally bound by the signatures of two (2) authorized Directors with the Company's seal affixed.

The Board of Directors has an authorization to stipulate and change the number and the names of the authorized Directors.

### Components and appointment of Independent Director

The Company's Board of Directors will preliminarily consider together regarding the qualifications of the persons who will take the office as an Independent Director, taking into account the qualifications and prohibitions of the director in accordance with the Limited Public Company Act, laws on securities and securities exchange, and Announcement of the Capital Market Supervisory Board as well as related announcement, regulations and/or rules. In addition, the Company's Board of Directors shall consider and select the Independent Director from the experts, taking to consideration the working experiences and other suitability, and then it will propose to the Shareholder's meeting for consideration and appointment to be the Company's director. The Company has the policies of appointing Independent Director at least one-third of all directors and the number of independent Director shall not be less than 3 persons, the qualifications of whom shall conform to the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, dated 15 December B.E. 2551 (including its amendment) as follows:

1. Holding shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.

2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission. Such prohibitions shall not include the case where the independent director used to be a government officer or an advisor of government sector which is the major shareholder or the controlling person of the Company.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has



## Shareholder and Management Structure

ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

The term 'business relationship' as mentioned above shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or

partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. Not being a director appointed by the board of directors to decide upon the business operation of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person.



## Shareholder and Management Structure

### Components and appointment of Audit Committee

The Audit Committee is composed of at least 3 Independent Director, each of whom takes office for 3 years. The Company has the policies of selecting Audit Committee/Independent Director that is in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (including its amendment) as follows:

1. Being appointed by the board of directors or the shareholders' meeting (as the case may be).
2. Being an independent director pursuant to the foregoing and
  - (1) Not being a director appointed by the board of directors to decide upon the business operation of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person and
  - (2) Not being a director of the subsidiary company or same-level subsidiary company which is a listed company
3. Having sufficient knowledge and experience to perform duties as audit committee member, provided that at least one member of the audit committee shall have sufficient knowledge and experience to review the reliability of financial statements.

### Audit Committee

As of 25<sup>th</sup> February 2015, the Audit Committee consists of 3 directors as follow:

Name-Surname	Position
1. Mr.Sripop Sarasas	Chairman of Audit Committee
2. Mr. Suvait Theeravachirakul*	Audit Committee
3. Mr.Suvit Mapaisansin	Audit Committee

Remark : Ms. Thidarat Sihawanlop is the secretary of the Audit Committee, appointed by the Audit Committee at the meeting no. 2/2013 held on 5<sup>th</sup> March 2013.

In 2015, one member of the Audit Committee has retired from position, Mr. Suvait Theeravachirakul(\*). His resignation took effect on December 16, 2015. However, Mr.Sripop Sarasas, on the Audit Committee most educated and experienced auditors can assume the position and examine reliability of the Company's financial statement. Currently. Mr.Sripop Sarasas takes a position of Committee and Audit Committee in numerous companies. Nevertheless, he is certain to provide sufficient time and act as the Company's independent committee and Chairman of the Audit Committee.

### Term of Directorship

The Audit Committee member has 3-year term of service. The Audit Committee member being due to retiring by rotation is eligible for re-election. In case that any vacancy in the membership of the Audit Committee occurs due to other reasons than by retirement of the member by rotation, the Audit Committee with appoint a qualified person to be an Audit Committee member corresponding with what is defined by the Board of Directors.



## Shareholder and Management Structure

The new member of the Audit Committee who replaces the vacant seat will serve out the remaining term of the replaced member.

### Scope of Duties and Responsibilities

1. Review the financial report to oversee that the reports are sufficient and correct.
2. Review the internal control system to oversee that they are adequate, appropriate and efficient. In addition, to observe the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit.
3. Review the business operating procedure to oversee that they are in compliance with rules and regulation of the Security Exchange Commission and those of the Stock Exchange of Thailand as well as other laws relative to the company business.
4. Recommend to the Board the independent persons to respond the company's auditors and deliberate his or her compensation including attending a meeting with the auditor without the presence of the management at least once a year.
5. Review the connection transaction or transaction that may have conflict of interest to oversee that they are accurate, complete and in compliance with rules and regulations of the Stock Exchange of Thailand as well as disclose complete information of the transactions to ensure that they are appropriate and most beneficial to the Company.
6. Issue an Audit Committee Report to be included in the company's annual report and the report must be signed by the Audit Committee Chairperson and must at least contain the following information:
  - Opinions concerning with the correctness, completeness and trustworthiness of the financial reports of the Company.
  - Opinions concerning with the adequacy of the Company's internal control system.
  - Opinions concerning with the Company's compliance with the laws and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.
  - Rules and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.
  - Opinions concerning with the appropriateness of the auditor.
  - Opinions concerning with the transactions that may involve conflict of interest.
  - The number of the Audit Committee's Meetings and attendance record for each of the Audit Committee Members.
  - Opinions or overall observation that the Audit Committee has found during performing its duty according to the Charter of the Audit Committee.
  - Other reports which should be acknowledged by the shareholders and general investors under the duties and responsibilities assigned from the Board of Directors of the Company.
7. Perform other activities as delegated by the Company's Board of Directors with consent from the Audit Committee.

The Audit Committee is responsible to the Board of Directors and the Board of Directors is still responsible for the Company's operation to other persons.





## Shareholder and Management Structure

In case have change of duty and scope of work of the Audit Committee, the Company shall submit the resolution to change the duty and scope of work of the Audit Committee report to the Stock Exchange of Thailand (SET) by SET requirement within 3 days from the date of such change.

8. Performance of Audit Committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to Board of Directors of the company in order to improve, to revise within the time determined by the Audit Committee. In past of year do not have transaction below:

- 1) Transaction that involve conflict of interest
- 2) Fraud or irregularity or material defect in the internal control system
- 3) Infringement the Securities and Exchange Act, requirements of the Stock Exchange of Thailand.

If the Board of Directors or management can not to improve, to revise within the time determined, the member of the Audit Committee may reporting the transaction or activities above to the Security Exchange Commission and the Stock Exchange of Thailand.

### Components and appointment of the Executive Committee

The Executive Committee member shall be the member of the Board of Directors of the Company and/or the executive of the Company who is appointed by the Board of Directors with the number deemed as appropriate by the Board of Directors. The Board of Directors of the Company shall elect one Executive Committee member to be the chief executive officer.

### Executive Committee

Executive Committee consists of 3 directors as follow:

Name-Surname	Position
1. Mr. Kiatikul Monsereenusorn	Chairman of Executive Committee
2. Mr.Puncharit Monsereenusorn	Executive Committee
3. Mr.Kitimethee Monsereenusorn	Executive Committee

Ms. Amornpan Suwanrat is the secretary of Executive Committee

### Scope of Duties and Responsibilities

The Executive Committee has the authority and responsibility to manage the work relating to the ordinary course of business and management of the Company, to specify the business plan, budget, management structure and management power of the Company, as well as the criteria for business operation that are in accordance with the economic situation, to propose the same to the meeting of the Board of Directors of the Company for consideration and/or approval, and to monitor and follow up the overall operation of the Company in accordance with the specified policies. The main authority and responsibility can be summarized as follows.

1. To specify the policy, direction, strategy and main management structure in the company's business operation in order to propose the same to the Board of Directors for approval.



## Shareholder and Management Structure

2. To specify the business plan, budget, and management power of the Company in order to propose the same to the Board of Directors for approval.

3. To consider the investment project of the Company in order to propose the same to the Board of Directors for approval.

4. To approve major expenditure for investment that is specified in the annual expenditure budget as it will be appointed from time to time by the Board of Directors of the Company or in accordance with principles thereof that has been approved by the the Board of Directors of the Company.

5. To approve the procurement in management with the financial limit of not more than 20 million Baht per transaction.

6. To negotiate and enter into contract, agreement, instrument and other documents, including those relating to the procurement that is relevant to the business operation of the Company with the financial limit of not more than 50 million Baht per transaction.

7. To approve the borrowing, conclusion of loan contract, conclusion of mortgage contract and/or pledge contract with the bank and/or financial institution with the financial limit of not more than 50 million Baht per transaction.

8. To allocate premium, reward, and bonus approved by the Board of Directors of the Company to employees or staffs of the Company.

9. To be the board of consultant to manage the policies relating to finance, marketing, operation, and other management.

10. To have the power to approve the opening or closing of deposit account, to define the name of the person authorized to withdraw the money from the deposit account of the Company, and to do other action relating to such deposit account.

11. To approve the amendment of location of head office and branch office of the Company provided that the amendment of the location of the head office is within Nonthaburi Province only.

12. To engage in necessary actions to promote and protect the interests of the Company.

13. To approve the amendment to the conditions of credit limit usage and/or methods of withdrawal from the credit limit that the Company has with the bank and/or financial institution.

The power of the Executive Committee shall not include the approval of any transaction where the Executive Committee or other person may have conflict or interest in the benefit in any other nature with the Company or the subsidiary company (if any) in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand. Approval of the transaction of such nature is required to be proposed to the meeting of the Board of Directors and/or the Shareholder's meeting for consideration and approval in accordance with the Articles of Association of the Company or as specified by related laws, unless it is the approval of transaction that is the ordinary course of business that the Board of Directors has clearly specified the consideration framework.

Once the Executive Committee has taken any action, it shall report to the meeting of the Board of Directors.



## Shareholder and Management Structure

### Executive

The Company consists of 7 executives as follow:

Name-Surname	Position
1. Mr. Kiatikul Monsereenusorn	Managing Director
2. Mr.Puncharit Monsereenusorn	Assistant Managing , acting Head of Sales and Marketing
3. Mr.Watcharin Pongkua	Plant Manager
4. Ms. Pornsuree Mayungpong	Human of Resource and Social Responsibility
5. Ms. Amornpan Suwanrat	Accountant and Budget Manager
6. Mr. Panya Srisapa	Kiln Manager
7. Ms. Thidararat Sihawanlop	Office Manager

### Extent and Duty of Managing Director

1. Supervise the Company's daily operation and management.
2. Carry out the operation in line with the policy, plan and the budget approved by the Board of Directors or the Executive Committee.
3. Administrate the Company's business in line with the objectives, regulations, policy rules, requirements, orders and resolution of the General Meeting of Shareholders, or the Board of Directors and the Executive Committee.

However, the authority of the Managing Director does not cover the approval of any transactions likely to cause conflicts or any transactions that the Managing Director or his related parties may have conflict of interests with the Company or its subsidiaries according to regulations of the Stock Exchange of Thailand (SET). Such an approval must be presented to the meeting of the Board of Directors and/or the General Meeting of Shareholders as required by the Company's regulations or related law, unless the approval is for regular business operation which has been deliberated by the Board of Directors.

### Company Secretary

The Board of Director has appointed the Company Secretary in accordance with Article 89/15 of the Securities Exchange and the Stock Exchange Act of B.E. 2535 (Revision of statutes also referred). By this, the secretary is obliged to hold the following tasks;

1. Providing and storing the documents as follow;
  - (A) The Committee Registration
  - (B) The meeting arrangement, the minutes and the annual report
  - (C) The meeting arrangement and the minutes of the shareholders.
2. Storing (Keeping) the connected transaction report by the Committee and Administrations.
3. Performing any others tasks as required by the capital market committee.

Besides above duty and responsibility, the Company's secretary is to provide legal suggestions and various regulations and seek for coordination to have the committee's resolution abided by. In order to achieve such goal, the Company's secretary should be



## Shareholder and Management Structure

continuously trained and developed particularly on the law as well as accounts and the secretary's duties.

The Board of Directors Meeting No. 1/2013 held on 28<sup>th</sup> January, 2013. The Board of Directors has appointed Ms.Thidarat Sihawanlop to respond the Company Secretary and had duties follow to comply with Section 89/15 of the Securities Exchange Act of 2535 (1992), (including amendments). This was including qualification for work of these duties below:

1. To be competent and understands well in the Company's business and other related work;
2. To have good knowledge about the relevant rules, regulations and laws;
3. To work carefully with high responsibility and honesty;
4. To have good communication with other people that needed for dealing with many sections.
5. Knowledge in Accounting and Finance.

### Personnel

Number of the Executive and employee at on 31<sup>st</sup> December 2014 the Company had total of personnel 245 person (with the Executive) including total of monthly staff 167 persons and total of daily staff 101 persons consists of the section detail below:

Section	Monthly Staff (Persons)	Daily Staff (Persons)	Total Staff (Persons)
The Executive	7		7
Kiln	28	42	70
Factory	104	36	140
Accounting and Budgeting	9	-	9
Marketing	4	-	4
Head Office	15	-	15
<b>Total</b>	<b>167</b>	<b>78</b>	<b>245</b>

- **Dispute of Labour**

- Non –



## Report of Good Corporate Governance

The Company focused on good corporate governance. The Board of Directors is committed to comply with the principles of good corporate governance for the Company's business operations. It will also enhance the transparency and efficiency of the management team that will build the confidence with shareholders, investors and all related parties. The Good Corporate Governance policy has been adopted in 2015; the Company has been surveyed on good corporate governance in various aspects as follows.

- [A corporate governance survey of listed companies \(CGR 2015 project\)](#)

This is the first year of the survey of the Company after registration as a member of the Stock Exchange of Thailand since 2014. In 2015, the Company has been assessed as a good level or ranked in the three-star rating by the Thailand Institute of Directors (IOD).

- [The quality assessment of the 2015 Annual General Meeting of Shareholders \(AGM\)](#) at the Securities and Exchange Commission (SEC) with Thai Investors Association and Thai Listed Companies Association, was the first year of the Company to be surveyed. The results of the assessment of the 2015 Annual General Meeting of Shareholders was in "excellent" level.

- [The sustainability assessment of Thai listed companies based on the sustainable development plan for listed companies of Thaipat Institute](#) supported by the Securities and Exchange Commission (SEC), was conducted as a second year after the IPO. The company has a development relating to anti-corruption of Level 3 "Established".

In order to operate under good corporate governance guidelines and contribute towards sustainable development, the Company shall regularly review and revise the corporate governance policy in accordance with the principles of good corporate governance for listed companies and the requirements in published documents of the Stock Exchange of Thailand (SET) (Refer to edition in 2012). In this edition, it has been revised by comparing the principles of corporate governance of the Organization for Economic Co-Operation and Development. In addition, to comply with the laws, rules and regulations, including the corporate governance guidelines set by the Stock Exchange of Thailand and the Securities and Exchange Commission, the Company has provided other operations divided into the following five categories:

1. Right of the Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board





## Report of Good Corporate Governance

### ❖ **Rights of shareholders**

**Principles** (according to the document Good corporate governance for listed companies).

**“Shareholders own the Company, controlling it by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Therefore, the Company should encourage shareholders to exercise their rights.”**

The Company recognizes the rights of shareholders such as stock purchase/sales, receiving sufficient and correct information and News, attending the shareholders' meeting and using their voting rights with respect to major changes that may affect the Company, such to vote in shareholder meeting to elect or remove members of the board, appoint the external auditor, and make decisions on any transactions that affects the Company, such as dividend payment, amendments to the Company's article of association or bylaws, capital increases or decreases, or the approval of extraordinary transactions. To facilitate the shareholders in using their rights to make informed decisions, the Board has duties and responsibilities to provide the implementation practices in order to adhere to the Articles of Association and encourage all shareholders and institution shareholders to attend the shareholder meeting. By this, it regulates the guidelines as follow;

1. **The Board has policies to provide the Company disclose the regulation and information for support to provide the rights to shareholders.**

#### **Article of Associates relate for the shareholders**

##### **Articles of Association in Chapter the Share and Shareholder**

- All shares of the Company are ordinary shares of equal par value and are issued in the form of name certificate.

All shares of the Company must be paid in full by cash or any other assets. The subscribers or purchasers of shares shall not set off their debts with the Company.

The shares of the Company shall be indivisible. If two or more persons jointly subscribe for or hold share or shares, anyone of them shall be appointed as the person with the right and capacity as share subscriber or shareholder, as the case may be

The Company may issue and sell ordinary stocks, preferred stocks, debentures, warrants, and any other securities that the Securities and Exchange Act and the Securities Exchange Commission permit.

- Any shares shall bear the names of the shareholders and shall be signed or printed with fingerprint by at least 1 (one) director with the Company Seal thereon. The directors may assign the Share Registrar to sign or print his signature on their behalf according to the Securities and Exchange Act.

- Signing by the director or the Share Registrar in share certificates or any other securities shall be done by either signing by themselves or affixing by other machines, computer, or any other seals being in accordance with the Securities and Exchange Act.



## Report of Good Corporate Governance

The Company shall keep the shareholder record and any evidences related to booking the shareholder record at the Headquarter of the Company. However the Company may assign Thailand Securities Depository Company Limited to be the Securities Registrar. In case the Company assigns Thailand Securities Depository Company Limited to be the Securities Registrar, the procedures of the registration shall be as stipulated by the Share Registrar.

- The Company shall issue share certificates to shareholders within two (2) months from the date on which the registrar accepts the registration of the Company or from the date on which the Company has received share payment in full in case where the Company sells the remaining shares or newly-issued shares after the registration of the Company.

- In case any share certificate(s) are damaged or blurred in material respects, shareholder may request the Company for the new share certificate(s) in substitution thereof.

In case any shares certificate(s) are lost or destroyed, the shareholder shall submit to the Company the evidence of lodging a complaint with the police or other evidences which the Company deems appropriate.

In both cases, the Company shall issue new share certificates within the time prescribed by law and the Company may charge a fee for the issuance of a new share certificate in substitution for the original share(s), in which the rate shall not be higher than what is described by law.

Share certificate(s) that are lost, blurred, or damaged, and are substituted by the issuance of a new share certificate are deemed to be cancelled.

- The Company is not allowed to have ownership in or to pledge its own shares except for the following circumstances:

(1) The Company may repurchase the shares from the shareholders who voted against the resolution of the Shareholders' Meeting to amend the Articles of Association of the Company in relation to the right to vote and the right to receive dividend, where the shareholders consider that they are not fairly treated.

(2) The Company may repurchase the shares for the purpose of financial management in case the Company has retained earnings and excess liquidity, and such shares bought back do not cause the Company to encounter financial problems.

The shares which are held by the Company shall neither be counted as the quorum of the shareholder's meeting nor shall have the right to vote or receive the dividend.

The Company shall dispose the shares purchased as mentioned in the previous paragraph within the period of time as stipulated in the Ministry Regulation. If any or all of the shares are not be disposed or are unable to be disposed within the time as stipulated, the Company shall decrease its paid up capital by deleting the registered shares which are unable to be disposed.

The repurchase, disposal, and deletion of the registered shares that are unable to be disposed shall comply with the rules and procedures as prescribed in the Ministry Regulation and related laws.

- The share repurchase scheme shall be approved by the shareholders' Meeting, except the case that the Company is registered in Securities Exchange of Thailand, and the aforementioned shares repurchased is ten (10) percent of the total paid – up capital or less, the share repurchase scheme can be approved by the board of directors.



## Report of Good Corporate Governance

### Articles of Association in chapter The Transfer of Share

▪ The Company's shares can be freely transferred without any restrictions and the shareholding of foreigners at any times shall not be more than forty-nine (49) percent of the total issued shares of the Company. Any transfer of share that cause the shareholding of foreigners is more than forty-nine (49) percent, the Company has right to deny the aforesaid transfer.

▪ The transfer of shares shall be valid upon the transferor's endorsement of the share certificate by stating the name of the transferee, signing the signatures of both the transferor and the transferee and delivering the share certificate to the transferee.

The aforesaid transfer of shares shall be valid against the Company upon the Company having received an application for registration of the transfer of shares but shall be valid against third parties upon the entry of such transfer by the Company in share registrar book.

After consideration that the transfer of shares complies with the law, the Company shall register the transfer of shares within fourteen (14) days from the date the Company receives the application. In case such transfer of share is deemed incorrect or invalid, the Company shall inform the applicant within seven (7) days from the date the Company receives the application.

If the shares of the Company have been registered in the Securities Exchange of Thailand, the transfer of shares shall comply with the Securities and Exchange Act.

▪ In case the transferee wish to acquire a new share certificate, he shall send a request to the Company in writing bearing signatures of the share transferee and certified by at least one (1) witness and return the old share certificate to the Company. If the Company deems that the aforementioned transfer is in accordance with the law, the Company shall register the transfer within seven (7) days from the date the Company receives the request, and issue a new share certificate within one (1) month from the date the Company receives that request.

### **In case of changes in securities holding of individuals, please refer to the following guidelines:**

Director, executive, auditor of the Company has the duty to disclose reports on each person's securities holding and the holding of securities by his/her spouse and minor children, as follows:

1. First report in **Form 59-1** must be filed with the SEC within 30 days from the closing date of the offering of such securities or the date of appointment, and

2. Whenever there is a change in securities holding of such person, it must be reported **Form 59-2** to the SEC within three days from the date of purchase, sale, transfer or acceptance of transfer, except for the following cases (**Form 59-2** is not required):

2.1 Acquisition of securities from rights offering

2.2 Acquisition of securities from exercise of convertibles

2.3 Acquisition of securities by inheritance

2.4 Acquisition of securities from ESOP / EJIP scheme \*

2.5 Transfer or acceptance of transfer of securities placed as collateral in derivatives trading

**Remark:** Securities mean Shares or convertibles (convertible debentures, share warrants or transferable subscription rights).

\* ESOP is a type of employee benefit plan which is intended to encourage employees to acquire stocks or ownership in the company.



## Report of Good Corporate Governance

\* EJIP is Employee joint investment program

### 3. Commencement/termination of duty

Form 59-1: commences upon the IPO launch and terminates when the Company no longer has duty under Section 56.

Form 59-2: commences upon the securities registration with the Stock Exchange of Thailand and terminates when there is no security registered with SET.

#### Note:

#### Guideline for filing (sending) of Report

1. Executive / auditor must file report with the SEC before 9.00 a.m. on the following business day (prior facsimile transmission is not required)

2. Facsimile transmission can be done through fax no. (66) 0 2695 9660, within 24.00 hours of due date, and the original must be filed with the SEC within three business days from the due date (either by hand or mail is acceptable). In case where the SEC does not receive the report filed through facsimile transmission by the said period, the person with duty to file the report will be deemed to have been delayed for such filing regardless of whether the original will be filed within three business days.

In case of shareholding changes from acquisition or disposition of securities in the amount that reaches or crosses 5%, 10%, 15%, 20% .... to 100% of the total voting rights in the Company. Individuals with the acquisition or disposition of securities accounted for the change have an obligation to file a report under Section 246, as described below;

#### Reporting obligation under Section 246

(1) Holding of shares in the amount that reaches or crosses 5% ... 10% ... 15% ... 20% ... to 100% of total voting rights in the Company.

(2) Holding of convertible securities whose amount of the total underlying shares reserved for conversion reaches or crosses 5% ... 10% ... 15% ... 20% ... to 100% of total voting rights in the Company.

In order to comply with the regulations and offer shareholder the right with respect to shares and shareholders. The Company has assigned Thailand Securities Depository (Thailand) Co., Ltd. as a securities registrar of the Company. Therefore, the procedures relating to registration of the Company will be operated by the securities registrar.

The current contact Information of Thailand Securities Depository (Thailand) Co., Ltd.(TSD), effective on January 4, 2016, is as follows:

#### Contact address

Thailand Securities Depository Co., Ltd.(TSD)

Mail Room Floor 1 (Tower C)

The Stock Exchange of Thailand Building

93 Rajadapisek Road,

Dindaeng, Bangkok 10400

Tel: 02 009 9385

Fax: 02 009 9476

Email: srg\_tsd@set.or.th



## Report of Good Corporate Governance

### Articles of Association in chapter Dividend and Reserve

- No dividend shall be paid other than out of profit. In the case where a Company has accumulated losses, no dividend shall be paid.

A dividend shall be paid according to the number of shares, each share being equally paid except the case where the Company has issued preferred stocks and required the different dividend payment from ordinary stocks, and the payment of dividend shall require the approval of the Shareholder's Meeting.

The Board of Directors may pay the shareholders such interim dividends as may be justified by the profits of the Company. When these dividends are paid, such dividend payment shall be notified in the next meeting of shareholders.

Dividend must be paid within one (1) month after the resolution of the meeting of shareholders or of the Board of Directors is passed, as the case may be. Notice of distribution of dividend in writing must be sent to the shareholders and publication of the notice of the payment of dividend shall also be made in a newspaper not less than three (3) consecutive days.

- The Company shall retain the proportion of net profit as a reserve not less than five (5) percent of the annual net profit deducted with the accumulated loss carried forward (if any) until such reserve reaches not less than ten (10) percent of the total capital.

### Articles of Association in chapter Shareholder's Meeting

- The Board of Directors shall arrange an annual ordinary Shareholders' Meeting within four (4) months from the last day of the accounting period of the Company.

Any other Shareholder's Meeting apart from meeting mentioned in the first paragraph shall be called Extraordinary General Meeting. The Board of Directors may call an Extraordinary General Meeting whenever it is deemed appropriate.

The shareholders holding an aggregate number of shares not less than one-fifths ( $\frac{1}{5}$ ) of the total number of shares of the Company, or shareholders in a number of no less than twenty-five (25) holding an aggregate number of shares of no less than one-tenths ( $\frac{1}{10}$ ) of the total number of shares of the Company may make a request in writing to the Board of Directors to summon a Shareholders' Meeting as an extraordinary meeting by stating the reason for calling the meeting. In such a case, the Board of Directors must convene a shareholders' meeting within one month from the date receiving the request notice from the shareholders.

- In calling a general Shareholders' Meeting, the Board of Directors shall send notices for the meeting specifying the place, Date, Time, agenda of the meeting, as well as the subject matters to be submitted to the meeting together with reasonable details, by stating clearly that the agenda will be for information, for approval, or for consideration, as the case may be, including the opinions of the Board of Directors in such matters. Notices shall be sent to the shareholders and the Registrar for their information no less than seven days before the date of meeting. Furthermore, publication of notices calling a meeting shall also be made in a newspaper for a period of three consecutive days and not less than three days before the date of meeting.

The Shareholders' Meeting shall be held in the province where the Company's head quarter is located or nearby provinces or in any location which is stipulated by the Board of Directors.

- At a general Shareholder's Meeting, there should be no less than twenty-five (25) of the shareholders and proxies (if any) or no less than one-half of the total shareholders

**Report of Good Corporate Governance**

shall be present holding aggregate shares of no less than one-thirds (1/3) of the total number of the Company's issued shares to constitute the quorum.

If no quorum mentioned in the first paragraph is formed after one hour is lapsed in any Shareholders' Meeting, if it an extraordinary meeting summoned upon the request of shareholders, it shall be dissolved. But if it is a meeting not summoned upon the request of shareholders, another meeting shall be summoned. Notices of such a new meeting shall be sent to the shareholders, another meeting shall be summoned. Notices of such a new meeting shall be sent to the shareholders at least seven days in advance and the quorum for the next meeting is not required.

- The Chairman of the Board shall as a Chairman of the Shareholders' Meeting. If at any time Chairman is absent or is unable to perform the duty and there is a Vice Chairman, Vice Chairman shall act as a Chairman of the meeting. If there is no Vice Chairman or Vice chairman is absent or is unable to perform the duty, the meeting shall elect one of the shareholders presented in that meeting to act as a Chairman of the meeting.

- To vote for a resolution in the Shareholders' Meeting, one share shall equal one vote. If there is any shareholder having interests in any matters, that shareholders has no right to vote in such matter except the case of voting for Director. The resolution of the Shareholders' Meeting shall be supported by the following votes.

(1) In an ordinary event, the majority vote of the shareholders present at the meeting and casting their votes shall be required. In case of a vote, the chairman of the meeting shall have a casting vote.

(2) In these following cases, the majority votes of no less than three-fourths (3/4) of the total shareholders' vote present at the meeting with the right to vote shall be required ;

- a. An acquisition or disposition of total or partial essential assets to other persons.
  - b. An acquisition or disposition of business of other private companies or public companies to be the Company's business.
  - c. Perform, amend, or cancel of contracts concerning the Company's all or partial leasing businesses, assign other persons to operate the Company's business, or have a joint-venture with other persons with the objective of profit and loss sharing.
  - d. The amendment of the memorandum of association or articles of association.
  - e. The increase or reduction of the capital of the Company.
  - f. The liquidation of the Company.
  - g. The debenture issuance of the Company.
  - h. A merger of a Company with another company.
- An agenda of an annual general meeting shall include the following items.
    - (1) Consider report of the Board of Directors proposed to the meeting indicating the Company's business operation in the past year.
    - (2) Consider and approve the balance sheet and profit and loss statements.
    - (3) Consider and approve the profit allocation and dividend payment.
    - (4) Consider and approve the new Directors to replace the Directors whose term have completed.
    - (5) Consider and specify the Director remuneration.
    - (6) Consider and approve auditor and specify his remuneration; and
    - (7) Other transactions.





## Report of Good Corporate Governance

### 2. The Implementation and practice according to the Articles of Association; providing Rights for the shareholders; promoted and facilitate for shareholders to attend the Shareholder Meeting; Disclosure the shareholders' meeting resolution including result of the voting by practice follows;

1. The Company shall deliver the notice to convene a shareholders' meeting together with sufficient supporting information prior to the date of the shareholders' meeting in compliance with applicable laws and regulations, specifying date, time, venue of the meeting along with the opinions of the Directors with respect to each meeting agenda so as to provide every shareholder the opportunity to assess such information in advance;

2. In the event that any shareholder cannot attend the meeting, the Company shall provide the opportunity to such shareholder to appoint independent director(s) or any third party as his/her proxy to attend the meeting on his/her behalf by using the proxy form enclosed with the notice to the meeting;

3. Prior to the commencement of the shareholders' meeting, the Company shall announce the voting procedures for each item on the agenda; and appoint the independent agencies to count votes in both the ordinary and extraordinary session for the shareholders and announce in the meeting and take the minutes

4. During the meeting, each shareholder shall be provided equal opportunity to comment or raise questions in the meeting. The Chairman of the Board will allocate time appropriately to each shareholder. The directors and relevant executives shall attend the shareholders' meeting in order to answer the questions raised therein; and in case of the absence from meeting, the shareholders can authorize independent director or any particular persons to attend the meeting. Besides, the Company orders to get the meeting recorded so that those who do not attend the meeting can also be informed of the meeting contents.

5. The Company will ensure that minutes of the shareholders' meeting are completely and correctly recorded and include questions and major comments therein; and

6. The Company shall consistently disclose its information on the Company's website, SET's website, as well as SEC's website.

7. The Company aims to facilitate and encourage all shareholders and institution shareholders to attend the shareholder meeting. By this, it regulates the guidelines as follow;

(1) The resolution of the Board of Director Committee as well as the meeting schedule, the agenda and the contents must be publicized through disclosure with the Stock Exchange of Thailand (SET). The disclosure within the following day after the Board of Director Committee has approved the resolution.

(2) The shareholder meeting must be transparently and efficiently organized under the Company's law and regulations.

(3) The shareholders are authorized to propose the meeting agenda including the list of the persons to be elected as the Company's Committee and the questions in advance. The meeting schedule is to be announced through the Stock Exchange of Thailand (SET) and the Company's website for at least 3 months ahead of the meeting terms. In 2015 the Company announced the schedule published on October 15, 2015 and provide the schedule during October 16, 2015 – November 30, 2015.



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(4) Provide an accurate and sufficient information timely for the shareholders

(5) Send the invitation letter to the shareholders inviting them to attend a meeting. The invitation letter must mention the exact meeting date as well as the place, the agenda and a complete information. It should also include a proxy form and its suggestions or procedures. At any rate, the Company is to send the invitation letter at not less than 30 days in advance. Besides, the shareholders should be informed disclosure through the Stock Exchange of Thailand (SET). The Invitation letter is to be registered and sent to the shareholders not less than 14 days before the meeting day.

(6) Post a notice of the shareholder meeting on daily newspapers consecutively for not less than 3 days before the meeting days.

(7) Allow the shareholders to register a meeting ahead of schedule of which the meeting registration should be timely scheduled.

(8) Facilitate the shareholders to easily attend the meeting with the receptionists and registrar on duty and efficient information technology for registration and the vote counting.

(9) Offer opportunity for all shareholders to have equal rights especially on expressing ideas and questioning at an appropriate time. Their questions and suggestions will be completely recorded in the minutes.

(10) Publicize the meeting resolution and result of the voting disclosure through the Stock Exchange of Thailand (SET) within the following day after the shareholder meeting.

(11) Make a minute on the shareholder meeting which includes an explanation on the voting procedures, result of the voting questions and answers as well as the list of the Committee who attend the meeting and the committee who are absent from the meeting.

(12) Make a minute on the Annual General Meeting (AGM) and hand it to related agencies. The minute of AGM will also be publicized on the Company's website within 14 days after the meeting days.

(13) Make a report on video, record the vote casting and publicize on the Company's website so that it can be more convenient for the shareholders and those interested to catch up with the meeting.

(14) Assign the Company's secretary and investor relation (IR) to contact, coordinate and provide facilitation among the Company's shareholders and the investors.



## Report of Good Corporate Governance

### ❖ **Equitable treatment of shareholders**

**Principles** (according to the document Good corporate governance for listed companies).

**“All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated fairly and equally. Minority shareholders whose rights have been violated should be redressed.”**

The Company shall treat each and every shareholder equally and fairly, the Board has set up the following policy:

1. The Company shall facilitate procedures for minority shareholders to propose additional agenda prior to a shareholders' meeting or nominate candidates for the position of director in compliance with applicable laws and regulations;
2. In a shareholders' meeting, the matters will be considered and voted on based on the agenda that was previously determined without changing any important information or adding unannounced meeting agendas during the meeting without any necessity;
3. In order to assist shareholders who are unable to attend the meeting in person, such shareholders may appoint any person or an independent director as his/her proxy to attend the meeting and vote on his/her behalf. The names of the independent director(s) who can be authorized as proxies shall be listed in the notice to the shareholders' meeting;
4. The Company promotes the use of ballot cards for each important meeting agenda such as related party transaction and transaction related to acquisition or disposal of the Company asset, in order to ensure transparency and accountability. During the election of directors, the shareholders may vote to elect each director individually; and
5. To provide written guidelines in regard of keeping and protecting the use of insider information and disseminate such guidelines to everyone in the Company for compliance, as well as require each director and executive, who has a duty to report his/her securities possession under the law, to submit such report to the Board.

Since the Company gives priority to every shareholder equal rights and urge the shareholders and the institution investors to attend the shareholder meeting, it therefore regulates the guidelines as follow;

#### **1. Information provided ahead of the shareholder meeting**

1.1 Inform the meeting schedule together with its agenda and the committee's comment to the Stock Exchange of Thailand (SET) and get it publicized on the Company website for at least 30 days before the meeting day.

1.2 Inform the shareholders about different regulations used in the meeting including procedures on voting, resolution and the right to vote for each type of shares.

1.3 Make English and Thai meeting invitation letter to invite the shareholders to attend the meeting.

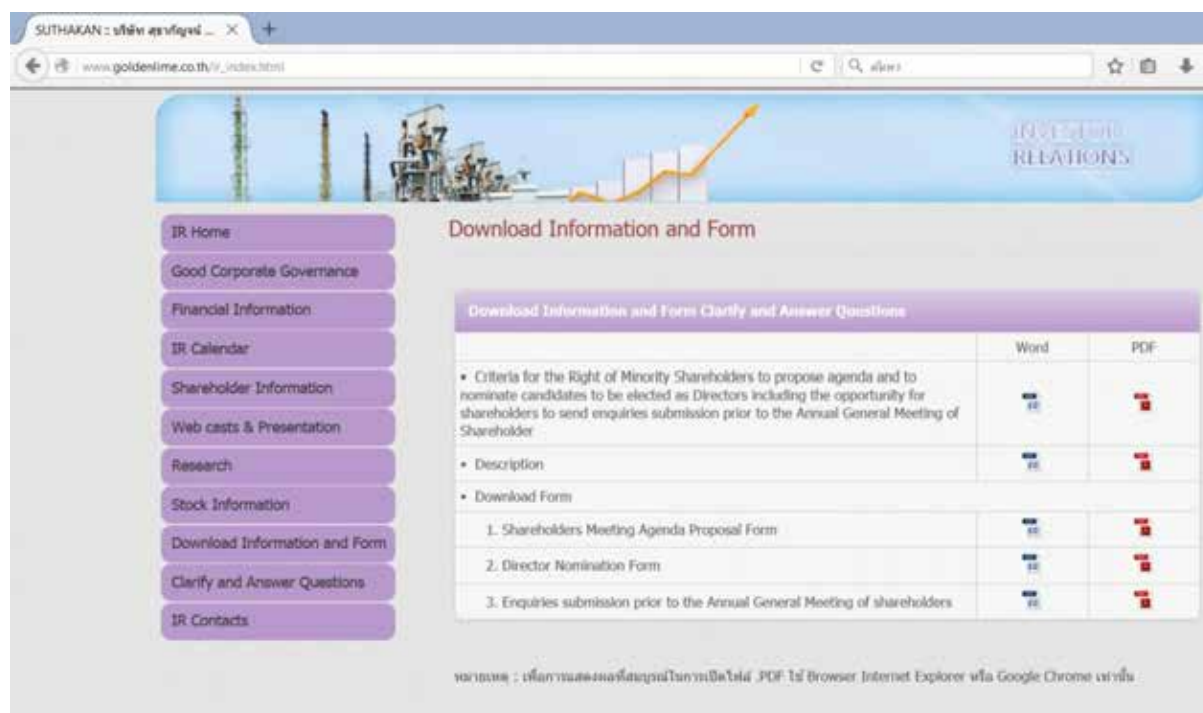
#### **2. The right protection of the minority shareholders**

2.1 Specify regulation of the minority shareholders to propose additional agenda in advance including list of the persons to act as committee and questions to be raised. The regulations should be announced on the website of the Company and Stock Exchange of Thailand (SET)



## Report of Good Corporate Governance

Criteria for the Right of Minority Shareholders have disclose on the Company website at [www.goldenlime.co.th](http://www.goldenlime.co.th) in page Investor Relations and select menu download information and forms. The announcement to be published together with detailed guidelines and forms by informed through the website of SET on November 15, 2015 , has period for received these subject during the period October 16 to November 30 , before period of the Annual General Meeting of shareholders.



## 2.2 Authorize the shareholders to appoint individual committee

### 3. Prevention of internal information usage

The committee specifies the written guidelines to save and prevent the internal information usage in the policy which covers the internal information management. Everyone in the organization is required to follow these guidelines which will also be announced in the annual report below;

The Company has the following policies and methods to manage the executives and employees in using the inside information of the Company for their own interests.

1. The directors, executives, employees, and staffs of the Company are prohibited to disclose and/or seek to benefit themselves or others the inside information of the Company, either directly or indirectly, whether they get any benefit in return or not.

2. The directors, executives, and persons who take executive-level position in financial or accounting field and are section manager or equivalent shall be educated in the duties to prepare and submit the report of property holdings of theirs, their spouses, and children who do not reach legal age to the Securities and Exchange Commission in accordance with Section 59 and the penalty provisions in accordance with Section 275 of the Securities and Exchange Act B.E. 2535.

**Report of Good Corporate Governance**

3. The Company prescribes that the directors, executives, and persons who take executive-level position in financial or accounting field and are section manager or equivalent as well as related operators shall stop purchasing and/or selling the securities of the Company's during the period of 1 month prior to the Company publishing the information regarding the operation result and financial status or information that is essential and affects the price of the securities until the Company has disclosed such inside information to the public.

4. The Company prescribes that the executives, and persons who take executive-level position in financial or accounting field and are section manager or equivalent prepare and submit a report of holding of securities of the Company held by such persons, their spouses and children who do not reach legal age to the secretary of the Company. The preparation and submission must be made within 30 days after taking the position and the report shall be made to the Office of the Securities and Exchange Commission when there is a purchase or sale of securities within 3 working days as specified by the Securities and Exchange Act. The copy thereof must also be sent to the secretary of the Company on the same date the original is sent to the Office of the Securities and Exchange Commission.

The directors, executives, employees who violate the policy regarding inside information usage shall receive disciplinary action and/or be punished in accordance with the law, as the case may be, taking into consideration the intent of the act and severity of such guilt.

**4. Any interests in transaction of the directors**

4.1 Specify guidelines for the approval of related party transactions or transactions with connected natural person or juristic person based on operational details mentioned in the conflict of interest policy below;

The Audit Committee has approved the policy and procedures for related party transactions so that that the transactions between connected natural person or juristic person that may have a potential conflict are done transparently that the interests of the interests of the Company are protected, which can be summarized as follows.

Transactions between the Company and the director, executives, or other related persons shall be approved by the Shareholder's meeting, unless such transactions involve the trade agreement in the manner that ordinary person shall generally make with his contractual party in the same situation with the trade negotiation power that he has from the status of director, executive, or related person, as the case may be, and are the trade agreement that is approved by the Board of Directors or conforms to the principles previously approved by Board of Directors.

In order to the related party transaction between the Company and person who may have a conflict of interest and hold the stake of the Company, The Audit Committee will provide comments about the need to the transaction and the appropriateness in terms of the price of the transaction, taking into consideration various conditions to ensure that it conforms to the ordinary course of business in the industry, and the Committee will compare the price with third party's price or market price. If the Audit Committee does not have the expertise to consider the transaction that may occur, the Company shall provide persons who have knowledge and special expertise such as auditor appraiser, or law firm which are independent from the Company and the person who may have a conflict to



## Report of Good Corporate Governance

comment on such related party transaction which shall be used to supplement the consideration of the Audit Committee so that the Audit Committee can propose to the meeting of the Board of Directors or shareholders, as the case may be, in which case, the director who has the interest shall not have the right to vote in such transaction. In addition, there will be the disclosure of related party transaction in the Notes to Financial Statements that are examined or audited by the Company's auditor. The Board of Directors of the Company shall take care of the matter to ensure the conformity to the law on securities and securities exchange, regulations, announcements, orders, or the requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand and shall observe the requirements regarding the disclosure of connected transactions and the acquisition or distribution of major assets of the Company, or its subsidiary company, and the accounting principles specified by the Federation of Accounting and Certified Public Accountant of Thailand.

*As on December 31, 2015, the Company's existing related party transaction was an Office Rental, approved by the Audit Committee. Related materials and documents along with rental rates of the office closed to the Company have been reviewed and considered appropriate for the Company's best interest. The company, therefore, has published detailed information about that related transaction through the Stock Exchange of Thailand on February 26, 2015.*

4.2 Inform significantly interested committee not to attend the meeting in which the mutual program or other related is contained so that the committee can freely voice their comments.



**Stakeholder's of Sutha**





## Report of Good Corporate Governance

❖ **Role of stakeholders**

**Principles** (according to the document Good corporate governance for listed companies).

**“Stakeholders of a company should be treated fairly in accordance with their legal rights. The board of directors should provide mechanisms to promote cooperation between the company and its stakeholders in order to create wealth, financial stability and sustainability of the firm.”**

The Company recognizes the rights of each group of stakeholders: internal stakeholders, which include shareholders and employees, and external stakeholders, which include customers, business partners, creditors, competitors, public entities and other organizations, as well as relevant neighboring communities. The Company shall conduct its business in accordance with relevant laws and regulations to address each stakeholder’s requirements and the following policy shall be deemed as a long-term value-adding goal of the Company:

<b>To Shareholders</b>	The Company shall perform its fiduciary duties and make decisions carefully for the benefits of shareholders and ensure the transparency of the financial disclosure as well as provide all necessary information to the shareholders in a correct, accurate, and timely manner.
<b>To Customers</b>	The Company shall deliver products and services of a high quality and under fair conditions and also maintain the customer confidentiality and shall not disclose or misuse such information.
<b>To the Director, the Executives, and Employees</b>	The Company treats its personnel fairly, without discrimination. Remuneration and welfare shall be done based on good faith, appropriateness and capability of such employees. SUTHA also promotes the safety of workplace and good working environment as well as supports of employees’ training and development.
<b>Business Partners</b>	The Company respects the contractual agreement with business partners as well as complies with related laws and regulations strictly to ensure that any transaction occurred with business partners will be in a good corporate governance manner.
<b>Competitors</b>	The Company competes with other companies within the framework of fair practice and healthy competition.
<b>Community, society and environment</b>	The Company supports and participates in activities, either organized by itself or in cooperation with others to help improve society and communities in areas where the Company’s business operations are located. SUTHA consistently controls and assesses the environmental impacts of the nearby communities to comply with the laws and regulations.

In line with the guidelines as follow;

1. Specify guidelines for the stakeholder
2. Specify ethics for procurement and guidelines partners mentioned



## Report of Good Corporate Governance

3. Specify the social responsibility
4. Specify the Anti-fraud policy and support any activities held to urge all employees to comply with law and related regulations.
5. Specify the personal resource management policy in order to be used for treating employees fairly and develop their knowledge and potential.
6. Provide a procedure and a channel to receive and deal with the complaints of the stakeholders as well as set up a complaint channel on the Company's website and get it publicized in the annual report.
7. Publicize information including cooperation activities, policy operation and various guidelines on the Company's website and annual report

**The Board of Directors has provided policies for stakeholders following:**

### **Code of Conduct with the Company's stakeholder**

#### **1. Practice to Shareholders**

- Adhere to good business management and equal rights of the Shareholders.
- Operate efficient business management in order to create compensation and added values for the shareholders.
- Perform duty based on honesty and transparency as well as provide protection for the Shareholder's properties and not cause any conflict of interest likely to lessen right of minority shareholders.
- Implementation to practice in according with guidelines for shareholders rights and provide the practice to action to shareholders receive equal rights

#### **2. Customer**

- Disclose accurate and complete information on goods and services.
- Be prepared to provide information as well as requirements and conditions relating to the Company's goods and services to the customers, The information includes written conditions and agreements as follow;
  - Cost of goods and services or any related expense which are not mentioned in the cost condition of goods or services.
  - Quality of goods, Packaging and delivery conditions.
  - Other information relating to joint agreement between the Company and customers.
- Inform the customers in advance in case of any changes of terms and conditions relating to the customers.
- Be prepared to answer the customer's questions including goods, services, complaints, suggestions and the follow up of the progress of subjects raised by

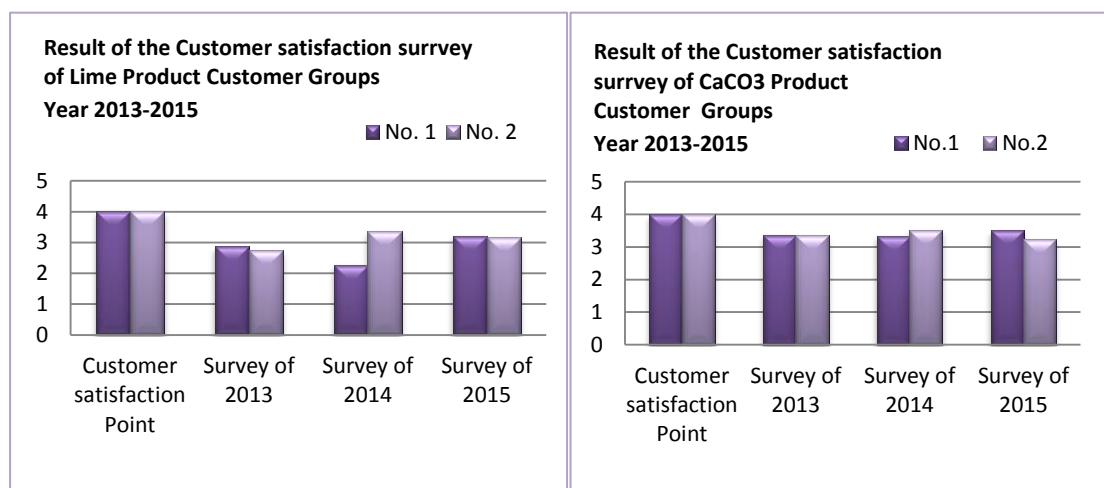


## Report of Good Corporate Governance

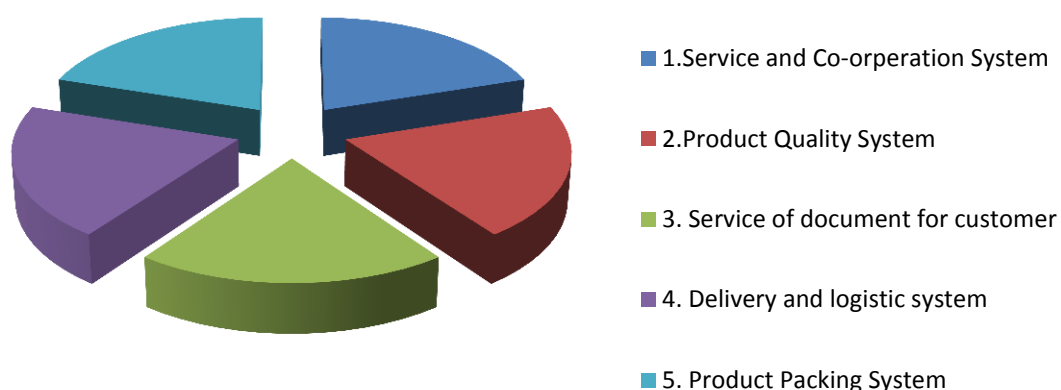
customers. However, this must be carried out in friendly manners and the employees must always be prepared for troubleshooting for the customers.

- Agencies relating to sales, marketing and services should be equipped with communication instruments to facilitate customers rapidly.
- Keep confidential information and trading secrets of customers confidential

To provide the key index to guide improvement work to be able to respond to customer satisfaction, the Company has conducted a customer satisfaction survey among of the customer in various fields by buying each major product groups. The average, the survey results follows;



According survey in Subject below;





## Report of Good Corporate Governance

### 3. Trading Partners and Creditors

- Have defined the regulation and practice under the Procurement Ethics and guidelines on procurement and selection trade partners/business partners.
- Follow the agreements with trading partners and creditors impartially based on fair compensation to both sides.
- Negotiate with trading partners and creditors in advance in case that any agreements cannot be followed in order to find solutions and prevent damages.
- Provide accurate and complete information on time.
- Neither request nor offer any dishonest interests to trading partners or creditors. In case of such undesired behavior, negotiate with creditors to find out solutions fairly and rapidly.

### 4. Practice for the Directors and the Executive to practice with Employee

- Provide compensation in line with knowledge, competence, responsibility and performances of each employee.
- Promote, develop and enhance knowledge and competence of employees to ensure their progress and occupational security.
- Promote participation of employees particularly on the working requirements and the Company's problem solving.
- Maintain working environment in order to secure the health and safety of the employees and their properties (refer with the OHSAS18001 standard)
- Reward or punishment must be made on the basis of accuracy, justice and honesty.
- Follow the law and regulations relating to the labor law and welfare of the employee.
- Avoid any unfair and inaccurate administration and management which may cause an impact on the employees.
- Treat the employee based on human dignity and pay respect to individual right and duty.

### 5. Practice to Business Competitor

- Compete within the framework of fair competition
- Do not search for secret information of the competitors by dishonest or illegal way.
- Do not damage the competitor's reputation by means of defamation or any untrue information and unfair conducts.

**Report of Good Corporate Governance****6. Instruction on intellectual property and the way not to pirate intellectual property and copyright.**

- Employees are required to act in line with the law including regulations, obligations on intellectual property, patent, copyright, trade secrets and other ownership information.
- Employees are required to examine any external works or right information to make sure that it will not pirate others' intellectual property.
- Employees are required to use the software that has been permitted by the copyright owners or as only provided by the Company in order to prevent the intellectual piracy.
- Employees are required to hand over any intellectual property to the Company when they retire.
- Any works on intellectual property initiated by the Company's policy is considered as the Company's works and intellectual property.

**7. Practice to Society and public**

- Operate the business fairly and follow a code of conduct based on good morality to assure that all stakeholders are fairly treated.
- Counter corruption, and support, supervisor and encourage employees, representatives, trading partners and contract partners to be aware of corruption and anti-corruption measures by performing as a leader and setting an example by acting within a honest and moral framework towards all stakeholders
- Respect human rights, follow regulations on human rights, and urge all employees to adhere to an international standard of human rights, as well as encouraging co-investors and trading partners to do likewise.
- Treat labor fairly in line with labor law as well as labor welfare and ethics. Create fairness and respect for individual rights in order to assure stability and peace. Promote opportunity and career progress, as well as enhance employee's potential and pay attention to their standard of living.
- Show responsibility to consumers by producing only high quality goods and services together with efficient management. Create trust and relationship with customers both before and after sales. Provide information technology together with accurate information so that the customers can make informed decision before buying products and service. Conduct research and development to create innovative products and services with importance given to corporate social responsibility
- Conserve the environment as well as promote practical environment management and utilization, and implement appropriate measures against pollution for the employees and the community.

**Report of Good Corporate Governance**

- Develop community and society. Promote and provide cooperation with both public and private sectors in a bid to jointly develop and strengthen a desirable community. By this, the community will be promoted in various fields including education, art and culture and morality as well as employment and skills in order to eliminate and prevent any threats to health, life and assets.
- Develop and publicize innovation, such as production technology and production factor which is environmentally friendly. Do utmost to create value and added value in order to bring about positive changes to the community, culture and environment.
- Practice with the anti-corruption policy and setting guidelines to assess the risk of fraud including the implementation with the social responsibility policy

**8. Practice for Board of Director, Executives and employees.**

- Perform duty with responsibility and treat those concerned in line with the Company's ethical guideline for business operation.
- Perform duty based on law, regulations and policy. Meanwhile, they are required to study rationalities and regulations in order to find accurate, appropriate and up-to-date direction in line with changes under the law, regulation and policy. In addition, they must acknowledge the impact or damage caused by nonfeasance.
- Perform duty in line with their knowledge, competence and skills for the benefit of management and administration. They are also required to enhance their knowledge, competence and skill in order to assure steady development and progress of the Company's business.
- Refrain from seeking undue benefits or misappropriate the assets of the Company or its customers. In addition, they must not accept any positions in other organizations which will lead to conflict of interest.
- Avoid disclosure or utilization of secret information.
- Perform duty with honesty. Do not abuse positions or conduct any dishonest business operation with the Company including shareholders, customers, trading partners and any stakeholders.
- Create and maintain a harmonious atmosphere. Participate in creative activities without prejudice or personal idea which will result in the social disharmony. Also avoid any activities which will affect the Company's good image.
- Do their utmost to prevent the Company's assets from damage or loss. Use the assets efficiently and do not take them in use for the benefits of their own and others.
- Do not operate the following conducts of seeking benefits:
  - Request or accept any benefits from customers as well as trading partners, contract partners, brokers and facilitators as the compensation for their performances.
  - Request or accept any profits from customers trading partners and contract and offer them a special compensation in return which is considered as violation of the Company's conditions.





## Report of Good Corporate Governance

- Do not publicize internal information over its investment which has not been announced for self-benefit. Moreover, they must strictly follow the policy of internal information usage.
- In case of relation with internal information or the company's performance, do not trade in the Company's securities during lock-up periods.

### **Procurement Ethics and guidelines on procurement and selection trade partners/business partners**

The Company has promulgated the guidelines for the procurement process and employment in line with the suitability and efficiency in order to maintain a positive corporate image. The Company has defined the following procurement ethics for the Company to observe:

#### **1. Acceptance of gifts, tokens, entertainment, and preferential treatment**

##### **1.1 Acceptance of gifts or tokens**

The Company requires that all employees do not accept gifts or tokens that may be perceived as bribes. However, accepting gifts or tokens of low value on traditional occasions, including calendars, diaries, or stationery items normally considered nominal tokens, is not an issue.

##### **1.2 Acceptance of Entertainment**

Acceptance of entertainment can be considered based on suitability. Nevertheless, the Company advises that should be avoided unless absolutely necessary. In addition, it is against the Company's ethics to ask trading partners for treatment at parties or other entertainment functions

##### **1.3 Preferential treatment**

In case of a bidding being open to trading partners, the process must be carried out without any preferential or intimate treatment to any particular suppliers or vendors that could be perceived as unequal, leading to misunderstanding with other bidders who may pull out from the bidding. In addition, the image of the improper behavior can harm the Company's reputation.

#### **2. Procurement process.**

2.1 Numerous suppliers or vendors will be allowed to present their products and services so that the Company can select the best, most appropriate and beneficial suppliers or vendors. (In case of non-particular product)

2.2 The selection of bidders should be screened for high quality trading partners who are interested in the particular bidding. Selecting a large number of bidders for the sake of filling numbers without consideration to their capability to fulfill their obligations will result in poor quality of procurement and unfairness to the Company as well as its other trading partners

2.3 All suppliers or vendors must be provided with the same written information and conditions.

#### **3. Conduct toward Supplier or Vender**

3.1 Both the purchasers and sellers should interact to each other's on the honest, fair and polite manners.



## Report of Good Corporate Governance

3.2 The suppliers or venders should be informed of the Company's procurement process as soon as they apply to be the Company's trading partners and must be informed immediately if there is any change

3.3 The inspection of received product and the payment process for Suppliers or Venders should be conducted rapidly, concisely and fairly. Any attempt to slow down the process is considered a violation of the company's ethics.

3.4 Any attempt to help the Company's suppliers or venders avoid tax payment is also a violation of the Company's regulations.

### 4. Gift, feast and favoritism

#### 4.1 Present or gift

The Company requires its agencies not to accept any present or gift likely to be a bribe except the souvenirs made during the traditional period such as New Year gifts, diary or calendar.

#### 4.2 Feast

The Company requires its agencies to deliberate or attend the feast/reception held by its trade partners or even avoid any parties at particular venues

#### 4.3 Favoritism

In case of a bidding opportunity given to the trade partners, any action showing the fondness or favoritism with particular trade partners should be refrained because it will lead to misunderstanding with other trade partners who may not then take part in the bidding. It will also damage the image of the Company as a whole.

### 5. Procurement Guidelines

5.1 In case of non-specific products, the procurement should be handed over to numerous trade partners to offer their products and services. By this, the Company will get the trade partners who can offer good and proper products and services which will really benefit the Company.

5.2 The selection of the bidders should be based on their interest and ability not just only made to complete the whole number since it will result in a lack of quality and justice for both the Company and other trade partners.

5.3 Every trade partner will be given the same written details and conditions. In case of verbal explanation, it needs to be confirmed by writing.

### 6. Instructions on trade partners

6.1 Relationship between the buyers and sellers should be based on mutual confidence. They should treat each other honestly, fairly and politely.

6.2 The trade partners must be informed of the Company's regulations and procedures as soon as they apply for the Company's trade partners and when any change occur.



## Report of Good Corporate Governance

6.3 The check on products and work and the payment procedure must be rapidly carefully and fairly conducted for the trade partners. Any intentional delay is considered as violation of morality.

6.4 Avoid any attempt to help the trade partners who work for the Company not to pay desire able tax to state.

### **Guidelines on selection of trade partners/and business partners**

Qualification of trade partners / business partners.

1. They must be manufacturers, entrepreneurs, distributors, agents, employees or any ordinary people who possess the organization or location which can be checked.
2. Own the machine including equipment, warehouses financial status and reliable business performance and service.
3. Cooperate with the Company to complement regulations and guidelines.
4. They must be facilitators or the persons who deliver goods together with the offer-sales services or process any other conditions as specified by the Company.
5. They must be the trade partner/business partners who do not have business conflicts with the Company.
6. They must not be the trade partners/business partners who obtain forbidden trade background owing to the fraud.

### **Procedures on trade business and transaction with the Company**

1. Trade partners/business partners are required to carry out the next step as soon as they have offered a price, checked price or agreed on the trading.
2. In case of being juristic persons they are required to present the tax payment identity card (Pho.Po 20) and if they are ordinary people, they must present identity cards or tax payment identity cards in order to be registered as the Company's trader or facilitators.
3. Comply with conditions including the procurement and the payment conditions in line with the Company's procurement system.
4. The Company's written purchase order and agreement contract are considered as obligation on trading business.
5. The trade partners/the business partners are also required to put up guarantee or carnet money in the purchase or contract procedures which will be informed in a written document. The guarantee and the earnest money will be returned to the trade partners when the business obligation has been completed.
6. The trade partners/the business partners are then required to hand over tax invoice as well as receipt and other related documents in order to pay money at the place or time scheduled by the Company. The payment for goods/the services for the withholding tax and other obligations mentioned in the contract such as guarantee and earnest money will be carried out by means of the cross cheque or transferring to accounts of the trade partners/business partners
7. The trade partners/business partners are able to have information on trade partners/business partners corrected by contacting the procurement agencies and handing over the correction document which has been approved by authorities of the trade partners/business partners.



## Report of Good Corporate Governance

### Human Resource Management Policy

All employees are considered valuable resources and play a major role for the Company's progress. The Company therefore aims to create a good working atmosphere for the employees on the basis of love as well as understanding for their well-being and career progress.

#### Human Resource Management Policy

- Recruit knowledgeable personnel with competence, responsibility and morality.
- Create teamwork as well as unity and provide moral support for employees.
- Enhance their knowledge, competence, operational and management skills in order to assure stability and progress.
- Promote and retain capable employees so that they can continue working for the Company for a long time.
- In order to assure stability and progress for the employees, the Company will encourage them to get a promotion and recruit insiders to fill vacant posts.
- Develop conscience and adherence to the Company's regulations and social rules.
- Improve and provide remuneration for the employees in line with their positions, experiences, qualifications as well as the Company's business performances and economic and social environment.
- Administrators in all levels are required to create a good understanding among subordinates especially on the personal management procedure including the personnel selection and the remuneration based on the anti-fraud and corruption policy.

### Human Resource Management Policy

#### 1. Personnel

The Company aims to recruit a small but sufficient high-quality workforce. Meanwhile, the Company's policy is to put the right person on the right job and continuously consider transferring employees in each career in order to enhance their competence and progress.

#### 2. Recruitment

The Company aims to firstly recruit insiders. However, outsiders can also be recruited in case the number of required insiders is not enough. This must be conducted by sufficient and fair recruitment and selection system so that the Company will recruit both intellectual and good employees. However, the Company has specified initial qualifications as follow;



## Report of Good Corporate Governance

1. Good thinking : Think only about the common interests and organization
2. Good speech : Speak only good things for the common interests and harmony of the organization
3. Good deed : Perform duties for the common interests and organization
4. Good attitude : Be conscious, friendly, do not exploit, do not be jealous, do not be engaged in prejudice
5. Honesty : Be honest , sincere, do not want to get others, do not defraud, Self-Sufficient.
6. Responsibility : Be self-disciplined, responsible and can achieve the operation
7. Good Communications: Able to talk as well as suggest and exchange idea over duty and job assigned in order to achieve ultimate goal of the organization.

### 3. Payment and Compensation Management

The Company aims to manage the payment and compensation, based on fairness in line with the duty, responsibility and competence of each individual, as well as being competitive at the leadership level compared to other companies within the same industry. Employees should be continually and fairly evaluated and provided with feedback in order to develop and improve themselves. The Company also realizes that payment and compensation are major factors in motivating the employees and retain them in the Company.

In addition to internal factors for fairness of payment and compensation, external factors such as comparison with other leading businesses in the same industry, the general economic condition of the country, and average wages in the job market. The Company also subsidizes employees' provident funds so that they can accumulate fund towards their retirement.

In order to comply with the anti-fraud policy regulated by the committee, the administrators and any employees who act against corruption must be provided with protection measures. By this, they will be exempted from punishment or position downgrade.

### 4. Welfare Management

The Company provides welfare for the employees based on their benefit and necessities and the Company's capacity. Meanwhile it always works to improve welfare in line with economic changes and business necessities. The welfare provided will cover the interests and necessities of most employees including social security fund, workmen's compensation fund, provident fund and annual checkup which they will be provided with lung X-ray. This also includes the insurance and accident insurance, work uniforms, transportation, office car, personal car for those whose operation involves travelling by car, dormitory, funeral costs, benefits in case of death, incentive pay, hospital visit gifts, hospital costs, and annual bonuses, the details of which are found in the employee handbook.

**Report of Good Corporate Governance****5. Training and Development**

The Company's employees are considered valuable resources and therefore investing in their development is expected to create competitive advantages for the Company in the long run. All employees will be adequately and continually developed, including in their jobs, duties, business knowledge, as well as their management skills suitable for their duties. Their sense of responsibility and quality assurance will also be developed. The development will be overseen by experienced internal experts, as well as prominent external institutions. The curricular will be continually reviewed and improved to be modern and suitable. The responsibility for training and development of staff will be jointly taken by the employees' supervisors and the Human Resource Department.

The Company has set a primary goal for the training development of its employees which include the orientation for the newly recruited employees so that they will be clearly informed of the Company's background as well as its policy, business ethics, code of conduct, anti-fraud policy, quality policy, social responsibility policy including the environment management, safety measures, and occupational health. By this, the employee handbook will be made and provided for them. Meanwhile the Company will also hold skill training on initiative by regulating guidelines as follow;

Initiative is mainly based on the self-training as the thinking lover. In order to be thinking lover, the trainees must try to think immediately or at first sight which is a heart of self-training and then adhere to the following procedures;

1. Think at first sight
2. Analyze after thinking
3. Plan what to do
4. Systematize the working system
5. Follow up
6. Evaluate
7. Find out the prevention method or improve it

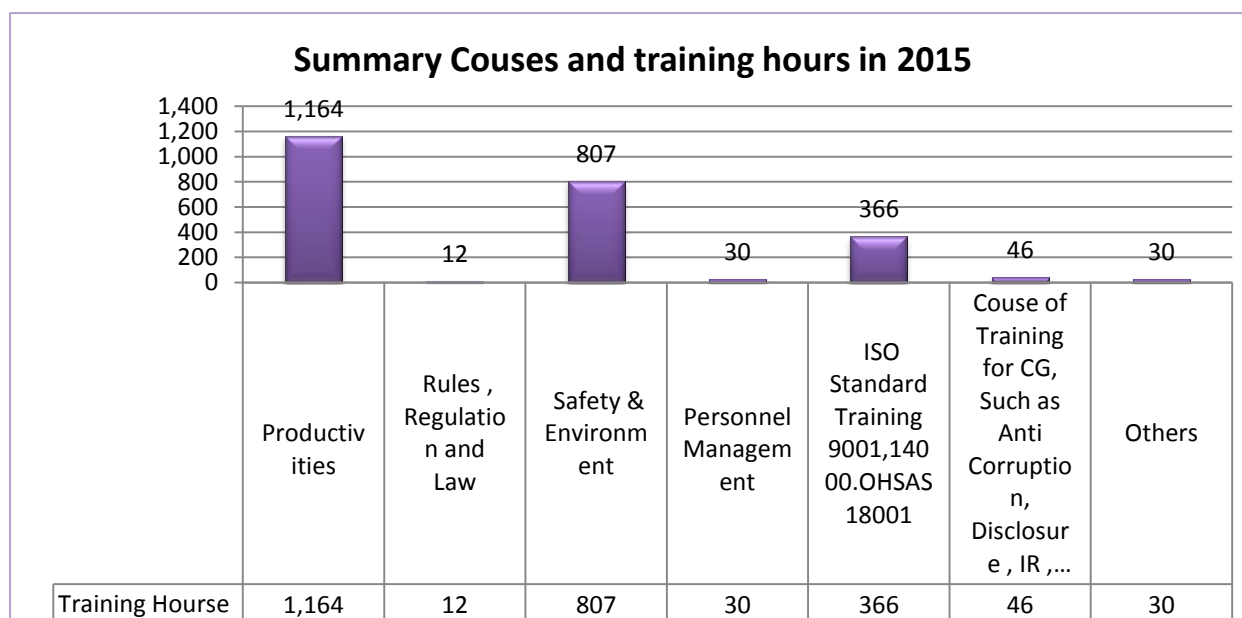
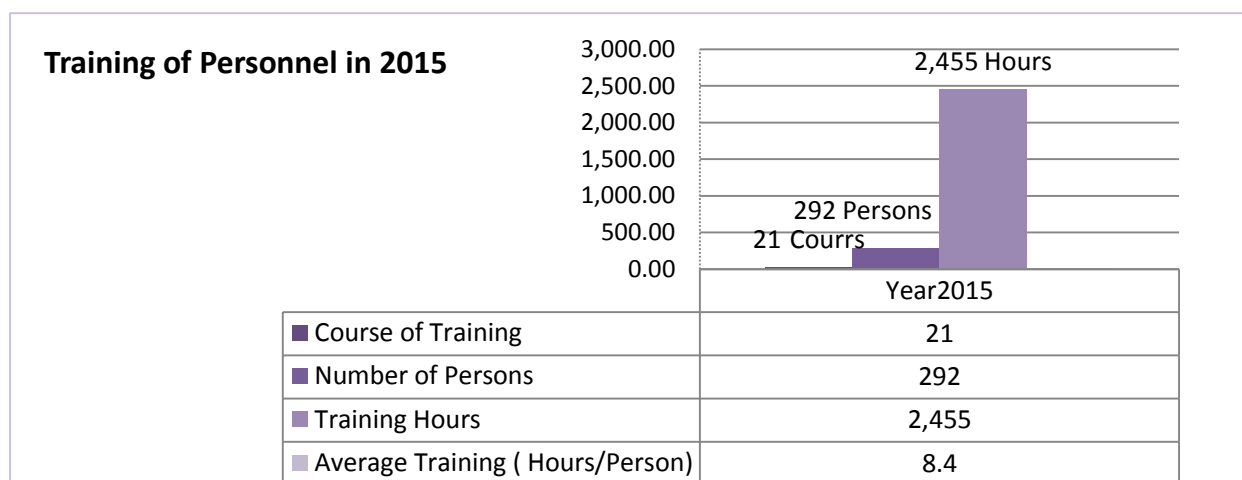
The Company firmly believes that the organization will flourish, stable and get stronger in case its employees keep on practicing the self-training initiative as part of an important support leading to the business growth and stability.





## Report of Good Corporate Governance

In 2558 has provided training for personnel according summary follow;



### 6. Occupational progress

The Company will thoroughly and fairly oversee the career progress of each employee, taking into consideration the level of knowledge, skills and potential of each employee.

### 7. Labor, Atmosphere and Working condition

The Company is obligated to create a good understanding between the Company and the employees by establishing a welfare committee, where representatives of all employee segments jointly manage welfare, as well as resolving any conflict that may arise. Moreover, they will cater to the welfare and working environment of the employees without waiting for complaints from the employees. The committee will treat the employees fairly and as family. Supervisors must strive to set good examples to all employees.



## Report of Good Corporate Governance

### Anti-Corruption, Whistle-blowing or Complaint-making Policy and Channel Complaint

The Board of Director's policy aims to comply with the laws and set guidelines to ensure compliance with anti-corruption policies continuously. The Company is committed to support and supervise its executive, employees, agents, partners, and contractors to be aware of potential corruption and anti-corruption policies by showing its leadership in being an anti-corruption. As the Company was a member of Partnership Against Corruption for Thailand (PACT Network) and Such acts within the scope of definitions given by the Company are as follows:

Fraud and corruption include any act for unlawful advantage and any practice or omission of duty and / or abuse of power, violations of law, ethics, regulations or policy of the Company in order to secure in any forms of unlawful advantages such as soliciting, receiving, offering, or giving cash or any property instead of cash, goods or other favors, as well as any other benefits, to the government officials or individuals who doing business with the Company for benefit of the Company, and include;

Political contributions refer to financial aid or otherwise in order to support political activities such as money lending, personnel support, providing goods or services, advertising to promote or support the political parties, buying tickets for raising funds or donating money to an organization with close ties to political parties, and so on. The anti-corruption model with the guidelines stated below:

1. Golden Lime Public Company Limited will stimulate employees in all levels to realize and be conscious of the anti-fraud and corruption campaign. It also provides an internal control in a bid to prevent the corruption and bribery all around and in every county where the Company makes an investment.

2. The Company shall create conscience, instill morality and stimulate positive attitude among the employees requiring them to honestly adhere to the law and regulations.

3. The Company shall create an efficient and effective internal control system with audits and appropriate use of power to prevent the employees from any involvement in corruption.

4. The Company's directors, executives and employees shall refrain from any behaviors relating to the demand or acceptance of assets or any other benefits or accept the corruption for themselves or families, friends and acquaintance or others which may influence misconducts, cause dereliction of duties or cause harm to the Company.

5. The Company's directors, executives and employees shall refrain from offering assets or any other benefits to external parties with the intent to influence such parties to engage in misconducts or abandon their duties or pay bribe for the benefit of the business.

6. The Company shall report its financial statements accurately and transparently.

7. The Company shall provide communication channels for employees and related parties for whistle-blowing, on the condition that whistle-blowers will be given complete protection. The Company shall also appoint officers to investigate such claims.

**Report of Good Corporate Governance**

8. In order to clarify how the operation is of high corruption risk; the Company stipulates the administrators and all staff members to strictly adhere to the guidelines as follow

8.1 Political contributions refer to financial aid or otherwise in order to support political activities such as money lending, personnel support, providing goods or services, advertising to promote or support the political parties, buying tickets for raising funds or donating money to an organization with close ties to political parties. However, it does not include the employees who join the activities on their own rights nevertheless; they cannot falsely claim themselves as the Company's employees or use any assets, device or instruments for the political purposes.

The Company insists on political neutrality. Besides, the Company will never provide the political party, the politicians or the party's candidates with financial assistance for the benefits of the Company.

8.2 Charitable contributions, Donations and Aid grants may result in the risk to the Company as such an activity is concerned with the payment without obvious profits and it may be used as an excuse to prevent the charitable contribution with concealed purposes, the Company stipulates the policy and regulation as follow;

The Company is determined to provide donation for foundation, including associations, public charity, nursing homes, schools, Red Cross society and temples all of which are registered by Government official and Revenue department and the donation can be used as a tax deduction. It also scrutinize provides donations for the annual activities organized by either the Company or the temples under the allocated amount of budget. In case of emergency caused by public hazard or natural disaster, the donation can be made after getting approval from the administrators. However, in order to closely monitor and scrutinize the donation, more details and photos must be attached together with the donation suggestions.

8.3 Sponsorships, the way to publicize the Company's business with the purpose of business or reputation can be operated under its policy and regulations as follow,

8.3.1 The sponsorships must be examined or proved that activities are really carried out for the social benefits or the corporate social responsibility. In this case, various necessary documents including the receipts, the project details and the logo photo must also be attached.

8.3.2 The sponsorships can be calculated such as contribution of dwelling place and food which is not related to benefits for individuals or any agencies except the decoration of honor traditionally practiced.

8.3.3 The sponsorships can be made only if the payee is specifically identified together with the request document so as to get approval from the Company lawful authorities.



## Report of Good Corporate Governance

8.4 The gift fee, expenses provided to welcome customer and other hospitality expenses.

The Company realizes how a good relationship with its business allies can lead to the continual achievement. It therefore allows the staff members to either give or receive gifts, hospitality or others in case of conditions laid by the Company as follow;

8.4.1 The activities are carried out in line with the sales promotion policy, the trade conditions or the counselling service. It also includes the expenses on travelling, dwelling place, food or gifts provided by customers or any expenses provided to welcome the customers, the investors or the shareholders who visit and observe the Company's business management. This includes the gifts occasionally provided on the annual festivals.

8.4.2 In line with related law.

8.4.3 For the benefits of the Company not the employees.

8.4.4 It is not a kind of cash gift or equivalent to the cash such as gifts or present.

8.4.5 Gifts or hospitality are offered in line with appropriate tradition or festivals.

8.4.6 Gifts or hospitality must not be offered especially during a bidding or procurement.

8.4.7 They are openly offered and not contrary to the procurement ethics.

9. The anti-corruption policy covers the personnel management process including the personnel selection, the promotion, the training, the working evaluation and bonus. By this, the superiors in all levels are required to create a right understanding among the employees and urge them to strictly adhere to this policy. They also have to closely monitor to make sure if the operation is carried out efficiently.

10. The Company will provide justice and protection for any employees or those who notify whereabouts or evidences related to corruption in the Company and its group company including the employees who object to corruption. They will be given protection under the protection measures as regulated in the whistleblower policy

11. Those who are involved in the fraud and corruption which are considerate as the offenses under the working regulation on the personal management are to face disciplinary punishment or legal punishment if proved as legal offenses.

12. The Company will regularly examine the guidelines and operation measures in order to comply with the legal changes and the business conditions.

13. In order to follow closely monitor the operation in line with the anti-corruption; the Company administration are required to afford the annual self-assessment.

14. The Company requires all staff members including Board of director, the executive and employees to strictly take anti-fraud and corruption measures into practice and also urges its business partners to jointly carry out these measures. The co-company or sub-company if likely to be set up in the future is also to adhere to this policy.



## Report of Good Corporate Governance

### Responsibilities and Monitor Control

- The board of Directors is required to comply with anti-corruption policies, and put the policies into practice.

- The Board of Directors has authorized the Managing Director to set up subcommittee. At present, the Managing Director has established sub-committee including Safety and Health management committee, Energy preservation management committee, Quality management committee, and Management Committee, These committee members are authorized to jointly deliberate different fields of work and assign the administrators in each agency to monitor and supervise the operation in order to assure a good corporate governance policy.

- The Audit Committee consists of independent directors who are responsible for reviewing internal control system and giving their opinion about internal control system, as well as ensuring that the Company complies with related laws.

- The Audit Committee is in charge of assigning an internal auditor to review the internal control system. If the internal auditor is an external agent, the Audit Committee shall appoint a person who can coordinate with the internal auditor or assign the Committee's secretary to act as the coordinator.

The Internal Auditor and/or the Coordinator

- The Audit Committee is in charge of assigning an internal auditor to review the internal control system. If the internal auditor is an external agent, the Audit Committee shall appoint a person who can coordinate with the internal auditor or assign the Committee's secretary to act as the coordinator.

- The Internal Audit Coordinator shall be responsible for receiving any complaints or any claims and coordinate with the internal auditor to review and report to the supervisor or Manager or Audit committee about complains.

### Whistle-blowing or Complaint-making

Establishment of measures for whistle-blowing or complain-making against unlawful or unethical actions or behaviors that may be regarded as malfeasance or fraud by any person in the organization, whether employees or stakeholders including inaccurate financial statement reporting or a faulty internal control system. Establishment of a protection mechanism for whistle-blowing so that stakeholder may contribute to more efficient stewardship for the Company's benefit.

### Matters for Whistle-blowing or Complaint-making

1. Unlawful actions, corruption, fraud, or violation of ethics by directors, executives and employees.

2. Inaccurate financial statement reporting, faulty internal control system and other risks.

3. Matters relating to the interests or reputation of the Company.



## Report of Good Corporate Governance

4. Potential damages to the financial status or assets of the Company
5. Suspicion/ fault of the employees' duty performance or any non-transparent activities of the shareholders.

**Contact detail for Stakeholder / Receipt of Complaint:**

Internal Auditor / Internal Audit Coordinator  
 Golden Lime Public Company Limited  
 7 Soi 11 Sai 3, Moo 12, Saraburi-lomsaksaimai Road,  
 Chongsarika, Pattananikom, Lopburi 15220 : Thailand  
 Telephone Number : 66 (0)36 436 178  
 Email Address : [ac.internal@goldenlime.co.th](mailto:ac.internal@goldenlime.co.th) or

Audit Committee Secretary  
 Golden Lime Public Company Limited  
 8/222 Moo 3, Srisamarn Rd., Soi 2 Banmai,  
 Pakkred, Nonthaburi 11120 Thailand  
 Telephone Number : 66 (0) 2961 8652 - 6  
 Email Address : [glmis@goldenlime.co.th](mailto:glmis@goldenlime.co.th)

Or by means of whistleblowing channel on the Company's website and then choose inquire the Company's information through its website [www.goldenlime.co.th](http://www.goldenlime.co.th)

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www.goldenlime.co.th

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INFO & REQUEST

Channel Complaints

If you did not receive a fair investment, or found guilty of Acts of unfair competition on the company and investors, The Audit Committee and / or Board of Directors will performed with a complaint and clues that you inform us as soon as possible to be fair to investors.

Please complete the form below, your information will be submitted to the Board / Audit committee who was appointed by CEO. Your information will be protected as confidential.

Category\* Please Specify\*

Description\* Please Specify\*  
 Found fraud and/or concerns within the company.  
 Found the defective of the officer and/or employee.  
 Meet operations/ activities that are not transparent to shareholders.  
 Other complaints.

Detail character limit to 3,000





## Report of Good Corporate Governance

### Whistle-blowing protection mechanisms

- Set up database for confidential information of whistle-blowers and establish punitive measures against the officers in charge of keeping such database if the confidential information is leaked
- This database must be made accessible to executives at the level of senior executive management only.
- The Committee is determined to provide protection for the administrators or employees who object to anti-corruption or who follow the anti-fraud and anti-corruption policy which may result in the loss of business opportunity. It also seeks prevention for the employees from the penalty or the position downgrade as a result of strictly adhering to the guidelines.
- It falls under the authority of the superiors or supervisors of all those accused to give proper directives to protect whistle-blowers, witnesses, and those who hand evidence to the investigation to keep them out of danger, trouble, or unfairness due to their making complaints, serving as witnesses, or giving information.

### Question or recommendation

Any question or recommendation on corporate governance and anti-corruption policies should be addressed to the Secretary to the Audit Committee and Secretary to the Board of Director, Telephone Number 0 296 186 52-6 or Email : glmis@goldenlime.co.th

### Punitive measures

1. Those found guilty of serious misconducts will be dismissed from the Company and face a legal punishment if they are considered as legal misconducts. Those found guilty of minor offences will face score reduction or the suspension from office without any wages. They will also face the score reduction for job evaluation as well as the abstention from promotion and the restructure of income rate
2. The superiors are to reprimand those found in violation of the Company's ethics including the score reduction for job evaluation, the promotion or the restructure of income rate.
3. Those found in violation of the Company's regulation will receive a written reprimand from the Human Resource Department including the score reduction for job evaluation, the promotion or the restructure of income rate.
4. In case the offenders are the high-ranking administrators or the Company committee, findings of investigation must be forwarded to Board of Director in order to determine the penalty. However, the penalty is based on legal extent and good corporate governance.

The Company specifies the guidelines to prevent corruptions as follows;

- 1) Procedure of the evaluation on the corruption risk.
- 2) Guidelines to monitor, supervise and prevent any involvement in the corruption risk
- 3) Guidelines to follow up and evaluate the operation to prevent any involvement in corruption as approved by the Audit Committee and the Board of Director on November 13, 2015 which is part of the handbook of the Company's good corporate governance and ethics.

**Report of Good Corporate Governance****Procedure of the evaluation on the corruption risk**

The Company has regulated the risk management system based on business operation in a bid to prevent and suppress corruption or any activities of high risk from corruption likely to occur as a result of the Company's business operation. It also evaluates the risk level including its chances and effects as well as regulates the anti-corruption measures based on evaluated risk including the achievement evaluation and resources to be used to lessen the risk and follow up the performance appraisal.

**Guidelines to monitor supervise and prevent any involvement in the corruption risk**

The Company has regulated guidelines to monitor, supervise and follow up the risk on fraud and corruption as follow;

1. Procedures including the internal control system and the risk management which cover important work systems such as sales and marketing system, procurement, control, budget management, account record and payment. This aims to prevent as well as follow up the risk on fraud and corruption and provide appropriate suggestions for the solution.

2. Provide a channel of information including whereabouts and complaint on the legal offense or the violation of the Company's business ethics, guidelines to prevent any involvement in corruption, suspicions on the financial report or the internal control system. The Company is to provide the protection for those who inform information or whereabouts. The information is to be treated as confidential. Besides, the Company must have an audit measures and disciplinary or legal punishment. The overall operation will be forwarded to those who inform whereabouts or complaint by means of written statement.

Chiefs of each department are in charge of monitoring the operation and informing the persons in authority.



## Report of Good Corporate Governance

### ❖ **Disclosure and transparency**

**Principles** (according to the document Good corporate governance for listed companies).

“The board of directors should ensure that all important information relevant to the company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy.”

The Company has an obligation and policy to disclose certain information to SEC, SET, shareholders and relevant parties in a correct, complete and transparent manner as follows:

1. Disclose financial information and other information in relation to the business and operating results of the Company in a correct, complete, adequate and timely manner. Financial statements shall be audited by listed auditors, commented and approved, as required, by the Audit Committee and the Board of Directors before submitted to the SET, SEC, shareholders and other relevant organizations;

2. Disclose information through various channels such as the Company's website, disclosure via the SET and SEC in order to provide the stakeholders up-to-date information; and

3. Disclose information with regard to the Board of Directors and their respective roles and duties, the various committees and information such as the number of meetings held, the attendance records of each director in the past year and the remuneration of directors and key executives in the Company's annual registration statement (Form 56-1) and annual report.

4. Provide the Management Discussion and Analysis (MD&A) as part of explanation on the financial budget in every quarter so that the investors can be informed of information and understand any changes over the Company's financial status and operation in each quarter.

5. Disclose the account audit fee and other service charge in the annual report and the meeting invitation letter.

6. Disclosure of the shareholding changes of directors and executive of the Company at the beginning of the year and share trading during the year provided under shareholding structure and management section in annual report.

7. Disclosure of the audit fee and other charges provided in the annual report and notice of meeting.

8. Disclose the remuneration for the Committee and high-ranking administrators including the form and type of remuneration of each committee

9. Disclose the Company's information on its website as follow;  
- Annual information from (Form 56-1) and the annual report which can be downloaded.

- The Company's vision and mission.
- List of the Committee and the administrators.
- Financial statement and report on financial status and overall performance
- Shareholder structure.

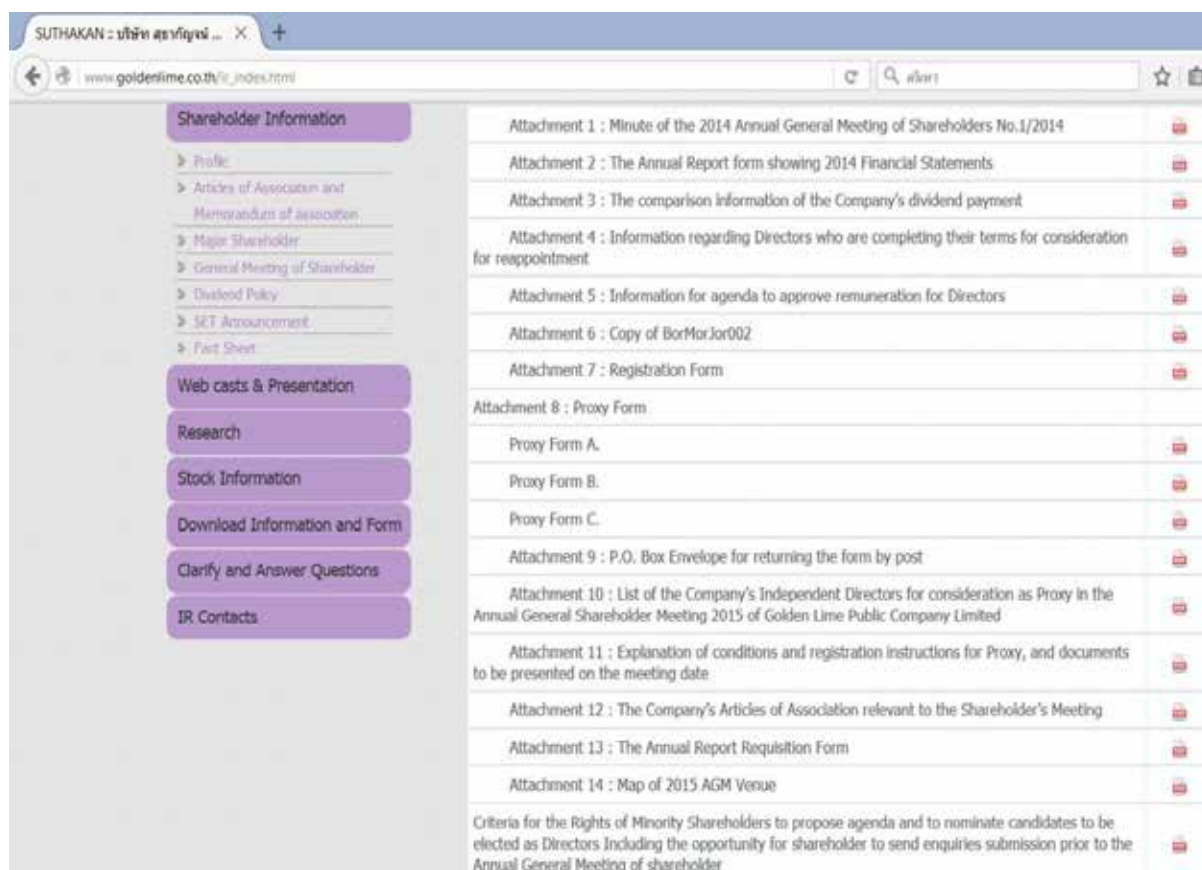


## Report of Good Corporate Governance

- Invitation letter of the Annual General Meeting and Extra General Meeting for shareholders.

- Regulations as well as memorandum and different risk factors.
- Charter, duty and responsibility of the Committee and sub committee
- The Good Corporate Governance and Code of Conduct Guideline and Policy.
- Information used to contact the Company and Investor Relation.

Currently, Investor Relation, the Company assigned the assistant managing director to act as its Investor Relation to contact and provide the Company's information to shareholders, institutional investors, research analysts and other relevant organizations.



The Company arranges meetings for investors or analysts who are interested or need more information about the Company. Managing director and investor relations are responsible to answer questions, provide public information, under the rules on disclosure. The Company also regularly provides answers and specific information for investors or interested person via the Company's website, as well as gives interviews through Money Channel, Money Talk to clarify and update on the most interesting topics for investors.



## Report of Good Corporate Governance

❖ **Responsibilities of the Board of Directors(The Board).**

**Principles** (according to the document Good corporate governance for listed companies).

**“The board of directors plays an important role in corporate governance for the best interests of the company; The Board is accountable to shareholders and independent of management.”**

The board has a duty and responsibility to manage the Company in accordance with the law, objectives and articles of association as well as the resolutions of the general meeting of shareholders that are legal with integrity, and carefully take into account the interests of the Company and all stakeholders. In addition to take actions under the business ethics in order to treat all stakeholders fairly and appropriately.

**1. Structure of the Board**

The Board of Directors consists of directors with different skills, experience and specialties which benefit the Company. Each person has vision, leadership position, and independent making decision for the best interest of the Company and its shareholders as a whole. Currently, the recruitment process undertaken by the Board of Directors, for the qualified individuals in accordance with the requirements of the SEC. Individual should be person who has skills and experience, as well as independent making decision and providing comments to the meeting for the best interest of the Company and its shareholders. The Board of Directors consists of seven members, as follows:

Structure of the Board	The Board of Directors			The Audit Committee		The Executive Board					
	Position			Position		Position					
Name of Directors	Chairman of the Board of Director	Director	Independent Director	Chairman of Audit Committee	Audit Committee	Chairman of the Executive Board	the Executive Board	Shareholding	Managing Director	The Executive	Expertise
1. Mr. Cherdkiat Monsereenusorn	✓							✓			Business Administration / Chemical and Industrial Engineering
2. Mr. Kiatikul Monsereenusorn		✓				✓		✓	✓		Lime and Calcium Carbonate Industry/ Mineral and Chemical
3. Mr.Puncharit Monsereenusorn		✓					✓	✓		✓	Market Management / Business Administration of Lime Industry
4. Mr.Kitimethee Monsereenusorn		✓					✓	✓			Risk Management / Business Admiration
5. Mr.Sripop Sarasas			✓	✓							Business Administration Finance and Banking and Audit
6. Mr.Suvit Mapaisansin			✓		✓						Business Administration /Money Market and Capital Market/Audit
7. Mr. Suvait Theeravachirakul *			✓		✓						Business Admiration / Accounting / Real Estate Management

Remark : \* Mr. Suvait Theeravachirakul has resigned from office due to his an increasing duty. The resignation takes effect on December 16, 2015.



## Report of Good Corporate Governance

### Term of Directorship

Board of Directors which consists of seven persons as stated above, have been elected by the resolution Annual General Meeting of Shareholders in 2015 dated 3<sup>rd</sup> April 2015 under Section 71 of Public Limited Companies Act B.E. 2535 (1992) and the Articles of Association, Article 17, considered in every Annual General Meeting of Shareholders. One-third of directors shall vacate office. If the number of directors is not a multiple of three, then the number of directors closest to one-third shall vacate. A director who vacates office under this section may be re-elected. For 2015, seven directors which are one-third of the total number of directors shall vacate office as the first year after registration as a public company. The directors to vacate office in the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the director who has held office longest shall vacate. Tenure of an independent committee is not over 9 years following the first appointment.

In 2015, the Directors who by rotation quit the position by mean of drawing lots and whom the Annual General Meeting of the shareholders on April 3, 2015 has resolved to reappoint include Mr.Kiatikul Monsereenusorn, Mr.Sripop Sarasas and Mr.Suvit Mapaisansin

### The Nomination of Directors

#### **According to the Articles of Association as follows:**

1. The Board of Directors of the Company shall consist of no less than five members. Not less than one-half (1/2) of the directors shall have residence within the Kingdom of Thailand.

Directors may or may not be the shareholders.

2. Directors of the Company shall be elected by the Shareholder's Meeting in accordance with the following rules and procedures:

(1) Each shareholder shall have one vote on each share.

(2) Each shareholder shall exercise all votes he has according to (1) to elect a nominated person or nominated persons to be the Director(s). In case he elects nominated persons to be the Directors, he cannot divide his vote to any person to any or in the basis extent.

(3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the amount required or ought to be in that election. Provided the event that persons receiving votes in descending order are tied in and exceeds the number of positions required or ought to be in that election, the Chairman shall have a casting vote.

3. At every annual Ordinary Shareholder's Meeting, one-thirds (1/3) of the total number of Directors shall retire. If the number of Directors is not a multiple of three, the closest number of one-thirds (1/3) of the total number of Directors shall retire.

The Directors retiring from rotation may be re-elected.





## Report of Good Corporate Governance

The Directors retiring after the first and second year, the Directors who have held office the longest shall retire.

4. Apart from retirement by rotation, the Director shall vacate his office upon:

(1) Death

(2) Resignation

(3) Lack of qualification, or having prohibited characteristics under the Public Limited Companies Act and the Securities and Exchange Act

(4) Removal by a resolution of Shareholders' Meeting

(5) Removal by a court order

5. Any Directors wishing to resign from his office shall submit his resignation letter to the Company, and the resignation shall be effective on the dates the resignation letter reaches the Company.

The Director whose resignation follows the first paragraph may inform his resignation to Registrar for acknowledgement.

6. The shareholder's meeting may resolve to remove any director from office before the expiration of his term of office with the vote of no less than three-fourths (3/4) of the number of shareholders who attend the meeting and are eligible for the voting and their shares, in total, are no less than a half of the shares held by the shareholders who attend the meeting and are eligible for the voting.

7. In case any vacancy occurs in the Board of Directors due to reasons other than retirement from rotation, the Board of Directors shall elect a person who has the qualifications and who does not have any prohibited characteristic under the Public Limited Companies Act and the Securities and Exchange Act as a replacement of the Director at the following meeting of the Board of Directors, unless the remaining duration of the directors term of office is less than two months. The elected person shall hold office only for the remaining terms of office of the director whom he has replaced.

The Board of Directors' resolution under the first paragraph shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

8. The Company shall be legally bound by the signatures of two (2) authorized Directors with the Company's seal affixed.

The Board of Directors has an authorization to stipulate and change the number and the names of the authorized Directors.

### Components and appointment of Independent Directors

The Board of Directors will preliminarily consider together regarding the qualifications of the persons who will take the office as an Independent Director, taking into account the qualifications and prohibitions of the director in accordance with the Limited Public Company Act, laws on securities and securities exchange, and Announcement of the Capital Market Supervisory Board as well as related announcement, regulations and/or rules. In addition, the Company's Board of Directors shall consider and select the Independent Director from the experts, taking to consideration the working experiences and other suitability, then it will propose to the Shareholder's meeting for consideration and appointment to be the Company's director. The Company has the policies of appointing Independent Director at least one-third of all directors and the number of independent Director shall not be less than 3 persons, the qualifications of whom shall conform to the

**Report of Good Corporate Governance**

Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (including its amendment) as follows:

1. Holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.

2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission. Such prohibitions shall not include the case where the independent director used to be a government officer or the advisor of government sector which is the major shareholder or the controlling person of the Company.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

The term 'business relationship' as mentioned above shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has



## Report of Good Corporate Governance

ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of Securities Exchange Commission.

7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.

9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

10. Not being a director appointed by the board of directors to decide upon the business operation of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person.

### Chairman of the Board

#### The Articles of Association regarding Chairman of the Board.

- The Board of Directors shall elect one of the Directors to be the Chairman of the Board.

In case the Board of Directors deems it appropriate, the Board may elect one or several directors as Vice Chairman who shall have the duties according to the Articles of Association in the business assigned by the Chairman of the Board.

The Current, **Mr.Cherdkiat Monsereenusorn** take a position of Chairman of the Board as from the resolution of the Board of Director meeting to perform according to the Articles of Association as follow;

- The Chairman of the Board shall act as a Chairman of the meeting

If at any time Chairman is absent or is unable to perform the duty and there is a Vice Chairman is unable to perform the duty, the meeting shall elect one of the Directors to act as a chairman of the meeting.

Decisions of the meeting shall be made by a majority vote. Each Director shall have one (1) vote, but the Directors who have interests in any matters shall have no right to vote on such matter. In case of a tie vote, the Chairman of the meeting.

- The Chairman or other person assigned shall be the person to call a meeting of the Board of Directors and shall send notices calling a meeting to Directors not less than seven (7) days prior to the date of the meeting. However, In case of necessity and urgency



## Report of Good Corporate Governance

for the purpose of maintaining the rights or interests of the Company, a meeting may be called by other means and the date of the meeting may be fixed sooner.

- The Board of Directors shall hold a meeting at least once in three (3) months at the province of the Company's head office location, nearby provinces, or at any other place as the Chairman of the Board deems appropriate.

- The Chairman of the Board shall as a Chairman of the Shareholders' Meeting. If at any time Chairman is absent or is unable to perform the duty and there is a Vice Chairman, Vice Chairman shall act as a Chairman of the meeting. If there is no Vice Chairman or Vice chairman is absent or is unable to perform the duty, the meeting shall elect one of the shareholders presented in that meeting to act as a Chairman of the meeting.

- To vote for a resolution in the Shareholders' Meeting, one share shall equal one vote. If there is any shareholder having interests in any matters, that shareholders has no right to vote in such matter except the case of voting for Director. The resolution of the Shareholders' Meeting shall be supported by the following votes.

In an ordinary event, the majority vote of the shareholders present at the meeting and casting their votes shall be required. In case of a vote, the chairman of the meeting shall have a casting vote.

### The authorized directors of the company

Mr. Kiatikul Monsereenusorn, Mr. Cherdkiat Monsereenusorn, Mr. Pucharit Monsereenusorn, Mr. Kitimethee Monsereenusorn, two of these four directors are required to jointly sign with the Company's seal affixed.

### The approval authority of board of directors

The board of directors meeting no. 2/2013, held on 5th March 2013, has passed a resolution approving transactions to the Executive board, Managing director, and assistant to managing director, by the limits specified in the table of approval authority at the meeting. Transactions are as follows:

1. Negotiation as well as entering into contracts or agreements, producing letters or documents, and procurement related to the Company's business operation such as capital expenditure, and purchase of machinery, equipment, raw materials, fuels, trading, etc.

2. The procurement for the general management including selling expenses, marketing expenses, office supplies, travelling, training, donation, etc.

3. Financial transactions including the loan approval, credit contract, mortgage or pawn contract, applying from guarantee from a bank or financial institution, letter of credit (L/C) application for the payment for goods or raw material.

4. Approval of the credit loan for customers

### Formalities when a director resigns

#### **The Articles of association regarding director resignation**

- Any Directors wishing to resign from his office shall submit his resignation letter to the Company, and the resignation shall be effective on the dates the resignation letter reaches the Company.

The Director whose resignation follows the first paragraph may inform his resignation to Registrar for acknowledgement.



## Report of Good Corporate Governance

- In case any vacancy occurs in the Board of Directors due to reasons other than retirement from rotation, the Board of Directors shall elect a person who has the qualifications and who does not have any prohibited characteristic under the Public Limited Companies Act and the Securities and Exchange Act as a replacement of the Director at the following meeting of the Board of Directors, unless the remaining duration of the directors term of office is less than two months. The elected person shall hold office only for the remaining terms of office of the director whom he has replaced.

The Board of Directors' resolution under the first paragraph shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

### Procedure for resignation of director

The company will follow the guidelines of the listed companies when a director resigns.

The director shall carried out any of the following actions, if

- The board of directors elect any person having qualifications and not prohibited prescribed under the Public Companies Limited Act and the Securities and Exchange Commission as director to fill the vacancy in the next meeting, unless the remaining duration of the director's term of office is less than two (2) months. Any person so appointed shall retain his office during such time only the remaining term of the vacating director. The resolution of the board of directors shall be supported by a vote of not less than three-fourths (3/4) of the number of remaining directors.

- The company shall disclose its information to the Stock Exchange within 3 days after the date of submitting or the required date of resignation, or notify the change of director through the Stock Exchange of Thailand's information dissemination system (F24-1 form (for audit committee appointment), F24-2 form) within three business days after the date of change of director, or to an authorized person of the listed companies.

- The Company shall notify the change in the list of the Company's directors within 7 days according to the operation of the Securities and Exchange Commission.

- The company shall register a new director or the change of director with the commercial registrar within 14 days after the date of the Board meeting date to approve the appointment of director, or the date of director's resignation.

### The implementation of the new director

- Submit the 59-1 form to the Securities and Exchange Commission (SEC) (for first submitting, within 30 days after the closing date of the securities offering or the date of the appointment).

However, the case of a change in shareholding, director shall always submit the 59-2 form to the Securities and Exchange Commission (SEC) when purchasing, selling, transferring to/from the securities within three days after the date of purchasing, selling, transferring to/from the securities.

- Submit the conflict of interest statement to the Company Secretary by the Company's schedule.

- Submit the director's biography in accordance with the requirements of the Stock Exchange of Thailand (Certificate and biography of the director / audit committee (F24-2)) within 3 business days after the date of appointment of the new director.

If the new appointed director is an audit committee, the Company shall submit the F24-1 form (Names of members and scope of work of the audit committee) and the



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director shall submit the F24-2 form (Certificate and biography of the director / audit committee) to SET. You must submit a F24-1 form through the Stock Exchange of Thailand's information dissemination system and submit a F24-2 form as a document, not required to submit electronically.

### Board orientation

The guideline practice of orientation the new directors will hold an orientation session for new director in accordance with Board Orientation Guideline set forth by the Stock Exchange. The required documents for the orientation session are as follows:

1. The latest edition of the Good corporate governance and business ethics of the Company document, which contain the corporate governance policy and other policies defined by the board of directors such as anti-corruption policy, internal control, audit, and risk management, corporate social responsibilities, human resource management, etc.
2. The Company's latest annual report, which contains the material information of the Company, including financial information for last three years for a new director, introduction of ownership structure, management structures in different areas, the company's history, nature of business, details of remuneration for director, scope of responsibilities of the board of directors, sub-committees and operations of the Company and the board of directors last year.
3. Memorandum and articles of association of the Company.
4. Minutes of board of directors meetings for last 1 year and annual schedule
5. Related party and connected transactions
6. Provide meeting chairman / managing director before the first meeting, in order to inform the new director about the important policies and give an advice and describe his/her responsibilities.

### Company Secretary

The Board of Director has appointed the Company Secretary in accordance with Article 89/15 of the Securities Exchange and the Stock Exchange Act of B.E. 2535 (Revision of statutes also referred). By this, the secretary is obliged to hold the following tasks;

1. Providing and storing the documents as follow;
  - (A) The Committee Registration
  - (B) The meeting arrangement, the minutes and the annual report
  - (C) The meeting arrangement and the minutes of the shareholders.
2. Storing (Keeping) the connected transaction report by the Committee and Administrators.
3. Performing any others tasks as required by the capital market committee.

Besides above duty and responsibility, the Company's secretary is to provide legal suggestions and various regulations and seek for coordination to have the committee's resolution abided by. In order to achieve such goal, the Company's secretary should be





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continuously trained and developed particularly on the law as well as accounts and the secretary's duties.

The Board of Directors Meeting No. 1/2013 held on 28<sup>th</sup> January, 2013. The Board of Directors has appointed Ms.Thidarat Sihawanlop to respond the Company Secretary and had duties follow to comply with Section 89/15 of the Securities Exchange Act of 2535 (1992), (including amendments). This was including qualification for work of these duties below:

1. To be complement and understands well in the Company's business and other related work;
2. To have good knowledge about the relevant rules, regulations and laws;
3. To work carefully with high responsibility and honesty;
4. To have good communication with other people that needed for dealing with many sections.
5. Knowledge in Accounting and Finance.

Experience and the training course's whom has duties to the Company secretary.

Name-Surname	Age (Years)	Education / Course Training for Reponde and Skill for Company secretary	Sharehold ing (%)	Personnel Relationship with the Management
Miss Thidarat Sihawanlop Company Secretary	44	<ul style="list-style-type: none"> <li>- Bachelor of Computer Information Management St. John University</li> <li>- Primary Diploma of Accounting</li> <li>- High Level Diploma of Computer Business of Technoloy Phanakhon Colleage (Rajamanggala University)</li> <li>- Company Secretary Program (CSP) 47/2012, (IOD)</li> <li>- EMT 24/2012 Effective Minute Taking (IOD)</li> <li>- BRP 8/2012 Board Reporting Program (IOD)</li> <li>- DAP SEC/2013 Director Accreditation Program (IOD)</li> </ul>	0.000002%	-
5 years previous working experience 2006-Current		Office Manager , Golden Lime Public Company Limited		
Traing Course in past of Years		<ul style="list-style-type: none"> <li>- Method to use system of SCP Straight Through</li> <li>- The Road towards Corporate Sustainability</li> <li>- Evauation of the performance of the Board of Director</li> <li>- The Annual disclosure form</li> <li>- Tip of the Disclosure</li> <li>- Calcium Carbonate and Polymer Training (In-house Training)</li> <li>- Vision and Mission Work Shop (In-house Workshop)</li> </ul>		

**Report of Good Corporate Governance****2. The Subcommittees.**

The Board of Directors has established 2 committees namely the Audit Committee and the Executive Committees in order to decentralize the management decision as well as enhance the corporate governance.

The Chairman of the Audit Committee and Audit Committee shall be selected from independent directors to ensure the transparency and independence to conduct the duties.

**Components and appointment of Audit Committee**

The Audit Committee is composed of at least 3 Independent Director, each of whom takes office for 3 years. The Company has the policies of selecting Audit Committee/Independent Director that is in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December B.E. 2551 (including its amendment) as follows:

1. Being appointed by the board of directors or the shareholders' meeting (as the case may be).
2. Being an independent director pursuant to the foregoing and
  - (1) Not being a director appointed by the board of directors to decide upon the business operation of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person and
  - (2) Not being a director of the subsidiary company or same-level subsidiary company which is a listed company
3. Having sufficient knowledge and experience to perform duties as audit committee member, provided that at least one member of the audit committee shall have sufficient knowledge and experience to review the reliability of financial statements.

**Audit Committee**

As of 25<sup>th</sup> February 2015, the Audit Committee consists of 3 directors as follow:

<b>Name-Surname</b>	<b>Position</b>
1. Mr.Sripop Sarasas	Chairman of Audit Committee
2. Mr. Suvait Theeravachirakul*	Audit Committee
3. Mr.Suvit Mapaisansin	Audit Committee

Remark : Ms. Thidarat Sihawanlop is the secretary of the Audit Committee, appointed by the Audit Committee at the meeting no. 2/2013 held on 5<sup>th</sup> March 2013.

In 2015, one member of the Audit Committee has retired from position, Mr. Suvait Theeravachirakul(\*). His resignation took effect on December 16, 2015. However, Mr.Sripop Sarasas, on the Audit Committee most educated and experienced auditors can assume the position and examine reliability of the Company's financial statement. Currently, Mr.Sripop Sarasas takes a position of Committee and Audit Committee in numerous companies. Nevertheless, he is certain to provide sufficient time and act as the Company's independent committee and Chairman of the Audit Committee.



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### Term of Directorship

The Audit Committee member has 3-year term of service. The Audit Committee member being due to retiring by rotation is eligible for re-election. In case that any vacancy in the membership of the Audit Committee occurs due to other reasons than by retirement of the member by rotation, the Audit Committee will appoint a qualified person to be an Audit Committee member corresponding with what is defined by the Board of Directors. The new member of the Audit Committee who replaces the vacant seat will serve out the remaining term of the replaced member.

### Scope of Duties and Responsibilities

1. Review the financial report to oversee that the reports are sufficient and correct.
2. Review the internal control system to oversee that they are adequate, appropriate and efficient. In addition, to observe the independence of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit.
3. Review the business operating procedure to oversee that they are in compliance with rules and regulation of the Security Exchange Commission and those of the Stock Exchange of Thailand as well as other laws relative to the company business.
4. Recommend to the Board the independent persons to respond the company's auditors and deliberate his or her compensation including attending a meeting with the auditor without the presence of the management at least once a year.
5. Review the connection transaction or transaction that may have conflict of interest to oversee that they are accurate, complete and in compliance with rules and regulations of the Stock Exchange of Thailand as well as disclose complete information of the transactions to ensure that they are appropriate and most beneficial to the Company.
6. Issue an Audit Committee Report to be included in the company's annual report and the report must be signed by the Audit Committee Chairperson and must at least contain the following information:
  - Opinions concerning with the correctness, completeness and trustworthiness of the financial reports of the Company.
  - Opinions concerning with the adequacy of the Company's internal control system.
  - Opinions concerning with the Company's compliance with the laws and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.
  - Rules and regulations of the Securities and Exchange and regulations of the Stock Exchange of Thailand, or any law governing the Company's business.
  - Opinions concerning with the appropriateness of the auditor.
  - Opinions concerning with the transactions that may involve conflict of interest.
  - The number of the Audit Committee's Meetings and attendance record for each of the Audit Committee Members.
  - Opinions or overall observation that the Audit Committee has found during performing its duty according to the Charter of the Audit Committee.
  - Other reports which should be acknowledged by the shareholders and general investors under the duties and responsibilities assigned from the Board of Directors of the Company.

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7. Perform other activities as delegated by the Company's Board of Directors with consent from the Audit Committee.

The Audit Committee is responsible to the Board of Directors and the Board of Directors is still responsible for the Company's operation to other persons.

In case have change of duty and scope of work of the Audit Committee, the Company shall submit the resolution to change the duty and scope of work of the Audit Committee report to the Stock Exchange of Thailand (SET) by SET requirement within 3 days from the date of such change.

8. Performance of Audit Committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to Board of Directors of the company in order to improve, to revise within the time determined by the Audit Committee. In past of year do not have transaction below:

- 1) Transaction that involve conflict of interest
- 2) Fraud or irregularity or material defect in the internal control system
- 3) Infringement the Securities and Exchange Act, requirements of the Stock Exchange of Thailand.

If the Board of Directors or management can not to improve, to revise within the time determined, the member of the Audit Committee may reporting the transaction or activities above to the Security Exchange Commission and the Stock Exchange of Thailand.

**Components and appointment of the Executive Committee**

The Executive Committee member shall be the member of the Board of Directors of the Company and/or the executive of the Company who is appointed by the Board of Directors with the number deemed as appropriate by the Board of Directors. The Board of Directors of the Company shall elect one Executive Committee member to be the chief executive officer.

**Executive Committee**

Executive Committee consists of 3 directors as follow:

Name-Surname	Position
1. Mr. Kiatikul Monsereenusorn	Chairman of Executive Committee
2. Mr.Puncharit Monsereenusorn	Executive Committee
3. Mr.Kitimethee Monsereenusorn	Executive Committee

Ms. Amornpan Suwanrat is the secretary of Executive Committee

**Scope of Duties and Responsibilities**

The Executive Committee has the authority and responsibility to manage the work relating to the ordinary course of business and management of the Company, to specify the business plan, budget, management structure and management power of the Company, as well as the criteria for business operation that are in accordance with the economic situation, to propose the same to the meeting of the Board of Directors of the Company for consideration and/or approval, and to monitor and follow up the overall operation of the Company in accordance with the specified policies. The main authority and responsibility can be summarized as follows.

**Report of Good Corporate Governance**

1. To specify the policy, direction, strategy and main management structure in the company's business operation in order to propose the same to the Board of Directors for approval.
2. To specify the business plan, budget, and management power of the Company in order to propose the same to the Board of Directors for approval.
3. To consider the investment project of the Company in order to propose the same to the Board of Directors for approval.
4. To approve major expenditure for investment that is specified in the annual expenditure budget as it will be appointed from time to time by the Board of Directors of the Company or in accordance with principles thereof that has been approved by the the Board of Directors of the Company.
5. To approve the procurement in management with the financial limit of not more than 20 million Baht per transaction.
6. To negotiate and enter into contract, agreement, instrument and other documents, including those relating to the procurement that is relevant to the business operation of the Company with the financial limit of not more than 50 million Baht per transaction.
7. To approve the borrowing, conclusion of loan contract, conclusion of mortgage contract and/or pledge contract with the bank and/or financial institution with the financial limit of not more than 50 million Baht per transaction.
8. To allocate premium, reward, and bonus approved by the Board of Directors of the Company to employees or staffs of the Company.
9. To be the board of consultant to manage the policies relating to finance, marketing, operation, and other management.
10. To have the power to approve the opening or closing of deposit account, to define the name of the person authorized to withdraw the money from the deposit account of the Company, and to do other action relating to such deposit account.
11. To approve the amendment of location of head office and branch office of the Company provided that the amendment of the location of the head office is within Nonthaburi Province only.
12. To engage in necessary actions to promote and protect the interests of the Company.
13. To approve the amendment to the conditions of credit limit usage and/or methods of withdrawal from the credit limit that the Company has with the bank and/or financial institution.

The power of the Executive Committee shall not include the approval of any transaction where the Executive Committee or other person may have conflict or interest in the benefit in any other nature with the Company or the subsidiary company (if any) in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand. Approval of the transaction of such nature is required to be proposed to the meeting of the Board of Directors and/or the Shareholder's meeting for consideration and approval in accordance with the Articles of Association of the Company or as specified by related laws, unless it is the approval of transaction that is the ordinary course of business that the Board of Directors has clearly specified the consideration framework.

Once the Executive Committee has taken any action, it shall report to the meeting of the Board of Directors.



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### 3. Role and responsibilities of the Board.

#### Scope of responsibilities of the Board below;

1. Providing an Annual General Meeting (AGM) for the shareholder within 4 months after the end of the period of the company's yearly accounts.

2. Provide a meeting for the Board of Director every three months. In 2015 the Board of Directors had meeting 4 times and the Audit Committee meeting had total 4 times.

3. Operating the statement of financial and statement of comprehensive income at the end of the period of the Company's audited accounts and seeking for deliberation and approval at the shareholder meeting.

4. A single director or numerous Directors can be authorized to perform the tasks under the Board of Director and in appropriate period. At any rate the Board of Director can revoke, change or correct the authorized director or subcommittee at any particular time.

The Board of Directors thereby may authorize the Management Committee to perform the Company's tasks. However, the authorization must not authorize the Management Committee to be able to give any consideration or approval to any transaction which the Management Committee has conflict of interest or any other conflict, except with prior approval of the Board of Directors under the Company's policy and regulation.

The Board of Director had appointed 2 Sub Committee consists of the Audit Committee and the Executive Committee with defined scope of the power responsibility of each subcommittee.

5. Regulating the Company's goals as well as vision, mission, guidelines, policy, plan and budget Supervising the administration and management of the Executive Board in line with the mentioned policy. However, the following topics including the increase in stock capital, reduction of capital debenture, auction or purchasing of business asset or business transfer, revision of memorandum of association must be approved by the shareholder meeting. Besides, the Company's vision and mission should be reviewed and approved at least every 5 years. In 2015 the Committee had reviewed the Company's vision and Mission and the Board of Director has resolution to approve the revise vision and mission on November 13, 2015.

Moreover the Board of Directors is also required to supervise and direct the Company to conduct its business procedures in accordance to the rules and regulation of the Security Exchange Commission and those of the Stock Exchange, such as connected transactions that may have conflict of interest, and Information of the Acquisition of Assets required to be reported and disclosed to the Stock Exchange of Thailand, or other law related to the Company's business. In the pass, the Company strictly carried out the operation including the disclosure of important information based on regulations and procedures required by Securities and Exchange Commission (SEC). The disclosure conducted on website of the Stock Exchange of Thailand (SET) and the Company is aimed to inform the stakeholders.

6. Deliberating the administration structure and nomination of the Executive Board or other appropriate subcommittee.

7. Following up the overall operation and budget management continually.





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8. The Board of Director must not operate the same business and in competition with the Company's business, or be partner in the ordinary partnership, be unlimited partner in the limited partnership and be director of the private company or any other companies with the same business operation no matter for the individual of other benefits. Nevertheless, all above can be operated in case they are reported to the shareholder meeting prior to the appointment.

9. The Board of Director must immediately inform the Company if involved directly or indirectly being parties in interest of the Company's Contract or holding share in the Company or the affiliated companies.

10. In order to assure that the committee devote themselves to performing their duties completely, it requires that the committee should not take position in more than 5 listed companies. However, in case of an exclusive number of the Company in which the committee takes positions, they are required to publicize such circumstance.

**The Board of Directors has set a good corporate governance policy as approved and provided in writing.**

*The Board has reviewed the policy to provide a good corporate governance of the Company and encourage business development based on guidelines for sustainable development. The corporate governance policy of the Company should be reviewed regularly to order to comply with the principles of good corporate governance of listed companies and the published requirements of the Stock Exchange of Thailand (SET) (Reference document in 2012). This edition has been revised by comparing the corporate governance of The Organization for Economic Co-Operation and Development. In addition, the Company also provided other operations in compliance with laws, rules, regulations, and guidelines by the SET and SEC. The Board has approved this revised version of good corporate governance and business ethics on November 13, 2015.*



Description to issue and improved the document

Item	Document number	Approved date	Reference the Board of Committee meeting to approved
1	CS20150601	August 8, 2014	The Board of Committee meeting no. 3/2014
2	CS20150601 (Rev 1)	November 13, 2015	The Board of Committee meeting no. 4/2015



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The Board has assigned to the Human Resources Department to be responsible for providing training for all employees, and the Managing Director to appoint a subcommittee to be responsible for overseeing the implementation of policies and guidelines required. The appointed subcommittee consists of safety, occupational health and 5S management committee, environmental management committee, energy efficiency and conservation committee, quality management and operation committee, and management committee. The subcommittee will review and oversee various aspects of the Company's corporate governance, including to provide channels to receive information, clues or complaints. Furthermore, the Company has increased channels to receive complaints through the Company's website where such complaints would be submitted to the Board of Directors accordingly.

In 2015, the Board has agreed to provide vision, mission and objectives, which have been reviewed and added additional content, as follows:

Vision and mission have been approved by the Board of Directors' meeting No. 3/2015, where the executive proposed the following reviewing:

### **Vision**

*“Lime and other value-added products and minerals to enhance quality with fair pricing for various industries, To expand business opportunity abroad and domestic market in order to keep sustainable growth and predictable returns to the shareholder; To continuously research and develop new products, every day is better.”*

### **Mission**

- *Producer of quality products with efficient cost and effective management. Good and sound marketing and application knowledge to satisfy customer requirement.*
- *Transparent management for good investment return for shareholders.*
- *Promotion of internal organizational loyalty and happiness at working atmosphere.*
- *Promotion of self-learning with continuous knowledge input to company personnels with “Doing Better” philosophy.*
- *Promotion of environment and surrounding ecosystem.*
- *Organization with stable and consistent growth*

Agreed to propose to the shareholders for approval of amending / adding objectives and memorandum of association, the Amendment to the Memorandum of Association's Clause 3, regarding the Objectives of the Company, by adding 1 new Clause as Clause 35 In accordance to Section 31 of the Public Company Limited Act B.E. 2535 (1992) and Article 35 of the Company's Articles of Association, any amendment of the memorandum of association or articles of association of the Company shall require a majority vote of no less than three-fourths (3/4) of the total eligible shareholders' votes present at the meeting.



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In order to cover the Company's business operations in the future, a new clause of objective of the Company is added as Clause 35 as follows:

**"(35) To engage in plant construction; contracted production of machinery or machinery parts, or assembling of machineries; electrical panels and control systems, including production and distribution of the machinery parts; and related equipments for the production of all types of chemical products,"**

The Board has been monitoring the implementation through the executive's report in every board of directors' meeting and giving priority and considering the impossibility of the implementation of the provided work plan and budget.

### **The Board has established guidelines to consider conflicts of interest.**

**The Board has set guidelines for the future related transactions as follows:**

The Company may related party transactions in the future as it deem appropriate. The transaction shall be in the nature of ordinary trade business operation and the Company shall clearly specify the policy thereof. The transaction shall involve the same price and trade conditions as in the normal course of business that is specified for unrelated persons and/or companies. If any related party transaction is entered into, The Company shall have the Audit Committee comment on the appropriateness of such transaction. If the Audit Committee does not have the expertise to consider the occurring related party transaction, the Company shall provide persons who have knowledge and special expertise such as auditor or appraiser for such related party transaction which shall be used to supplement the consideration of the Audit Committee so that the Audit Committee can propose to the meeting of the Board of Directors or shareholders, as the case may be, to ensure that such entrance into the transaction will not remove or transfer the interests between the Company or the shareholders of the Company but rather be a transaction that the Company has taken into consideration the maximum benefits for all shareholders.

The Board of Directors of the Company shall enter into such related party transaction that may occur in the future in compliance with the law on securities and securities exchange, regulations, announcements, orders, or the requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand and shall observe the requirements regarding the disclosure of connected transactions and the acquisition or distribution of major assets of the Company or its subsidiary company, and the accounting principles specified by the Federation of Accounting and Certified Public Accountant of Thailand.

### **The Board of Directors is responsible for the financial statements of the Company as well as financial information presented in the annual reports as follow;**

- The Board of Directors has also provided the appropriate and efficient risk management policy, internal control systems, internal audit systems and corporate governance in order to ensure the accuracy, completion and adequacy of the accounting information. This will lead to the Company's assets were maintained properly and fraud and significant irregular actions are prevented.



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▪ The Board of Directors has appointed the Audit Committee with all of its members being independent directors. The Committee is responsible and given opinion for reviewing accounting policies and ensuring the quality of financial reports. It is also responsible for reviewing internal control, the internal audit and Risk Assessment. As well, it is responsible for ensuring that the disclosure of information about related party transactions is complete, adequate and appropriate.

The Audit Committee held a total of four meetings throughout 2015, attended by the auditors and relevant parties, to discuss and provide opinions on key issues, such as the preparation and disclosure of financial information, acknowledging the results from reviewing and auditing accounting items and from the management report from the external auditor, including issues and obstacles encountered during the auditing process. Summary below;

○ The Audit Committee considered the selection of appropriate auditors from EY Office Limited. The selected auditors do not have relationships or personal interests with the Company, its executives or its major shareholders, or other relevant individuals.

The Audit Committee at the meeting No.1/2015 held on 25th February 2015 considered the qualifications of 4 auditors in terms of their performance and independence as well as the remuneration, and expressed their opinion to the Board of Directors to propose the appointment from EY Office Limited as the Company's auditor for 2015. One of the following auditors may audit and provide opinions on the Company's 2015 financial statements:

Name of Auditors		Auditing years for the Company during the past 5 years	
▪ Mrs. Gingkarn Atsawarangsalit	Certified Public Accountant No. 4496	1 year (2014)	, or
▪ Ms. Pimjai Manitkalohnkit	Certified Public Accountant No. 4521	None	, or
▪ Mr. Chayapol Suppasedtanon	Certified Public Accountant No. 3972	None	, or
▪ Ms. Sumana Punpongsanon	Certified Public Accountant No. 5872	None	



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The Audit remuneration for 2015 compare with the 2014 Audit fees, as below:

Types of Remuneration	2015 (Current Proposal)	2014
<b>1. Audit Fee</b>		
- Annual Audit Fee	790,000.-	790,000.-
- Quarterly review fee	240,000.-	240,000.-
- Fee for reviewing the compliance with condition of the BOI promotion certificate (Proposal Year 2015 have 2 Certificate)	100,000.-	100,000.-
<b>Total of Audit Fee as proposal</b>	<b>1,130,000.-</b>	<b>1,130,000.-</b>
<b>2. Other Expenses which cover miscellaneous expenses during work such as traveling, documentation and facsimile expense , etc.</b>	<b>Per actual work In 2014 Amount (THB) 155,874</b>	<b>Per actual work In 2014 Amount (THB) 288,930</b>

○ The Audit Committee reviewed quarterly and annual financial statements in 2015 jointly with senior management, the manager of the Accounting and Budget Department and the chief of the Finance Department. It acknowledged reports and remarks from the external auditor to ensure that the Company reports accurate and complete financial statements that are credible, compliant with generally-accepted accounting principles, and contain adequate and timely disclosure of information for the benefit of investors and other users of the statement. The Audit Committee agreed with the external auditor that the financial statements are credible and compliant to generally-accepted accounting principles.

○ The Audit Committee reviewed the internal control system, the internal audit system and risk assessment system to ensure that they are adequate and appropriate. The Audit Committee approved the hiring of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. (Consulting Firm) to conduct an inspection of the internal control and risk assessment systems. The Audit Committee acknowledged the results and agreed that the internal control and risk assessment systems of the Company are adequate and appropriate.

○ The Audit Committee reviewed and supervised strict compliance with Securities and Exchange laws, Securities and Exchange Commission regulations, SET requirements, and relevant laws, as well as providing advice in respect to the Principles of Good Corporate Governance in order to ensure adequate and appropriate operation.

○ The Audit Committee reviewed the disclosure of related transactions of the Company that may have a conflict of interest according to the announcements of the SEC and the SET. The results showed that the Company has conducted its business in accordance to normal business operation conditions with fairness, reasonability, with benefit to the Company, as well as in absence of any cause for conflict of interest. Also, the Company has provided adequate disclosure of information by adhering to the Principles of Good Corporate Governance in compliance with the announcements of the SET.



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## 4. Board meetings

In 2015, the Board of Directors has held 4 meetings and the Audit Committee also has held 4 meetings. Directors have attended the meeting that constitutes a quorum prescribed by the Articles of Association. Any meeting of the Board, a quorum shall consist of not less than one-half (1/2) of all the members. All directors, both present and taking leave by giving a prior notice, would acknowledge and receive adequate, complete and timely information. The secretary of the Company shall be responsible for ensuring that all directors receive an agenda and related information before the meeting for a period of not less than five days in order to consider and provide their own comments on the particular subject and vote. In addition, minutes shall be officially recorded and kept approved one, which can be reviewed by the Board or related party if required.

The Company has held the Board of Directors' meetings and the Audit Committee's meetings in 2015, as follows:

The Board of Director meeting in 2015				
Number	No.	No.	No.	No.
Number of attending per Year	1/2015	2/2015	3/2015	4/2015
Meeting Date	25/2/2015	14/5/2015	13/8/2015	13/11/2015
The Audit Committee meeting in 2015				
Number	No.	No.	No.	No.
Number of attending per Year	1/2015	2/2015	3/2015	4/2015
Meeting Date	25/2/2015	12/5/2015	13/8/2015	13/11/2015

Duration Year 2013-2015 the directors had attending meeting below;

Name of directors		Number of Meeting attended					
		Year 2015		Year 2014		Year 2013	
		The Board Meeting	The Audit Committee Meeting	The Board Meeting	The Audit Committee Meeting	The Board Meeting	The Audit Committee Meeting
1	Mr. Cherdkiat Monsereenusorn	4/4		5/5		7/7	
2	Mr. Kiatikul Monsereenusorn	4/4		5/5		7/7	
3	Mr. Pucharit Monsereenusorn	4/4		5/5		7/7	
4	Mr. Kitimethee Monsereenusorn	3/4		5/5		7/7	
5	Mr. Sripop Sarasas	4/4	4/4	5/5	4/4	7/7	7/7
6	Mr. Suvit Mapaisansin	2/4	3/4	5/5	4/4	7/7	7/7
7	Mr. Suvait Theeravachirakul *	3/4	3/4	5/5	4/4	7/7	6/7

Note: Mr. Suvait Theeravachirakul and Mr. Suvit Mapaisansin could not attend the Board of Directors' meeting No. 2/2015, due to his overseas business trip. Later in the Board of Directors' meeting No. 2/2015, Mr. Suvit Mapaisansin has taken leave the meeting due to his



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overseas business trip and Mr. Kitimethee Monsereenusorn was also unable to attend the meeting due to an urgent overseas business trip.

**5. Self-Assessment of directors**

The Board has performed a self-assessment on an annual basis in order to assess their performance last year, to find ways to further develop and improve their performance, to assess the implementation of anti-corruption guidelines, and to assess the implementation of the corporate governance survey of Thai listed companies, etc. In 2015, the Board has approved the assessment guidelines, as follows:

The Board of Directors shall perform an annual self-assessment both on group and individual (at least one time / year) in order to review the Board's performance, issues and difficulties during the last year, to increase the effectiveness of the Board's performance. The secretary of the Company shall submit an annual performance assessment form to all the directors, both on group and individual, to evaluate their performance. After completing the assessment, the director shall return that form to the secretary.

**6. Remuneration of Directors and the Executive****Remuneration of Directors**

The Company provides fair and appropriate remuneration to each director of the Company based on market conditions, business competition, nature of business, operating results, the Company's financial standing as well as responsibilities, duties, and performance of each director and executive.

The remuneration of directors is subject to shareholder's approval, while remuneration of executives shall be based on principles and policy set out by the Board.

**Value Amount of the Director remuneration approved by AGM in 2015**

- |  |                        |
|--|------------------------|
| 1) Yearly remuneration   | THB 30,000 per person  |
| 2) Board of Director Meeting Allowance   |                        |
| ○ Chairman of the Board  | THB 15,000 per meeting |
| ○ Director   | THB 10,000 per meeting |
| 3) Audit Committee Meeting Allowance   |                        |
| ○ Chairman of the Audit Committee  | THB 12,000 per meeting |
| ○ Audit Committee  | THB 10,000 per meeting |
| 4) Bonus amount not greater than THB 1,000,000 and the Board of Director shall be responsible for allocation |                        |



## Report of Good Corporate Governance

During 2015-2013 the Company had paid remuneration to directors below;

<b>The Director remuneration</b>	<b>Year 2015</b>	<b>Year 2014</b>	<b>Year 2013</b>
<b>The Board of Director remuneration</b>			
Remuneration – Meeting Allowance	260,000	375,000	525,000
Yearly remuneration	210,000	210,000	210,000
Bonus	750,000	1,000,000	420,000
<b>รวม</b>	<b>1,220,000</b>	<b>1,585,000</b>	<b>1,155,000</b>
<b>The Audit Committee remuneration</b>			
Remuneration – Meeting Allowance	108,000	128,000	214,000
<b>Total</b>	<b>108,000</b>	<b>128,000</b>	<b>214,000</b>
<b>Grand total Remuneration</b>	<b>1,328,000</b>	<b>1,713,000</b>	<b>1,369,000</b>

During Year 2015-2013 the Company has paid directors' remuneration in each person follow;

<b>Name of directors</b>	<b>Position</b>	<b>Remuneration of Directors (Bahts)</b>		
		<b>Year 2015</b>	<b>Year 2014</b>	<b>Year 2013</b>
Mr. Cherdkiat Monsereenusorn	Chairman of the Board	210,000	265,000	195,000
Mr. Kiatikul Monsereenusorn	Directors	175,000	220,000	160,000
Mr. Pucharit Monsereenusorn	Directors	175,000	220,000	160,000
Mr. Kitimethee Monsereenusorn	Directors	165,000	220,000	160,000
Mr. Sripop Sarasas	Independent director/Chairman of the Audit Committee	223,000	268,000	244,000
Mr. Suvit Mapaisansin	Independent director/Audit Committee	185,000	260,000	230,000
Mr. Suvait Theeravachirakul *	Independent director/Audit Committee	195,000	260,000	210,000
Mr. Ukrit Chudatemiya (Year 2013)	Directors	-	-	10,000
<b>Total</b>		<b>1,328,000</b>	<b>1,713,000</b>	<b>1,369,000</b>

The Board of Directors' meeting in 2015, has approved the bonus allocation of 2015 in the amount of 750,000 baht to the Board of Directors, 120,000 baht to the Chairman of the Board of Directors and 105,000 baht each to other directors.



## Report of Good Corporate Governance

**The Executives remuneration**

The Company has set the remuneration for managing director and senior executives. Managing director and senior executives shall receive an appropriate remuneration, considering their duties and responsibilities, knowledge and experience, as well as the executive's performance in conjunction with the company's overall operational performance, according to the remuneration policy. Moreover, the assessment of economic prospects and the Company's plans also used for determining the remuneration for the executives.

During 2013-2015, the Company has paid the remuneration to executives as follows:

The Executives remuneration	Year 2015	Year 2014	Year 2013
Number of the Executives (Person)	7	7	6
Salary/Monthly remuneration	8,766,972	7,926,972	7,134,972
Bonus	-	915,873	1,424,049
Provident Fund	98,544	98,544	70,920
Grand Total	8,865,516	8,941,389	8,629,941

The company has considered other benefits, other than the above remuneration for executives, in parts of social security funds, life and accident insurance, medical care, as well as other benefits needed for working such as house rent allowance, company car, gasoline and maintenance allowance, telephone allowance, and internet communication services. In case of the other benefits needed for working, the Company would consider individually by his/her duties and terms and conditions of employment agreement, as necessary and appropriate

**7. Development Scheme for Directors and the Executives****Development Scheme for Directors**

The Board of Director has a policy to promote and facilitate the training and development for directors, members of the Audit Committee and executives in relation to good corporate governance and improvement of business operations. Currently, each of Company's directors is certified of directorship training by the Thai Institute of Directors Association ("IOD").

In order to provide accommodation for each committee member which will enable them to access complete information and take it into consideration, the Committee set up a data storage system for each committee member so that it will be easier for searching information. The Company's secretary is authorized to collect and store necessary information including various fields of knowledge publicized by The Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET) and Institute of Directors and



## Report of Good Corporate Governance

documents obtained from the training. This information is collected and stored by means of E-book. It will also include the information on the Company's business operation as well as law, rules and regulations. The Committee can access the information through internet or download the knowledge information which has been allowed to publicize.

For the executive development, the Board has assigned to the managing director and human resources department to be responsible for providing training plans for directors and executives in the future. In 2015, directors and executives has participated in the following training programs.

**The training programs for directors and executives in 2015 are listed below:**

<b>Training programs for directors / executives</b>	<b>Participant (person)</b>
The development of networking competency for AEC	1
The observation of workplaces under the labor productivity improvement program	1
The corporate social responsibility management for sustainable development	1
The development of labour protection in system	1
Tips for information disclosure	1
Seminar training Subject: The anti-corruption guidelines for business	1
IR Professional Training 2015 (SET)	1

The company has set guidelines for an orientation of new assigned directors, as follows.

**Board orientation**

The guideline practice of orientation the new directors will hold an orientation session for new director in accordance with Board Orientation Guideline set forth by the Stock Exchange. The required documents for the orientation session are as follows:

1. The latest edition of the Good corporate governance and business ethics of the Company document, which contain the corporate governance policy and other policies defined by the board of directors such as anti-corruption policy, internal control, audit, and risk management, corporate social responsibilities, human resource management, etc.
2. The Company's latest annual report, which contains the material information of the Company, including financial information for last three years for a new director, introduction of ownership structure, management structures in different areas, the company's history, nature of business, details of remuneration for director, scope of responsibilities of the board of directors, sub-committees and operations of the Company and the board of directors last year.
3. Memorandum and articles of association of the Company.
4. Minutes of board of directors meetings for last 1 year and annual schedule
5. Related party and connected transactions



## Report of Good Corporate Governance

6. Provide meeting chairman / managing director before the first meeting, in order to inform the new director about the important policies and give an advice and describe his/her responsibilities.



The business operation, the Board commits to develop and comply with good corporate governance principles, will be the key element of the Company, and promotes stability and sustainable growth, together with a sense of duty and stakeholders treatment based on ethics and morality. In addition, the Board also focuses on improving business practices and overseeing the operations in accordance with the rules and guidelines and ensuring that it will be appropriate for the organizational structure, business, as well as conform with the principles of good corporate governance of listed companies.



Dividend PolicyArticles of Association in chapter Dividend and Reserve

▪ No dividend shall be paid other than out of profit. In the case where a Company has accumulated losses, no dividend shall be paid.

A dividend shall be paid according to the number of shares, each share being equally paid except the case where the Company has issued preferred stocks and required the different dividend payment from ordinary stocks, and the payment of dividend shall require the approval of the Shareholder's Meeting.

The Board of Directors may pay the shareholders such interim dividends as may be justified by the profits of the Company. When these dividends are paid, such dividend payment shall be notified in the next meeting of shareholders.

Dividend must be paid within one (1) month after the resolution of the meeting of shareholders or of the Board of Directors is passed, as the case may be. Notice of distribution of dividend in writing must be sent to the shareholders and publication of the notice of the payment of dividend shall also be made in a newspaper not less than three (3) consecutive days.

▪ The Company shall retain the proportion of net profit as a reserve not less than five (5) percent of the annual net profit deducted with the accumulated loss carried forward (if any) until such reserve reaches not less than ten (10) percent of the total capital.

The Company has a policy to pay dividend to its shareholders at not less than 40% of net profit after corporate income tax, legal reserve and other reserves (if any). However, such dividend payment may be subjected to changes, based on operating performance, financial position, economic condition, future investment and business expansion plan, and other rationales and factors as deemed appropriate by the Board of Directors and/or the shareholders of the Company.

For Year 2015 the Board of Director had passed the Resolution of Interim Dividend Payment detail below:

Securities	Date of Approved	XD/XM Date	Closing the registration book date	The interim dividend payment date	Type of dividend	Rate of Payment (Baht per share)	Type of Profit
SUTHA	13/08/58	25/08/58	28/08/58	09/09/58	Interim dividend	0.15	retained earnings has been appropriated - statutory reserve which profit from BOI promoted activities of the performance period January- June 2015



Dividend Policy

In recent years, the company has a history of paying dividends.

Description	Yearly	2014	2013
Total comprehensive income for the year		127.796	100.88
Statutory reserve		6.390	5.064
Net Profit after deduct Income tax expense and Statutory reserve		121.406	95.816
Number of Share to payment interim dividend	(Million Shares)	300	225
Number of Share to payment yearly dividend	(Million Shares)	300	225
Total of Dividend per share	(THB per share)	<b>0.3</b>	<b>0.6</b>
Interim Dividend	(THB per share)	0.15	0.50
Yearly Dividend	(THB per share)	0.15	0.10
Total of Dividend Amount	(THB million)	90.00	135.00
Dividend Payment Ratio <sup>(1)</sup>	%	74.13%	140.90%



## Corporate Social Responsibility Report (CSR Activities report)



SUTHA's stakeholders

Golden Lime Public Company Limited, the Company is committed to conducting its business based on CSR practices by providing guidelines for all relevant stakeholder groups, including internal stakeholders such as shareholders, managing directors, employees, and external stakeholders such as customers, partners, providers, society, community and environment, government agencies and nation. This is to oversee and treat all stakeholders as having equal rights. Therefore, the mentioned guidelines for stakeholders established by the Board of Directors and described in the corporate governance section in order to adhere to the corporate social responsibility, are as follows:

### 1. Running the business with fairness

The Company runs the business and treats other corporations with fairness and ethics, and maintains good relationship with other related government agencies and corporations, including the personnel thereof, such as shareholders, partners, contractors, customers, and competitors, and promotes every related corporation to behave towards other corporations with fairness as well.

The Board of Director had passed the resolution to be guideline of the good corporate governance and Code of Conduct for the stakeholder of Golden Lime Public Company Limited had the way to operate under the good corporate governance principles by mean of to make the manual for the relevant and defined Code of business conduct detail below:

#### Code of Business Conduct

1. **Fairness:** The Company ensures that all party including its shareholders, customer, vender, creditors, employees and social agencies concerned are fairly treated.
2. **The Company engages in business based on the required laws and principles.** Moreover, it is determined to inherit the nation's good traditions and oppose to corruption or any immoral conducts.



## Corporate Social Responsibility Report (CSR Activities report)

3. **Transparency Management:** The Company's management has been set under a clear-cut written policy. The bookkeeping, the financial report and information are properly handled to comply with laws and regulations and meet international standard. Accurate, Clear and timely information is to ensure criteria and terms for information disclosure.
4. **Responsibility for society environment and good morality.** The Company operates its business on the basis of responsibility for society and environment. It also intends to give a hand to those who are socially disadvantaged.
5. **Deliberation:** The Company's management is based on responsibility and deliberation in order to avoid any impact and risks.

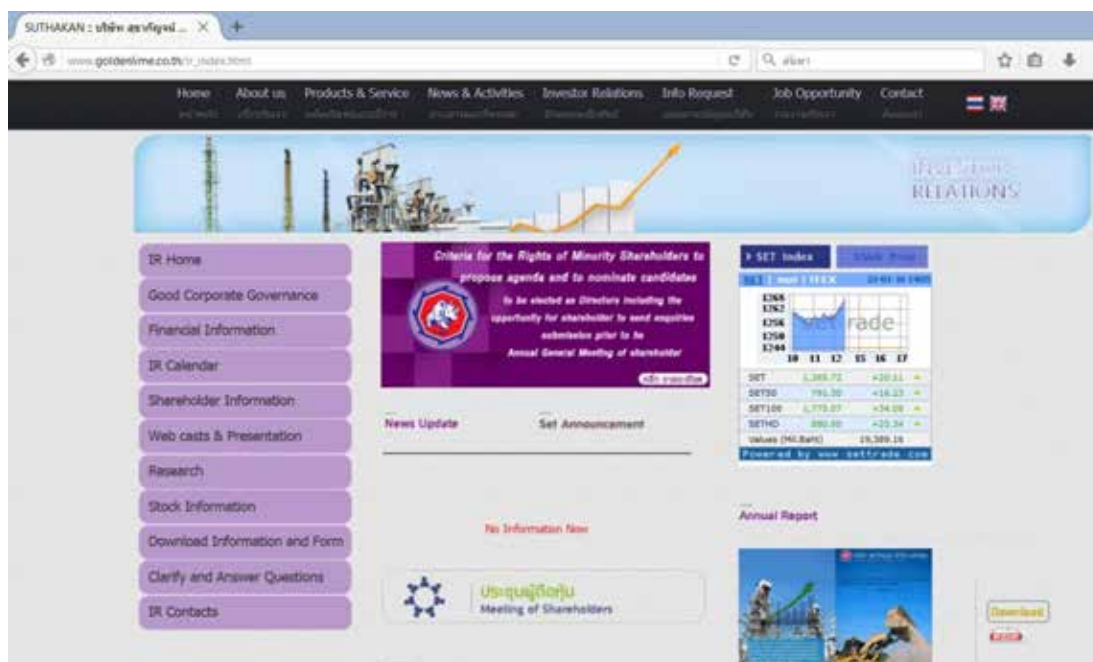
The Company has adopted code of conduct to encourage all parties to adhere to the common practices. All parties shall pursue good corporate governance and business ethics, as well as comply with the anti-corruption and anti-bribery policy as defined by the Board, and basic guidelines for the Company's stakeholders

The Company complies with the good corporate governance guidelines and gives the rights of shareholders, as well as pays equal dividends to shareholders. In addition, there are guidelines and practices to give minority shareholders the rights to propose an agenda item, to nominate candidate to be elected as director and to allow shareholders to submit questions prior to the annual general meeting. Shareholders can find more information about such guidelines and required period of notice via websites of the Company and the Stock Exchange of Thailand.

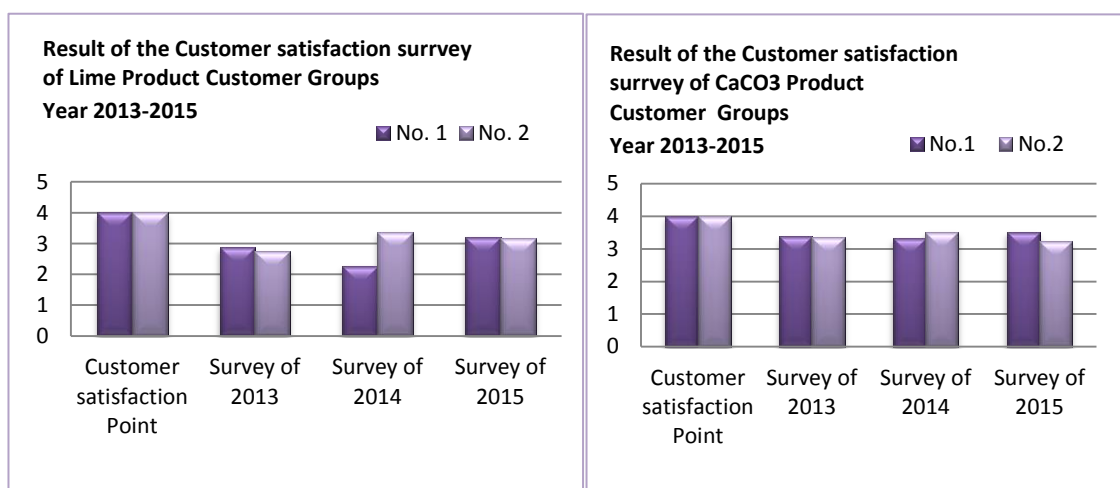




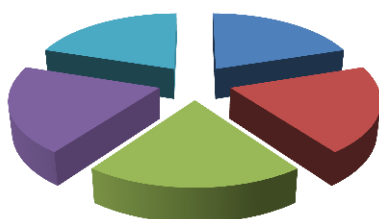
## Corporate Social Responsibility Report (CSR Activities report)



To provide the key index to guide improvement work to be able to respond to customer satisfaction, the Company has conducted a customer satisfaction survey among of the customer in various fields by buying each major product groups. The average, the survey results follows;



According survey in Subject below;



- 1. Service and Co-operation System
- 2. Product Quality System
- 3. Service of document for customer
- 4. Delivery and logistic system
- 5. Product Packing System



## Corporate Social Responsibility Report (CSR Activities report)

In addition to the guidelines set by the Board of Directors to be compiled and applied for treating customers by all parties which are executives, employees and relevant individuals in order to meet the customer satisfaction, as well as disclosure of complete information for customers through website of the Company or information delivery to support customer decision making, the company also focused on improving production processes in order to develop production and product quality to meet the objectives of each customer in each industry group even better in recent year. Moreover, the Company aimed at reducing costs and expenses, as well as system and operational process development by applying modern technologies and communicative innovations. This is to support and monitor work processes until product delivered to customers. All related departments in the Company will be able to access information to help the management process and control the systematic work processes until product delivered to customers. System has been applied and designed in order to use with the Google applications, including Google Drive, Google Sheet, Google Doc, Google Calendar, etc. Applications allow a duty person to access information or shared information. Even each department is in different location, plant, or province; they can communicate and access the Company's system anywhere, anytime. To connect to the internet and work through several devices such as PC, smartphone, tablet, etc., it will help communicate, and coordinate with more effectiveness, meet customer's expectation, and on time in delivery processes of quality products.

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My Drive - Google

https://docs.google.com/spreadsheets/d/1ScwflCCy071cvKJ\_3B3OVdu4zEaawqH1hMHGvisAug/edit#gid=290403870

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Comments

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2																					
3																					
4		รายการส่งข		14/10/2015					หมายเหตุ	บันทึก S/O-ฝ่ายขาย		บันทึกข้อมูลโดย-ฝ่ายจัดส่ง รายการจัดส่งสินค้าประจำ									
5		ลูกค้า	รายการขาย	ชนิดของ		ระบบ		จำนวน	ให้ระบุ สิ่งที่เป็นข้อกำหนดพิเศษจากลูกค้า	ออก SO (ตัดส่งต่อ)		การจัดส่ง (เลือกประเภทโดยระบุ"1")						ใบเบิก			
6		รหัส							จำนวน (ใบ)	ต้องออก CER/ลูกค้าตาม Spec / หรืออื่นๆ											
7		38	สินค้า(ต้น)	กม.	PP	จัมโบใหม่	จัมโบเก่า	ขนาดบรรจุ กก./ลูก			เลขที่	วันที่ (dd/mm/yyyy)	วันที่ขึ้นสินค้า	ระบบ	บริษัท	รถจ้าง	รับเอง	เวลาารถเข้า	เวลาารถออก	เลขที่ใบเบิก	จำนวนส่งระบบบัตรรับ GL (กก)
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19	1	C48312-03	10.00					1,000	10		BSO58100467	14/10/2015									
20	2	C48312-03	20.21					430	47		BSO58100466	14/10/2015									
21	3	C48312	30.00					550	55		BSO58100465	14/10/2015									
22	4	C53034	0.00						-		BSO58100495	14/10/2015									
23	5		0.00						-												
24	6		0.00						-												
25	7		0.00						-												



## Corporate Social Responsibility Report (CSR Activities report)

### 2. Anti-Corruption

In 2015, the Company has joined the Partnership Against Corruption of Thailand Network (PACT Network) and



updated the content of anti-corruption policy, in order to provide a comprehensive fraud risk assessment, guidelines, including whistle blowing policy. The provided whistle blowing channel is the Company's website. This is to ensure compliance with the set policy. Moreover, the Company has provided training courses and selected person to attend an anti-corruption training courses for the policy establishment and advice on internal training courses. Besides, the Company has assigned the human resources department to be responsible for providing an orientation for new employees in order to inform the Company's practices under anti-corruption policy, as well as publish for the stakeholders.

#### **Contact detail for Stakeholder / Receipt of Complaint :**

##### **Internal Auditor / Internal Audit Coordinator**

Golden Lime Public Company Limited  
7 Soi 11 Sai 3, Moo 12, Saraburi-lomsaksaimai Road,  
Chongsarika, Pattananikom, Lopburi 15220 : Thailand  
Telephone Number : 66 (0)36 436 178  
Email Address : [ac.internal@goldenlime.co.th](mailto:ac.internal@goldenlime.co.th) or

##### **Audit Committee Secretary**

Golden Lime Public Company Limited  
8/222 Moo 3, Srisamarn Rd., Soi 2 Banmai,  
Pakkred, Nonthaburi 11120 Thailand  
Telephone Number : 66 (0) 2961 8652 - 6  
Email Address : [glmis@goldenlime.co.th](mailto:glmis@goldenlime.co.th)

Or by means of whistleblowing channel on the Company's website and then choose inquire the Company's information through its website [www.goldenlime.co.th](http://www.goldenlime.co.th)





## Corporate Social Responsibility Report (CSR Activities report)

The screenshot shows the 'Channel Complaints' section of the Golden Lime Public Company Limited website. The header includes the company name in Thai and English, and a navigation menu. The main content area is titled 'Channel Complaints' and contains a form for submitting complaints. The form has fields for 'Category' (with a dropdown menu), 'Description' (a text area), and 'Attach File' (a button). A note states: 'If you did not receive a fair investment, or found guilty of Acts of unfair competition on the company and investors, The Audit Committee and / or Board Directors will performed with a complaint and does that you inform us as soon as possible to be fair to investors. Please complete the form below, your information will be submitted to the Board / Audit committee who was appointed by CEO. Your information will be protected as confidential.' A character limit of 3,000 is indicated for the description field.

**The Company specifies the guidelines to prevent corruptions as follows;**

- 1) Procedure of the evaluation on the corruption risk.
- 2) Guidelines to monitor, supervise and prevent any involvement in the corruption risk
- 3) Guidelines to follow up and evaluate the operation to prevent any involvement in corruption as approved by the Audit Committee and the Board of Director on November 13, 2015 which is part of the handbook of the Company's good corporate governance and ethics.

### **Procedure of the evaluation on the corruption risk**

The Company has regulated the risk management system based on business operation in a bid to prevent and suppress corruption or any activities of high risk from corruption likely to occur as a result of the Company's business operation. It also evaluates the risk level including its chances and effects as well as regulates the anti-corruption measures based on evaluated risk including the achievement evaluation and resources to be used to lessen the risk and follow up the performance appraisal.

### **Dissemination of Anti-corruption policy**

In order to disseminate the Anti-fraud and corruption policy, the Company is to conduct by means of its communication channels including;

- The Company's website and disclosure to the SET's website.
- Email inform the stakeholder
- Annual report and disclose in 56-1 Form.
- Employee Manual and Employee information board



## Corporate Social Responsibility Report (CSR Activities report)

The above company's policy is designated based on its anti-fraud and corruption guidelines under the private sector's anti-fraud project.

As the Company is a member of partnership against corruption for Thailand (PACT), the agency set up under the United Nations Convention against Corruption (UNCHC), it is obliged to apply all operations in line with UNCAC and regularly reconsider the anti-fraud and corruption policy.

### 3. Respect for human right

The Company will promote the monitoring of observance of human right requirements within the Company and motivate the observance of human right principles which are the international standard, covering the corporations in joint venture and partners. In addition, the Company will promote the knowledge in and create awareness of human rights for personnel in the Company so that they adhere to and observe the human right principles.

Employees will be encouraged to raise awareness and commitment to follow the principles of human rights that promoted and organized by various activities in order to help increase opportunities or support less fortunate persons with opportunities or rights that they should deserve as equal as everyone else in society. These activities include giving opportunities for persons with disabilities to work for the Company where has been certified by Governor of Lopburi in 2013 and 2014 that the Company has implemented the business in accordance with the Persons with Disabilities Empowerment Act, B.E. 2550. on an annual basis. In addition, the governor of Lopburi, public and private agencies have encouraged activities for talented persons with disabilities. Besides, there are many other activities such as CSR activities for children with disabilities and elders, etc..

#### **Project : Empowerment of persons with disabilities with employment opportunities**

##### **Objectives :**

To enable disabled people to have a job, a stable income to support themselves and their family, and to be socially acceptable.

##### **Description:**

The Company supports people with disabilities in employment, hires them as permanent employees with equal treatment and benefits. However, with regard to safety at work and quality of service, we have arranged suitable jobs matched with the ability of disabled people. We are expecting that this will help enhance the quality of life and respecting human dignity of everyone in society.



Because of this successful project, the Company has achieved a certificate of an industrial establishment operating under the employment of persons with disabilities in the Empowerment of Persons with Disabilities Act B.E. 2550. The Company has joined in



## Corporate Social Responsibility Report (CSR Activities report)

activities promoting the quality of life of disabled people, organized by the Department for Empowerment of Persons with Disabilities.

Certificate ceremony: A certified industrial establishment operating under the employment of persons with disabilities law.



The Company has established a policy to respect for human rights. It contains the abuse of function and no violation, no discrimination regardless of gender, race or physical disabilities, as well as people with person with immunodeficiency diseases and people living HIV/AIDS, and ways to treat them appropriately. In addition, the Company has provided training courses to help all employees understand, encourage a positive attitude and promote equality at work. As a result, the Company was certified to the ASO-Thailand under the TB-HIV/AIDS Prevention and Management in Workplace Program organized by Department of Labor Protection and Welfare, Ministry of Labor, along with Department of Disease Control, Ministry of Public Health.



## Corporate Social Responsibility Report (CSR Activities report)

### 4. Labor Practices

The Company believes that everyone has a value and potential and realizes that all achievements have been obtained by the abilities and collaboration of all employees. Therefore, the Company considered that well-being and health of employees is the highest priority. Furthermore, the Company also promotes employee learning and personal development, create positive work environment for all employees and encourages knowledge sharing with positive attitude, friendly, supporting each other. This will increase happiness and satisfaction, which make employees more productive at work.

The company has established an employment policy based on ethical principles and labor practices to both Thai and foreigner workers fairly. Do not take advantage of a hired worker, provide welfare facilities as required by law, as well as provide a safe and hygienic working environment. In addition, annual training plan and other activities are also provided to create harmony and good relationships between employees and the Company.

#### Human resources development

Golden Lime Public Company Limited aims to develop human resources capable of contributing ideas, knowledge and capacity, as well as good relationships. The Company recognizes that potential employee is a key success factor and looks for the highest productivity of employees; the human resources development policy has been established



1. Promote and provide training courses, seminars and employee development thoroughly and continuously. This is to improve work capacity, skills and facilitate productive and effective performance.

2. Encourage and support all employees in the Company, as well as enhance personal capacity in order to develop practical skills.

3. Encourage and support all employees to dedicate themselves to serve the public interests and volunteer for social development.

4. Encourage and support all employees to arrange activities that would benefit the Company internally and externally.

5. Promote positive ethics and create a merit system in the Company in order to encourage good and talented people.

The Company has provided an annual training plan and domestic and overseas observation tours for employees as necessary and appropriate, in order to enhance their skills needed to execute job duties and increase more training courses for employee improvement.

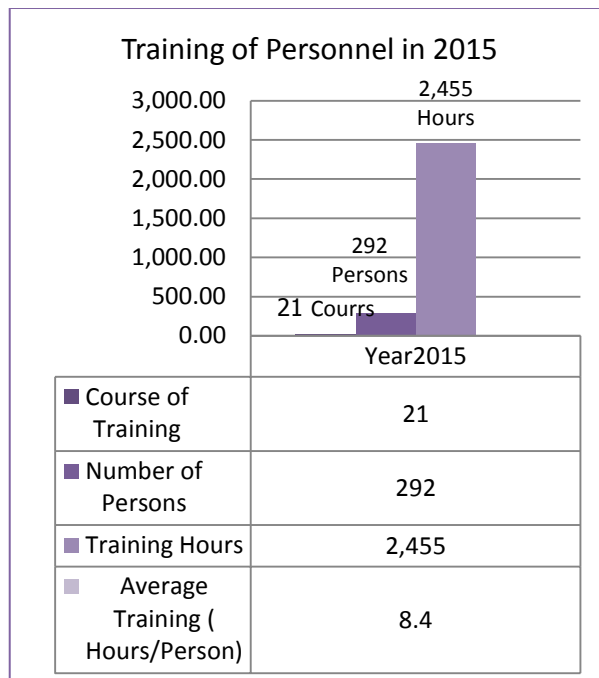
#### Training courses





## Corporate Social Responsibility Report (CSR Activities report)

Courses	Year2015
	Training Hourse
Productivities	1,164
Law and Regulations	12
Safety & Environment	807
Human Resources Management	30
ISO 9001,14000.OHSAS18001	366
Corporate Governance Training Courses (e.g. Anti-corruption, Disclosure, IR, etc.)	46
Other	30
<b>Total</b>	<b>2,455</b>





## Corporate Social Responsibility Report (CSR Activities report)

### Occupational health and safety in the workplace.

All employees are considered to be the heart of each project and valuable resources. As such, the Company therefore will do its utmost to implement effective health and safety measures.

Golden Lime Public Company Limited shall be a leading company in milling, grinding and lime production. The Company's goal is for there to be no accidents that will affect the employees' abilities to work, and has set out the following health and safety measures:

1. The Company requires employees in all levels to jointly operate their tasks in order to assure safety for themselves and others.
2. The Company is to support the improvement of the environment as well as encourage safe operation and usage of safety instruments. It is also to maintain health and sanitation.
3. The Company is to appoint a health, safety and environmental committee for every project.
4. All supervisors must take care and be strictly responsible for safety of all subordinates in line with safety regulations.
5. The Company is to provide support for all activities relating to safety.
6. The Company is to follow and evaluate the policy on safety and occupational health to ensure that it has efficiently been carried out.
7. The company shall adhere to the law and various regulations on safety and occupational health.
8. The Company is to publicize the policy to its employees and the general public.

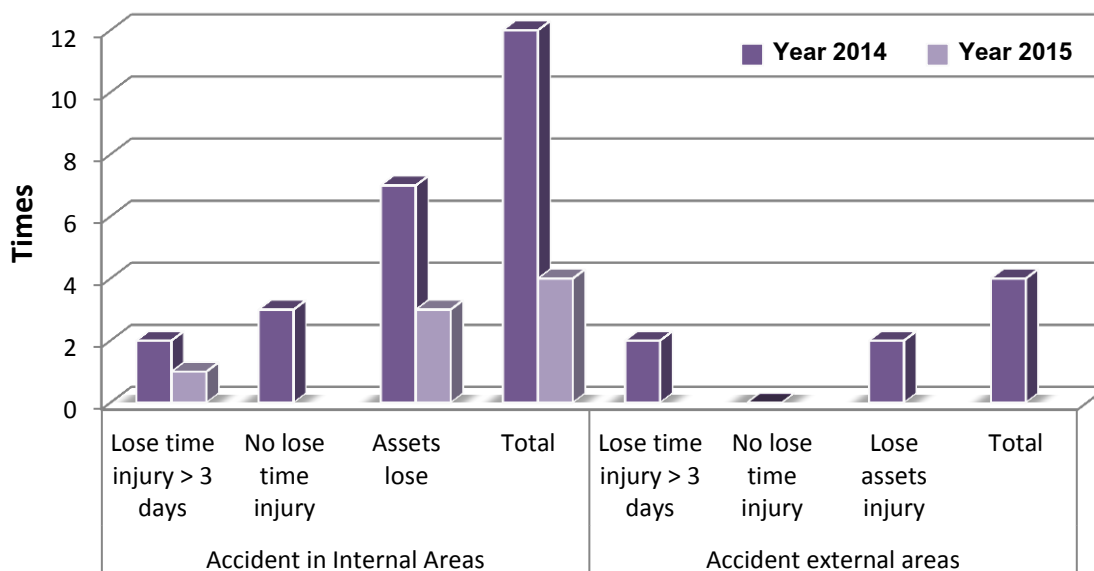
**Occupational health and safety management.** Appoint an occupational health and safety committee to be responsible for monitoring and giving suggestion in order to improve safety in all operational areas, in cooperation with the related working group, safety personnel, and all employees under the strong support from the management. This will focus on prevention and reduction of workplace accidents through the risk identification processes and required control measures, as well as promoting the concept of behavior based safety under the project "identification of unsafe conditions", which will allow all employees to help investigate the potential dangers or hazards in their own areas. Then the responsible person will arrange the risk assessment along with the preventive measures proposed to the occupational safety and health committee to be considered, amended or approved as appropriate, and establish a safety standard operating procedure, as well as provide personal protective equipment, carry out modifications to protect workers from unsafe working conditions. The goal is to reduce work-related injuries and accidents. In case of workplace accidents, it will be investigated by the safety professional and discussed by the occupational safety and health committee, in order to resolve the issue and provide an effective measure to avoid further duplicate issue.





## Corporate Social Responsibility Report (CSR Activities report)

## Accident statistics comparison report during year 2014-2015



**Safety Mind** According to the accident statistics, the potential accidents have decreased. However, the Company has launched a campaign of safety bulletin board contest under the subject of "Safety mind built by yourself" to achieve zero accidents, improve employees' knowledge and understanding of operational safety, and promote safety awareness. In the part of bulletin board contest, each party will create one bulletin board raising safety awareness, which should be composed of safe operation images, safety information and knowledge, and campaign slogan. The occupational safety and health committee will give scores categorized by topic; include beauty, creativity, informativeness, impressive slogan, and material utilization.



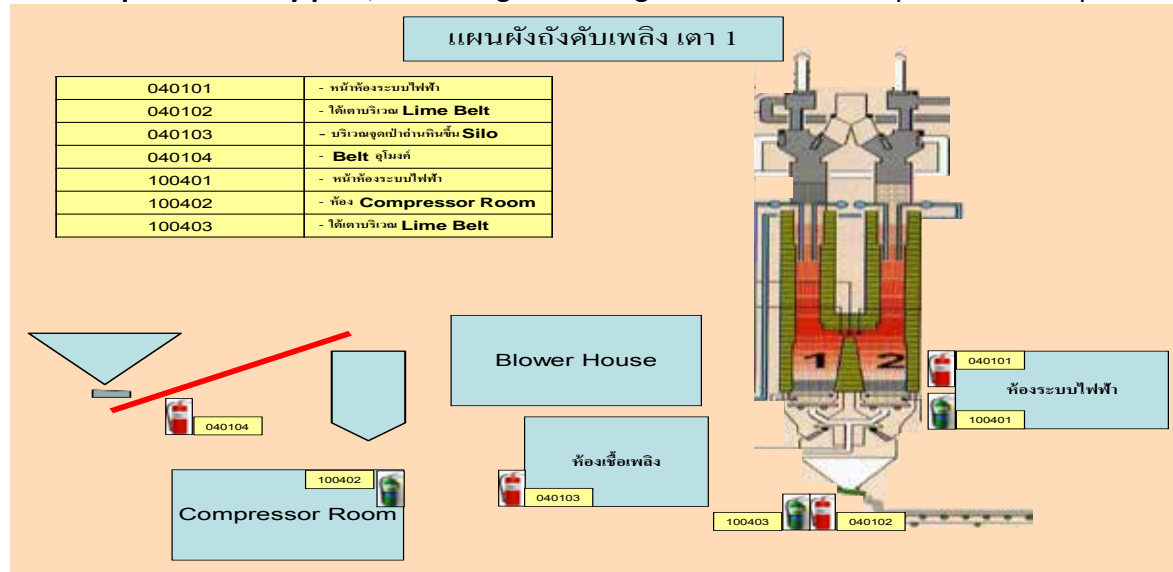
**Emergency preparedness and response** The Company recognizes the importance of preparing for emergencies and disasters that may arise from the operation. Therefore, there are appointed emergency preparedness and response teams for this purpose, including fire response team and chemical spill response team. Furthermore, the emergency scenarios are



## Corporate Social Responsibility Report (CSR Activities report)

prepared to train internal teams together with the local government agencies and private organizations, including subdistrict administration organization, municipality, hospital, police station, etc. Such emergency preparedness and response teams will receive training and practices on annual basis, with essential emergency equipment such as fire extinguisher, fire fighting tank, fire fighting and rescue vehicle, etc.

**The sample fire safety plan**, indicating fire extinguisher locations of production department.



Install firefighting tank and fire hose reel





## Corporate Social Responsibility Report (CSR Activities report)

### Chemical spill response training



### Fire & emergency response training



### A drug-free workplace, white factory project

The Company recognizes the importance of the drug problem that began to spread increasingly among workers that effect on workers' welfare and security. Currently, the drug abuse is the nation's number one public health problem, all organizations, both public and private sectors must help promote zero-drug abuse campaign. For our Company, the operational plans and surveillance to prevent the spread of drugs in the factory is provided in training courses, containing knowledge about drugs to the working teams and peer support volunteers who help monitor employee behavior. If suspicious behavior occurred, the random urine drug test will be implemented and consultation and advice will be given to such person before drug rehabilitation and treatment program in the hospital in order to give another chance for employee to be able to return to work. The Company has joined the White Factory project, achieved certification of drug abuse prevention and solution in an establishment.



## Corporate Social Responsibility Report (CSR Activities report)

### **Drug abuse prevention and solution in an establishment policy.**

According to the government's policy on combating drugs and solutions for the workers in the country, it includes health and quality of life of workers and their family. This is to prevent and resolve drug problems in the workplace that impact on the economy and society in the country. Golden Lime Public Company Limited aims to carry out the drug abuse prevention and solution in an establishment project in accordance with the White Factory project, by provide the policy as follows:

1. Supervisors, at all levels, must act as good role models, give advice and suggestions to the employees with problems, give appropriate treatment and rehabilitation for employees to return into the right way and well-being.
2. All employees have roles and responsibilities to support and participate in the campaign to prevent and resolve drug abuse of the Company, observe any illegal drug use or person with suspicious behavior both inside and outside of the Company, immediately notify or report to the responsible person, administrative officer, police officer.
3. All employees must cooperate with random urine drug test. If detected, such person will be given advice and sent for further treatment.
4. The company is willing to cooperate with the government to identify the information and behavior of individuals associated with drugs.

### **Labor Relations Management.**

The company aims to build a sense of unity among employees and executives to work as a team, love and generosity like a family member, and understanding and positive thought. Particularly, there is a conflict or misunderstanding between colleagues, leaders and followers, executives and employees, this will help reduce such issues. If everyone in the company work together with good attitude and positive thought, care and helping each other, it will create happiness and pleasure at work.

Thus, the Company organizes various activities to build healthy relationships between employees at all levels, include:

#### **Friends care**

The company arranges a team to visit their employee whose absence due to illness. The supervisors and their colleagues/HR team will bring some gifts for the patient at home or at the hospital to cheer up and help follow-up the treatment continuously. This will help prevent the feeling of abandonment and create a positive impression with his/her colleagues.





## Corporate Social Responsibility Report (CSR Activities report)



### We are the same family

Family is the employees' source of happiness, as a part to boost employees' morale. If employees feel safe and secure, the employees will dedicate to produce higher quality work. The company has provided the family welfare for family, who lost a family member (employee), included in the group life insurance. In the event of an employee death, his/her family will receive compensation from the provided life insurance company. This compensation can be used to support the family, occupational investment for the family security.





## Corporate Social Responsibility Report (CSR Activities report)

### Building healthy work relationships

In order to successfully create the understanding, positive attitudes and behavior changes in the shared working environment, accept other people difference, develop the potential in people, open up to each other, and build good relationships with colleagues, the employees should have opportunities to participate in the joyful activities to build good relationships with each other. Therefore, the Company provides the “Building healthy work relationships” activities on annual basis, including New Year's Day, Songkran Festival, Outing, to enable employee to join and feel relaxed from their roles and duties.

#### New Year's Day

The executives and employees jointly give food offerings to Buddhist monks.



Male employees jointly prepare a place for an activity. Female employees jointly prepare lots for the gift exchange.



Event photo: Eating together and gift exchange







## Corporate Social Responsibility Report (CSR Activities report)

### Receiving a complaint and giving an advice

The company has provided the communication channels for employees who wish to request, complain, or need an advice on any issues, include feedback box, internal investigation team or executive's email address, and letter to the managing director. All received feedback and issues shall be considered by the Company and the fact-finding and investigation commission will take action to fix such issues within the specified period according to its relative urgency and importance.

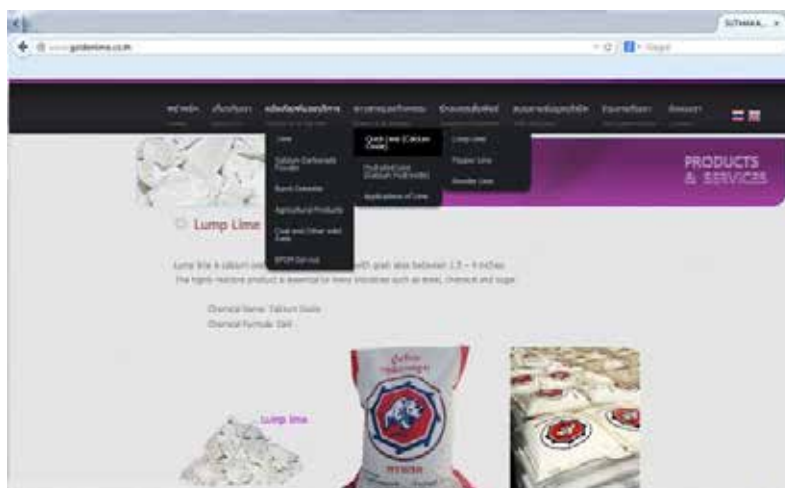
In addition, the Company has held monthly, weekly and annual meetings, which can be an alternative communication channel to give a feedback or suggestions to help create good relationships between corporate, executives and employees at all levels. There is one representative from each level of employees to join the following committee or working groups for the purpose of problem solving and prevention.

- The 5s Committee, the occupational health and safety in the workplace.
- The Welfare and Labor Relations Committee
- The Quality Management Committee based on ISO 9001
- The Environmental Management and Public Relations Committee
- The Energy Efficiency and Conservation Committee

## 5. Responsibilities towards consumers

The Company will produce goods and services and manage them efficiently to build trust and relationship with the customers both before and after sales. The Company will prepare storage system and give sufficient and true information as well as give knowledge to customers for accompanying their decision to buy the goods and services. In addition, the Company will do research and development to create innovation for goods and services with the emphasis on the processes and activities that benefit the society and environment.

The Company will provide the quality control procedures, test, and agency in order to monitor the quality of goods and services, including delivering goods and services to customers based on Quality Management System, ISO 9001: 2008 of United Registrar of Systems (URS) since 2007 - 2016 as well as providing details and information of goods and services for customers and interested persons can download it from the Company's website.





## Corporate Social Responsibility Report (CSR Activities report)

The Company has set guidelines as follows:

- Disclose accurate and complete information on goods and services.
  - Be prepared to provide information as well as requirements and conditions relating to the Company's goods and services to the customers, The information includes written conditions and agreements as follow;
    - Cost of goods and services or any related expense which are not mentioned in the cost condition of goods or services.
    - Quality of goods, Packaging and delivery conditions.
    - Other information relating to joint agreement between the Company and customers.
  - Inform the customers in advance in case of any changes of terms and conditions relating to the customers.
    - Be prepared to answer the customer's questions including goods, services, complaints, suggestions and the follow up of the progress of subjects raised by customers. However, this must be carried out in friendly manners and the employees must always be prepared for troubleshooting for the customers.
    - Agencies relating to sales, marketing and services should be equipped with communication instruments to facilitate customers rapidly.
    - Keep confidential information and trading secrets of customers confidential
- To provide the key index to guide improvement work to be able to respond to customer satisfaction, the Company has conducted a customer satisfaction survey among of the customer in various fields by buying each major product groups. The average, the survey results follows;

### 6. Environment protection

The Company will promote and support the environmental management that is concretely effective, and use the resources with value appreciation for maximum benefit. In addition, the Company will stipulate the preventive measures against pollution for employees and community.

#### **Environment Management Policy**

Golden Lime Public Company Limited is one of the country's largest lime producing companies that aims to produce products with high quality. Meanwhile, it understands the importance of managing its impact on the environment. All kinds of activities must therefore be carried out with regard to environment management and consider any impact to the environment. In order to achieve this goal, the Company has issued the following guidelines:

1. Strictly adhere to official regulations relating to the environment and cooperate with different organizations to preserve the environment.
2. Be determined to use resources productively and efficiently to lessen the impact on the environment caused by both present and future operation by means of prevention, supervision and continual improvement.



## Corporate Social Responsibility Report (CSR Activities report)

3. Specify and review objectives and aims of the environment management activities in order to get it systematically improved and corrected.
4. Be determined to use resources productively in order to reduce the amount of usage as well as recycle and reuse.
5. Follow up, examine and evaluate the operation of environment management activities in line with the mentioned requirements.
6. Promote the use of appropriate working instruments in order to lessen the effect as well as organize activities and publicize the environment management activities.
7. Promote the continual improvement of the environment.
8. Publicize all environment management activities to the organization and the general public.

In order to conduct an environmental control and management in accordance with international standards, the Company has provided an internal environmental management in each process by cultivated the employees' awareness on the environmental impact that may happen in all processes; for example, in the production processes, there are the installation of dust and gas control systems and use of water spray for cleaning the area around the plant instead of sweeping, which may result in the spread of dust. Furthermore, the use of circulating water system in the plant with water recycling and reuse it in the process for cleaning raw materials, as well as the implementation of air quality and pollution monitoring system in accordance with legal requirements.

### The results of air quality measurement from chimney

Checked date		July 27-28, 2015			
Position of Sampling	<i>Total Suspended Particular (TSP)</i>	<i>Carbon monoxide (CO)</i>	<i>Oxides of Nitrogen (Nox)</i>	<i>Sulfur Dioxide (SO<sub>2</sub>)</i>	
Standard	320	690	400	700	
Chimney Kiln 1	239.390	333.060	180.040	<0.10	
Chimney Kiln 2	143.390	276.040	131.270	<0.10	
Chimney Kiln 3	242.220	688.160	150.530	4.890	
Chimney Kiln 4	180.140	270.000	148.620	<0.10	
Chimney Kiln 5	82.270	513.500	160.630	<0.10	
Chimney Kiln 6	94.260	380.410	192.180	<0.10	
-Standard value under the determination of air contaminants released from factory B.E. 2549 set by Ministry of Industry, Thailand					
- Calculated against the 1 atmospheric pressure, temperature of 25 °C and O <sub>2</sub> of 7%.					



## Corporate Social Responsibility Report (CSR Activities report)

## The results of air quality measurement of five stations

Checked station	Checklist	Standard value	Checked date (23-24/3/2015)
1. Electrical of Maintenance Dept. area	<b>Benzene</b>	<b>10 ppm</b>	<0.001
	<b>Iron Oxide Fume</b>	<b>10 mg/m<sup>3</sup></b>	<0.001
2. Calcium Carbonate Production Plant	<b>Respirable Dust</b>	<b>5 mg/m<sup>3</sup></b>	0.366
3. Calcium Carbonate Production Plant /Packing Jumbo area	<b>Total Dust</b>	<b>15 mg/m<sup>3</sup></b>	1.250
4. Hydrate Production Plant	<b>Respirable Dust</b>	<b>5 mg/m<sup>3</sup></b>	1.614
5. Hydrate Production Plant / Packing Jumbo Area	<b>Total Dust</b>	<b>15 mg/m<sup>3</sup></b>	0.406
6. Area of Kiln No.3 / Lime stone screening area	<b>Total Dust</b>	<b>15 mg/m<sup>3</sup></b>	1.639
7. Lab (Hood)	<b>Hydrochloric acid</b>	<b>7 mg/m<sup>3</sup></b>	0.063
Standard value = general air quality standard according to the announcement of the Office of National Environmental Board no. 24, 2004			

The Company will control the production processes to ensure minimal impact on the environment and has achieved ISO 14000 certification, including certifications in the area of environmental management as follows:

- Excellent Environmental Management Award under the project "Starred Mill & Quarry" with three consecutive years (2008-2010)
- Green Industry Certificate, Level 3 (Green System) by Ministry of Industry since 2013-2016





## Corporate Social Responsibility Report (CSR Activities report)

The company also provides measures to protect and mitigate the environmental impacts as follows:

- Install the dust, smoke and gas control systems in the production processes. The Company has installed the dust and gas control systems consisting of Cyclone and Wet Scrubber in every lime kiln which uses coal as a fuel to ensure that there is no significant pollution, which may impact on the environment. This system can remove dust and gases from the production processes that will not exceed the legal standards, as well as no effect on atmosphere.



- Create the closed system under silo, at warehouse and goods lift to control dust, which may effect on the environment.
- Plant fast-growing trees, which help dust control, avoid dust floating away from the production area. Lines of over a hundred thousand trees have been planted in order to protect the surroundings area.
- Control over pouring concrete in the area and beside the street for easy cleaning. Use water spray for cleaning instead of sweeping in order to avoid spreading dust.
- Clean machines and buildings to prevent dust buildup as well as check and maintain machines and equipment regularly.
- Solve transportation problems by using canvas to cover truck complete in order to prevent falls when transporting goods, and determine weight of load in not excess of the standard legal limit.

- Use a circulating water system in the plant. One of the Company's business operations is using water for production processes; for example, cleaning stones before burning process by using water in the tank, which installs pipe used for delivering water into the settling tanks in order to recycle and reuse it in the process. For the pond sludge, resulting from mud from the stone cleaning process mixed with cement dust from the production process, will be removed and applied to the surface of the plant area.



**Corporate Social Responsibility Report (CSR Activities report)**

The results of water quality measurement			
Checklist	Sampling method	Standard value	Checked date
			(23-24/3/2015)
pH	pH Meter	5.5-9	11.89
Suspended Solids	Dried at 103-105 °C	50 mg/l	20.40
Total Dissolved Solids	Dried at 103-105 °C	3000 mg/l	1078.00
BOD5	Azide Modification	20 mg/l	2.10
COD	Closed Reflux	120 mg/l	32.87
Oil & Grease	Partition & Gravimetric	5 mg/l	<5
- Standard = Standards for industrial wastewater according to the announcement no.2 of the Ministry of Industry (B.E. 2539), under the Factory Act B.E. 2535			

The water used in the plant is the recycled water; that is reused in the production process. So no wastewater is disposed of to the river. Due to the alkaline properties of lime, recycled water with lime dust inside will be also alkaline. In addition, the value of pH is higher than the determined standard (alkalinity); that will not impact on the environment because the recycled water will be used in the production process

- Install noise control system at the closed concrete wall to reduce noise impact from sound source as well as noise from the non-heavy equipment, including using control device to monitor the installed equipment in the production processes that will not exceed the noise levels of 85 decibels based on the Noise Pollution Control.
- Heat from burning process will not increase the environmental impact at all because the Company uses closed kiln and insulating bricks to prevent heat from leaking out of the kiln.
- For the production processes of lime and calcium carbonate, toxin will not be formed. It is because every step of production processes has been conducted without toxic chemical compounds.
- Destruction of waste and sewage such as dust and ash from the production process, can be carried out by selling, using as a valuable resource. The waste transportation policy has been given policy to the villagers who request a permission and resource filled only in the allowed area away from neighborhood.
- The Company has established a reforestation and increasing green areas project to encourage tree planting to increase the green areas in the Company, surrounding area, and community. This is an ongoing project conducted every year.





## Corporate Social Responsibility Report (CSR Activities report)

### Reforestation volunteer project, Golden Lime 2015

On August 7, 2015, employees and the management has jointly planted 587 trees, include 580 Mahogany trees and 7 golden shower trees, on 14-rai area behind the plant (Moo 12, Chongsarika sub-district, Lop Buri). Moreover, the Company has bought more land for planting expansion starting from an outside area.





## Corporate Social Responsibility Report (CSR Activities report)

### 7. Community and social co-development

The Company will promote community and social co-development with objectives to create public participation, promote and support education, art and culture, and ethics in community, create employment and develop skills, eliminate and prevent threat that affects health, and promote good health.

The activities in 2015, for example, dirt and stone debris contribution in order to build a pavilion of Ban Pho temple at Saraburi.



Joint activities in Local Communities on Songkran festival by improving townscape and spending time on Songkran day with elderly people in community.



And other charitable activities such as eyeglasses for elderly people and monks project, practice Dharma for elderly people project





## Corporate Social Responsibility Report (CSR Activities report)



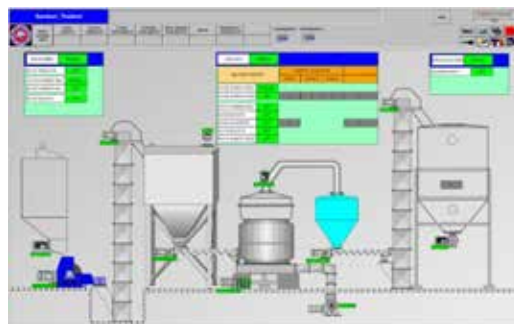
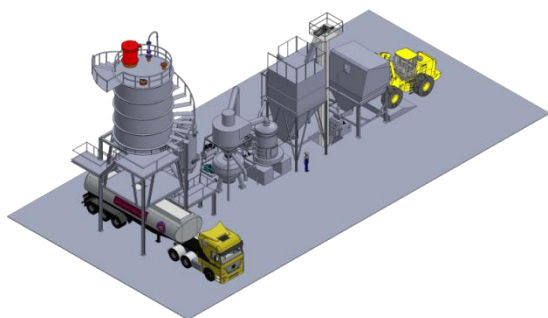
By donating eyeglasses for elder people and monks in the Princess Galyani Vadhana's 92nd Birthday Anniversary at Wat Pa Siriwattana Visut under Royal Patronage of HRH Princess Galyani Vadhana.

### 8. Innovation and its dissemination

The Company will operate the business to create new innovation that are of value and cause positive change so that the corporation, society, community, culture and environment change to be better. The innovation must create productivity, more value, and socioeconomic and environmental wealth.

In 2014, the Company has expanded its distribution of parts and machinery to other countries, beginning with distribution of lime kiln. Formerly, kiln parts must be imported from abroad that has the limitation on business development, including failure to improve or solve the problem in accordance with factors in the current production processes. To enhance the sustainable development in business, the Company, therefore, has developed the innovative systems of major machinery and equipment used in production in order to meet the needs of production development and expand its distribution of such parts and machinery internationally. Moreover, it also can improve the production processes in term of increasing number from reusing the undersize raw materials, which formerly was rejected from the production processes. Thus, it is one of the innovative methods, which can add value in production processes and resource management in order to achieve the maximum benefit.

With our constant commitment, the Company has magnified results for production process development of lime and mineral grinding plant, as well as expanded the machinery innovation for complete lime production for hydrate production plant.





## Audit Committee Report

Dear Shareholders,

The Board of Directors has appointed an Audit Committee which consists of three Independent Directors, namely:

1. Mr. Sripop Sarasas
2. Mr. Suvit Mapaisansin
3. Mr. Suvait Theeravachirakul

All three possess knowledge and experience to serve on the Audit Committee. In 2015, one member of the Audit Committee has retired from position, Mr. Suvait Theeravachirakul. His resignation took effect on December 16, 2015 and Mr. Sripop Sarasas, chairman of the audit committee and independent director possesses sufficient knowledge and experience to review the credibility of financial statements according to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee held a total of four meetings throughout 2015, attended by the auditors and relevant parties, to discuss and provide opinions on key issues, such as the preparation and disclosure of financial information, acknowledging the results from reviewing and auditing accounting items and from the management report from the external auditor, including issues and obstacles encountered during the auditing process.

The Audit Committee has performed all duties assigned to it by the Board of Directors as indicated in the Audit Committee Charter, which completely aligns with the requirements of the SEC and the SET. These include review of financial reports, internal control and internal audit and risk assessments, review of connected party transactions and review of compliance with Securities and Exchange Laws, regulations of the SET and other relevant regulations or laws, including the appointment of an external auditor for 2015. The key summaries are as follows:

1. **Review of Financial Statement:** The Audit Committee reviewed quarterly and annual financial statements in 2015 jointly with senior management, the manager of the Accounting and Budget Department and the chief of the Finance Department. It acknowledged reports and remarks from the external auditor to ensure that the Company reports accurate and complete financial statements that are credible, compliant with generally-accepted accounting principles, and contain adequate and timely disclosure of information for the benefit of investors and other users of the statement. The Audit Committee agreed with the external auditor that the financial statements are credible and compliant to generally-accepted accounting principles.
2. **Review of Internal Control, Internal Audit and Risk Assessment:** the Audit Committee reviewed the internal control system, the internal audit system and risk assessment system to ensure that they are adequate and appropriate. The Audit Committee approved the hiring of Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. (Consulting Firm) to conduct an inspection of the internal control and risk assessment systems. The Audit Committee acknowledged the results and agreed

**Audit Committee Report**

that the internal control and risk assessment systems of the Company are adequate and appropriate.

3. **Compliance with Securities and Exchange Laws, SET Requirements, and Relevant Laws:** the Audit Committee reviewed and supervised strict compliance with Securities and Exchange laws, Securities and Exchange Commission regulations, SET requirements, and relevant laws, as well as providing advice in respect to the Principles of Good Corporate Governance in order to ensure adequate and appropriate operation.
4. **Considering the Appointments of Auditors in 2015:** the Audit Committee considered the selection of appropriate auditors from EY Office Limited. The Certified Public Accountants who were appointed as Auditors in 2015 were: Mrs. Ginkarn Atsawarangsali, Ms. Pimjai Manitkalohnkit, Mr. Chayapol Suppasetanonor, or Ms. Sumana Punpongsanon from EY Office Limited. The selected auditors do not have relationships or personal interests with the Company, its executives or its major shareholders, or other relevant individuals.
5. **Review of related transactions or any transaction that may have a conflict of interest:** The Audit Committee reviewed the disclosure of related transactions of the Company that may have a conflict of interest according to the announcements of the SEC and the SET. The results showed that the Company has conducted its business in accordance to normal business operation conditions with fairness, reasonability, with benefit to the Company, as well as in absence of any cause for conflict of interest. Also, the Company has provided adequate disclosure of information by adhering to the Principles of Good Corporate Governance in compliance with the announcements of the SET.

Date : 26 February 2016

The Audit Committee

(Mr.Sripop Sarasas)

Chairman of the Audit Committee  
Golden Lime Public Company Limited



## Internal Control and Risk management

The Company has established a policy and objectives for effective operation management, along with a good corporate governance, internal control and internal audit, and risk management for risk reduction. The Board of Directors has appointed the Audit Committee in order to consider and vote to select internal auditors for audit the internal control system and risk assessment; that is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Audit firm). This audit firm is responsible for performing audit of the internal control and risk assessment under the Company's policy and risk management guidelines as follows:

### **Internal Audit Control and risk assessment best practices are as follows:**

The board of directors has assigned the audit committee to be responsible for overseeing the internal control system, the corporate governance, as well as risk management suggestions for the executives, in order to give the adequate, appropriate and effective system. Furthermore, they should be responsible for the Company's compliance with applicable laws and regulations, avoiding conflicts of interest; carrying out the related transaction, preservation and wise use of natural resources, and providing a preventive mechanism against corruption and misconduct with check and balance mechanism. The company has hired experienced auditors from the independent external audit firm, approved by the board of directors, to be responsible for performing audit of the internal control of the company's key operational processes under the Company's best practices. In addition, the Company will receive useful feedback from the professional to improve the adequacy and effectiveness of internal control and risk management.

Each plan and process for the Internal Auditing Control and the risk evaluation have been conducted in line with guidelines of the internal control system under the International Standards of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) and the risk-based approach on the basic concept that the auditing resource is limited and that the auditing should concentrate on the high-risk operation processes which consists of the guidelines as follow;

#### **1. Risk evaluation of the Company's business processes**

To support the planning of the auditing processes to cover important main business operations, and prioritize the auditing processes

Important main business operations are as follows:

1. Production
2. Inventory Management and Product Costing
3. Order to Cash
4. Purchase to pay
5. Account Closing and Financial Reporting
6. Fixed Assets Management
7. Human Resource Management and Payroll





## Internal Control and Risk management

by examining internal audit system relating to both finance and operation of the account and information storage which cover the anti-fraud measures.

### 2. Guidelines for the Internal Auditing Planning

- 2.1 Interviewing executives and operations in various units of the Company
- 2.2 Examination of operational documents by the executives and operators in various units to assign the control priority as defined by the Company
- 2.3 Evaluation of risk by categories and prioritization of the risk obtained from the evaluation.
- 2.4 Discussion with each unit's executives to confirm the list of risks and evaluated scores
- 2.5 Draft of the internal audit plan from the evaluation results obtained from the discussion.
- 2.6 Presentation of the annual audit plan to confirm the sequence and time period for the operational audit process.
- 2.7 Seek approval of the audit plan from the Audit Committee and the Board of Directors and inform all executives.

### 3. Internal Audit Process

- 3.1 Study and understand the business and the scopes of the works to be audited.
- 3.2 Interview, observe and examine the operational document in order to study and understand the operational process in line with the audit scope.
- 3.3 Identify the current risk and internal control and design the Audit Program.
- 3.4 Test the internal control points by means of the test methods mentioned in the audit guidelines.
- 3.5 Summarize the audit result and the preliminary information to confirm with the executives and operators, after which the summarization will be used for making the complete audit report before forwarding to the Company's Audit Committee.

### The adequacy of internal control assessed by the Board of directors.

In the audit committee and the board of directors meeting No. 1/2016, held on February 26, 2016, the audit committee attended and assessed the internal control system through inquiries of the management and executives and consideration regarding to internal control system in the following five categories:

- 1) Control Environment,
- 2) Risk Assessment,
- 3) Control Activities,
- 4) Information & Communication,
- 5) Monitoring Activities

The audit committee has agreed with the board of directors, as below:



## Internal Control and Risk management

### 1) The adequacy and appropriateness of the Company's internal control system

After the assessment, the audit committee has considered that the Company has an appropriate internal control system for transactions with major shareholders, directors, executives or related parties. There are internal control systems divided into five areas, which are appropriate and adequate to protect property caused by abuse or unauthorized use of the executive, including the internal control system with the independent audit and assessment. In addition, the Company also has an archival storage system so that the directors, auditors and person in authority can examine within a reasonable time.

### 2) The implementation of the internal control of the company

The Company gives priority to the appropriate and adequate internal control system, as it will improve the operational effectiveness. The Company has prepared comprehensive operational policy, regulations, and procedures. Furthermore, the separation of powers has been also provided in accordance with check and balance.

In addition, the Company has improved the business operation in every department suggested by the internal control auditors regularly.

### 3) Observations of internal control auditors

In 2015, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Audit firm), the assigned auditors, has proposed the internal control audit plan to the audit committee. The audit committee has approved and presented to the Board of directors to approve and finalize such audit plan for 2015. The objective of the audit of internal control and risk assessment is to evaluate the adequacy and effectiveness of internal control in compliance with policy, regulation and procedures, as well as risk tolerance. This is to ensure that the Company's information security, asset security and protection, system, data, and financial report have been reviewed by the reliable auditors, and considered as adequate and appropriate. The auditors have proposed their observations of internal control and risk assessment by levels of risk. Risk criteria are shown below:

**Internal Control and Risk management**

<b>Levels of risk</b>	<b>Risk Criteria</b>
<b>High risk</b>	For the high priority, it refers to no internal control system or the operation does not meet the objectives, which may result in financial loss, operational risk and / or damage to the corporate image. In this case, the management shall provide the action plan, in order to improve or reduce such risk or vulnerability, as well as oversee the operations to ensure compliance with the plan and complete within three months.
<b>Medium risk</b>	For the medium priority, the improvement of internal control effectiveness and efficiency should be given, including the operational system, the accounting reliability, compliance with laws and regulations, as well as the operational improvement. In this situation, the management should resolve this case within six months.
<b>Low risk</b>	For the low priority, it refers to the effective operations. However, there are few areas of improvement. This will be considered performance-based and should be completed within 12 months.

From the internal audit of internal control and risk assessment based on the audit plan approved by the audit committee, the results were no high priority and no high risk found, as well as no observation shown that the improvement action has not been carried out by the responsible department, according to the report by the independent external audit firm.

**4) Observations of auditors regarding to the Company's internal control system.**

- None -

**The audit committee's opinion in addition to the opinion of board of directors.**

- None –

**Head of internal audit and head of compliance of the Company**

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Audit firm) is responsible for performing audit of the internal control and risk assessment in 2015, the audit and coordinating teams include:

Engagement Partner Khun Weerapong Krisadawat (CISA, CISM, GRCP)

Project Manager Khun Wiwanya Thopsamut (CPA)

Quality Assurance Review Khun Nongnuch Laomaneerattanaporn (CISA, CPA, CRISC)

Project Team Member Khun Narin Pattanasriwong (Senior Consultant),

Khun Kuntawoot Sojipisut (Consultant)

And Internal Audit Co-coordinator of the Company Khun Kayarat Srinnil



## Related Transactions

The Company had related transactions with persons/juristic who may have conflicts of interests detail summary of Relationship below:

Persons/Juristic Person who may Have conflicts of interests	Type of Transaction
Mr.Kitimethee Monsereenusorn	<ul style="list-style-type: none"> <li>Is a director of the Company and</li> <li>is the son of Mr. Kiatikul and Mrs. Maturose Monsereenusorn</li> <li>Is a shareholder in the Company, with a holding on August 28,2015 of 52,730,250 shares, calculated to 17.58% of the Company's paid-up capital</li> </ul>

The following is a summary of related party transactions between the Company and related companies or persons who may have conflict of interest for the periods ended 31 December 2014, and 2015.

**Office Rental**

Person who may have conflict of interest	Transaction	Transaction Value (THB Million)		Rationale and necessity
		2015	2014	
Mr. Kitimethee Monsereenusorn	<u>Office Rental Contract</u> In March 30, 2015, the Company rents an office building from Mr. Kitimethee Monsereenusorn, with utilizable space totaling to 602 square meter (Including 12 square meter of car park) ( The Office rental contract had effective 3 years start on 1st April 2015 and End of contract 31 <sup>st</sup> March 2018). Rental service rate 82,800 Baht per month and the agreement can be extended for 3 years as stated in the agreement, where the rent rate can be increased by 5% or rental service rate 86,940 Baht per month.  Rental fees	0.99	0.99	Due to the above-mentioned office, it is a standard building for the purpose of using as the office for business. It provides many facilities and convenient transportation that its location is near the Srisamarn road expressway and easy to connect to the business area or go out to the Company's branches which are located at Lop Buri, Saraburi Province. The Company has compared the rental rate between this building and the surveyed areas, such rate, therefore, is considered appropriate and giving a maximum benefit to the Company. The Audit Committee has considered the information related to the Connected Transaction and has an opinion that such transaction is appropriate and beneficial to the Company and the Board of Directors to approve the Company to enter into the Renewal of Office Agreement in the Board meeting no.1/2015 held on February 25, 2015



## Related Transactions

### The opinion of Audit Committee on Related Transactions

The Audit Committee has considered the information related to the Connected Transaction together with the rental rate of nearby offices and has an opinion that such transaction is appropriate and beneficial to the Company. The rental and service rate is also appropriate comparing to the market price. The Audit Committee recommend the Board of Directors to approve the Company to enter into the Renewal of Office Agreement with the Lessor at the same rental rate as proposed and the agreement can be extended for 3 years as stated in the agreement, where the rent rate can be increased by 5%. In addition, the Company has provided guidelines for the Related Transactions that may occur in the future, as follows:

### Guidelines for related party transactions that may occur in the future

The Company may related party transactions in the future as it deem appropriate. The transaction shall be in the nature of ordinary trade business operation and the Company shall clearly specify the policy thereof. The transaction shall involve the same price and trade conditions as in the normal course of business that is specified for unrelated persons and/or companies. If any related party transaction is entered into, The Company shall have the Audit Committee comment on the appropriateness of such transaction. If the Audit Committee does not have the expertise to consider the occurring related party transaction, the Company shall provide persons who have knowledge and special expertise such as auditor or appraiser for such related party transaction which shall be used to supplement the consideration of the Audit Committee so that the Audit Committee can propose to the meeting of the Board of Directors or shareholders, as the case may be, to ensure that such entrance into the transaction will not remove or transfer the interests between the Company or the shareholders of the Company but rather be a transaction that the Company has taken into consideration the maximum benefits for all shareholders.

The Board of Directors of the Company shall enter into such related party transaction that may occur in the future in compliance with the law on securities and securities exchange, regulations, announcements, orders, or the requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand and shall observe the requirements regarding the disclosure of connected transactions and the acquisition or distribution of major assets of the Company or its subsidiary company, and the accounting principles specified by the Federation of Accounting and Certified Public Accountant of Thailand.



## Management Discussion and Analysis

Management Discussion and Analysis for the Year Ended December 31, 2015**1. Overview****(1) The operation summary and factors causing change**

According to the operating results for the year ended December 31, 2015, the Company's net profit for the period of THB 96.73 million. The net profit decreased by THB 31.07 million or 24.3 % year over year.

The primary factor that contributes to the change in net profit margin last year is a decrease of sales and services, with its rate of change of the total revenues from sales and services of THB 143.58 million or 13.4 % decrease, significantly decrease in lime product sales, machinery and equipment sales and installation services decrease, and trading product and services group, decreased of THB 93.40 million, THB 40.86 million, and THB 11.53 million respectively.

According to the sales volume and sales revenues of lime, found that it is significantly decreased in the steel and pulp and paper industry groups.

In case of the decreased sales volume and sales revenues in the steel industry, it is because of price competition in the steel and structural steel industry where materials are imported from China. The higher price and demand uncertainty in competitive markets cause difficulty with pricing planning and control, and product allocation to customers in other industries which are binding contract with the Company. In recent year, the Company has delivered the majority of lime to the steel industry. However, the demand uncertainty, especially during lime kiln repair and maintenance leads to insufficient quicklime for delivery and in production process such as Quicklime powder, hydrated lime required to ship to customers with binding contract. In this case, the Company needs to purchase raw materials from supplier in higher price in order to produce quicklime powder and hydrated lime, as well as to delivery such purchased quicklime to the customers in the steel industry, resulting in higher production costs.

In 2015, the Company has decided to increase the distribution of quick lime powder and hydrated lime in extending contract with major customers in other industries. Due to the likely effect of competition in the steel industry in 2015 resulting in the higher competition, and the likely fall in global oil price influencing the other industries with using oil in the production process joining in this growing competition, the management have decided to change the plan with not compete on price to distribute lime to customers in the steel industry for this year, and focus on ways to reduce production costs and product quality improvement in order to expand its customer base in other industries which need for quick lime powder, hydrated lime. However, the capacity expansion for new machines





## Management Discussion and Analysis

required time to install and machinery production, the Company has not been able to distribute the product in form of processed lime to increase income to replace lost sales for steel industry, with no contract extension. The Company believes that the ways to stop for changes and improvement will help expand the range of product delivery to customers across all industries, including the steel industry for contract renewal next year, with appropriate volume and fair and reasonable price. When quicklime can be processed into quicklime powder and hydrated lime increasingly, the distribution channels will be increased and customer base will be expanded in various industries. This will help reduce the risk of reliance on one of any industry.

In addition, the Company's sales of machinery and equipment, and coal have decreased year over year in 2015, due to the economic downturn. The parties have extended/postponed the import of machinery and investment decision for a period of time. As a result, the recognized revenue in machinery and equipment distribution is decreased compared to the same period last year. In the case of the coal distribution in 2015, the Company has changed the coal procurement to be more suitable for lime production. However, such new coal source does not meet customers' requirements to apply to their business, resulting in decreased sales volume and sales revenue as well as the overall sales and services revenues declined comparing to the same period last year.

On the other hand, in 2015, the company has grown exporting products, reduced production costs and other expenses while maintaining profitability in the country's as appropriate. Moreover, the Company has also maintained a level of liquidity with the ability and readiness to increase investment in order to achieve higher future returns.

Although the overall operating income has decreased year over year in 2015, the Company believes that the Company will be able to generate stable revenues and operating results when the overall economy is likely to improve.

### (2) **Economic and industry conditions affecting operations**

Analyzing the continuous decline likely to occur in global oil price according to the overall economy, it might affect the Company's business operations in 2015. This is because of the OPEC's decision to maintain its collective production level and the production of shale oil in the US and Canada, resulting in larger oil supply surplus on the world market. In case of oil price fluctuations, it may affect the operating results of the company. This is because the main production costs, including limestone and fuel are directly associated with to the fuel and transportation costs and considered as major costs and expenses of the Company. So, if the fuel prices tend to fluctuate, it will effect on the production and transportation costs. In case of large fluctuation in price, such changes could significantly affect business results. According to the fuel prices likely to decline, it may result in lower transportation



## Management Discussion and Analysis

costs or expenses. However, the fuel prices and transportation costs had changed in the global oil crisis with possible severe increases in the price since 2009 and earlier and the Company previously had invested in NGV technology as a replacement for diesel fuel and using coal as fuel, the costs or expenses may not result in the obvious benefit of falling oil price.

In fact, if the revenues derived from oil dependent products and services, it will be significantly dropped in the same way.

Furthermore, the economic conditions affecting the industries may directly affect the operating results of the Company, including the major industries' growth or expansion such as steel, chemical, sugar, pulp and paper, mining, and construction industries. If any industry is affected by the economy in 2015, this may affect the revenues and the potential sales volume of main products. According to the Manufacturing Production Index from the Office of Industrial Economics, the industries reporting contraction are steel and pulp and paper industries which related to the Company's operation as they arise.

(3) The unexpected operational impacts

According to the above-mentioned impacts, the Company's revenues and overall operating results were lower than the expected results compared to the same period last year.

(4) The operating results by the Company's revenue structure

The Company's revenue structure consists:

Revenues of the Company's structure	2015	2014	Change	% *	% **
1. Revenue from sales of goods and services	927.18	<b>1,070.76</b>	-143.58	-13.4%	-13.3%
LIME (Calcium Oxide and Calcium Hydroxide)	756.31	849.71	-93.40	-11.0%	-8.6%
- Domestic	664.99	773.38	-108.39	-14.0%	-10.0%
- Export	91.33	76.33	15.00	19.7%	1.4%
Calcium Carbonate	52.98	50.78	2.20	4.3%	0.2%
- Domestic	51.01	47.25	3.76	8.0%	0.3%
- Export	1.97	3.53	-1.56	-44.2%	-0.1%
Trading Products Group	101.08	112.61	-11.53	-10.2%	-1.1%
- Domestic	26.54	100.42	-73.88	-73.6%	-6.8%
- Export	74.54	12.19	62.35	511.5%	5.8%
Machine and Equipment trading and service (Export)	16.80	57.66	-40.86	-70.9%	-3.8%



## Management Discussion and Analysis

Revenues of the Company's structure	2015	2014	Change	% *	% **
2. Foreign exchange gain (loss)	4.74	1.51	3.23	214.5%	0.3%
3. Other revenue 1/	9.99	9.87	0.11	1.1%	0.0%
Total revenue	<b>941.91</b>	<b>1,082.14</b>	<b>-140.23</b>	<b>-13.0%</b>	<b>-13.0%</b>

\* Compare with same item in year over year

\*\* Compare with the total revenue in year over year

The operating results by the Company's revenue structure have changed as follows:

1) Sales and services revenue

In 2015, the sales volume and sales revenues of lime have been decreased in the domestic market. However, it found that the sales volume and sales revenues have been increased in the international market due to the capacity of foreign customers, as well as expanding and retaining existing and new customers.

For calcium carbonate, the sales revenues have been increased in the domestic market, whereas it has been decreased in the international market.

The revenues of trading products and other sales and services have been decreased from the decreased sales of lime traded in the domestic market, according to the policy of reducing the quicklime purchase from third party. Furthermore, the sales of coal used as fuel also have been decreased due to resource changes, which do not meet the customer requirements and increasing distribution of burned dolomite to the international customers.

As the distribution, machinery assembly and installation in 2015, the sales revenues have been decreased because the parties has slowed down the expansion project and machinery imports, and extended a period of time to import machinery. As a result, the recognized revenue in 2015 has been decreased compared to the same period last year.

2) Foreign currency exchange gains. In 2015, the Company has gained more from the foreign currency exchange due to the tendency of the baht weakening. As a result, the recognition of sales revenue derived by foreign currency exchange gains has been increased.

3) In 2015, other revenues including rent received, interest received, engineering consultation, asset sales, and sales of scrap and waste from the production process that has been developed to be able to sell, has been increased.



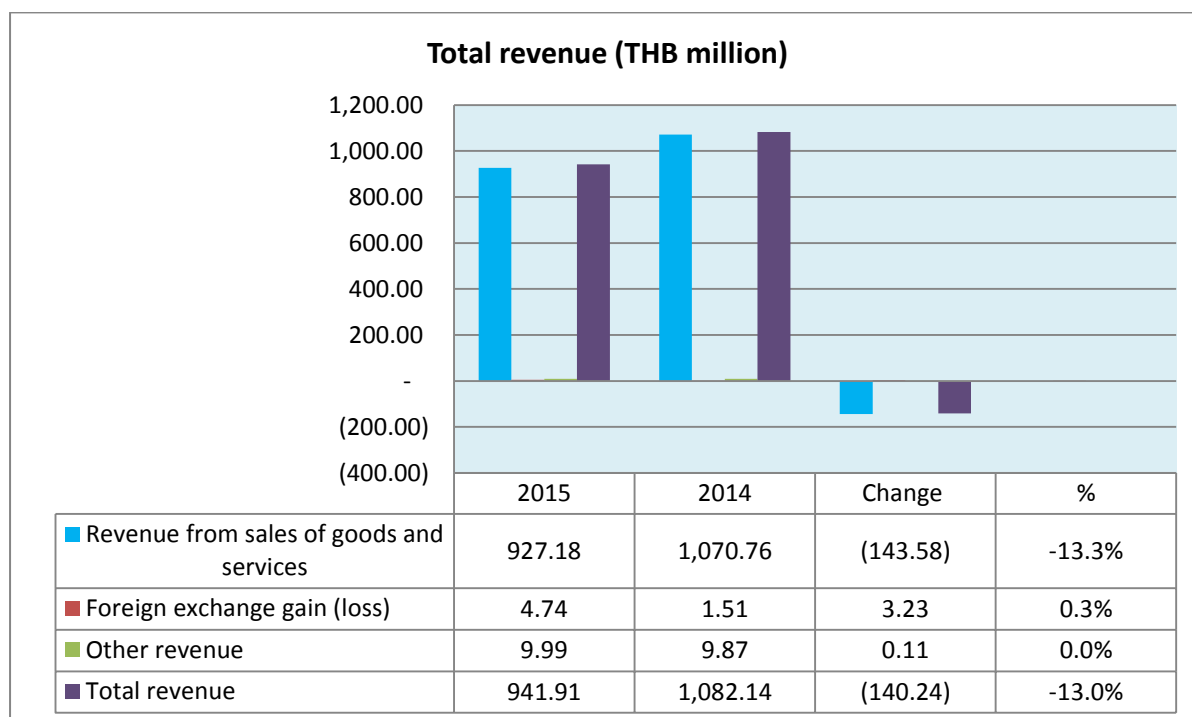
## Management Discussion and Analysis

### 2. Operating Performance analysis

Unit: Baht million	2015	% Rev	2014	% Rev	Change	% YoY
Sales and service income	927.18	98.4%	1,070.76	98.9%	(143.58)	-13.4%
Gain on foreign exchange	4.74	0.5%	1.51	0.1%	3.23	213.0%
Other income	9.99	1.1%	9.87	0.9%	0.12	1.2%
<b>Total revenues</b>	<b>941.91</b>	<b>100.0%</b>	<b>1,082.14</b>	<b>100.0%</b>	<b>(140.24)</b>	<b>-13.0%</b>
Cost of sales and services	631.99	67.1%	707.52	65.4%	(75.52)	-10.7%
<b>Gross profit</b>	<b>295.18</b>	<b>31.8%</b>	<b>363.24</b>	<b>33.9%</b>	<b>(68.06)</b>	<b>-18.7%</b>
SG&A	191.94	20.4%	217.85	20.1%	(25.91)	-11.9%
Selling expenses	97.96	10.4%	121.54	11.2%	(23.58)	-19.4%
Administrative expenses	93.98	10.0%	96.31	8.9%	(2.33)	-2.4%
<b>EBITDA</b>	<b>207.99</b>	<b>22.1%</b>	<b>246.39</b>	<b>22.8%</b>	<b>(38.40)</b>	<b>-15.6%</b>
Finance cost	8.41	0.9%	17.83	1.6%	(9.42)	-52.8%
Income tax expenses	12.84	1.4%	11.16	1.0%	1.68	15.0%
<b>Profit for period</b>	<b>96.73</b>	<b>10.3%</b>	<b>127.80</b>	<b>11.8%</b>	<b>(31.07)</b>	<b>-24.3%</b>

#### 1) Revenues

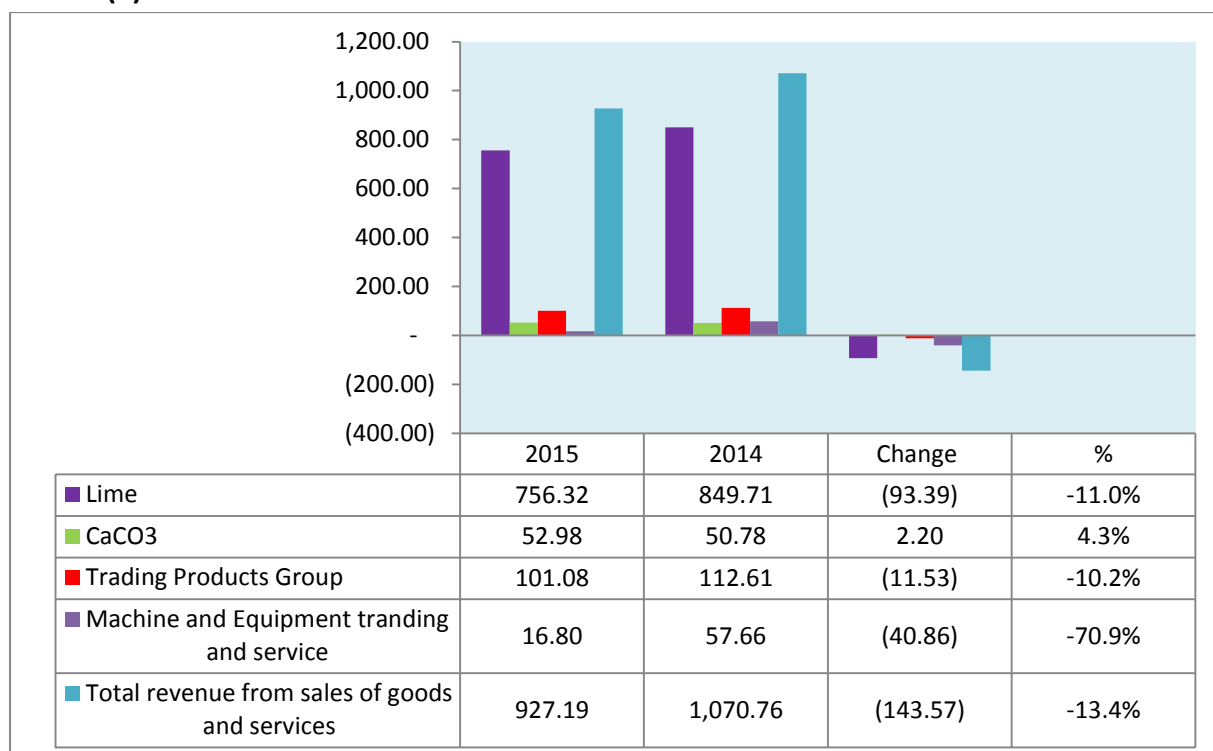
##### (1) Total revenues



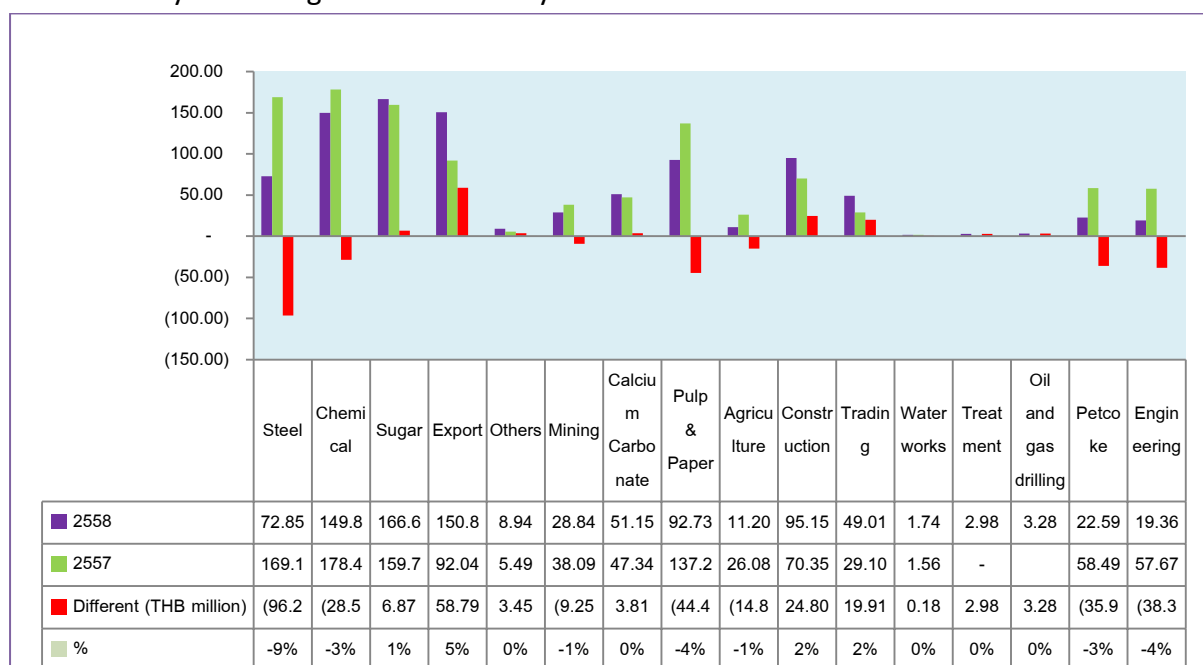


## Management Discussion and Analysis

### (2) Sales and service income



### By the change in each industry as follow

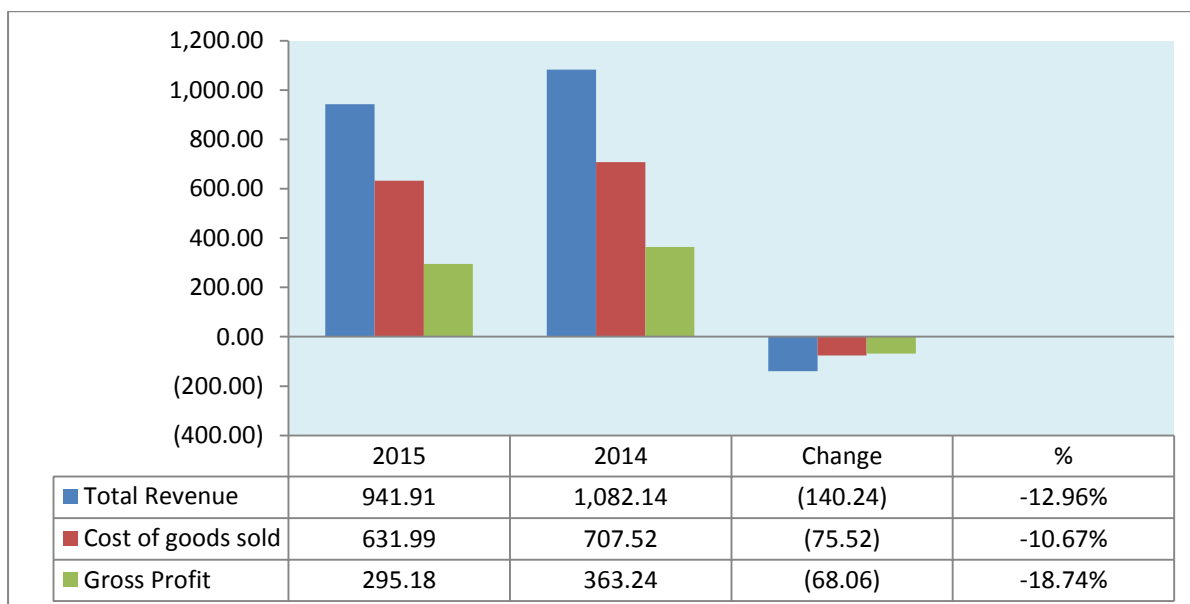




## Management Discussion and Analysis

## 2) Cost of Goods Sold and Gross Profit Margin

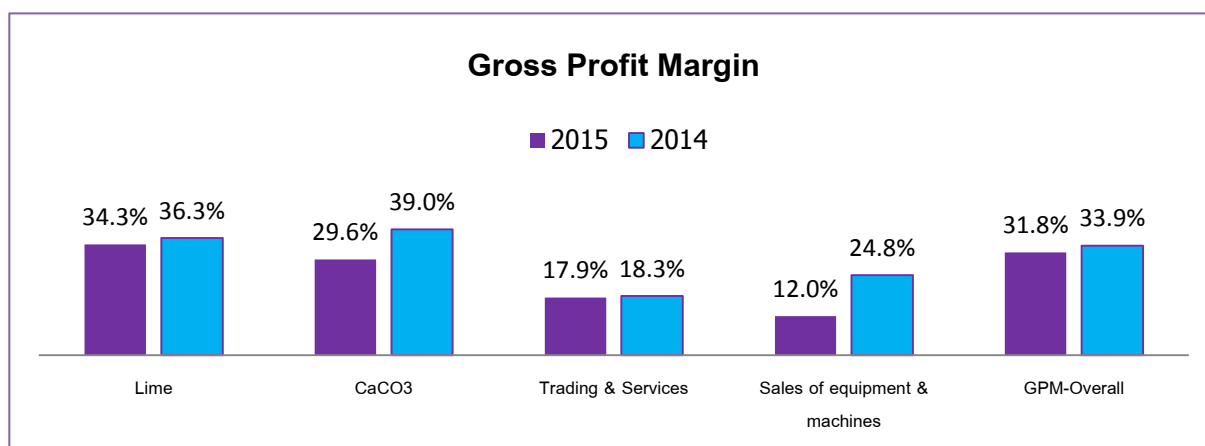
## (1) Cost of Goods Sold and Gross Profit Margin



The performance for the year period end 31st December 2015 and period end of 31<sup>st</sup> December 2014.

The company's total costs of goods and services have been decreased due to decreased sales volume. When comparing annual cost rate with the total annual revenues, the average cost of sales of main products have been decreased due to fuel price reduction.

The gross profit margin has been changed as follows:



changes are from the average sales price, which affected by oil price fluctuation. In addition, the gross profit margin on a product has dropped in the past year.

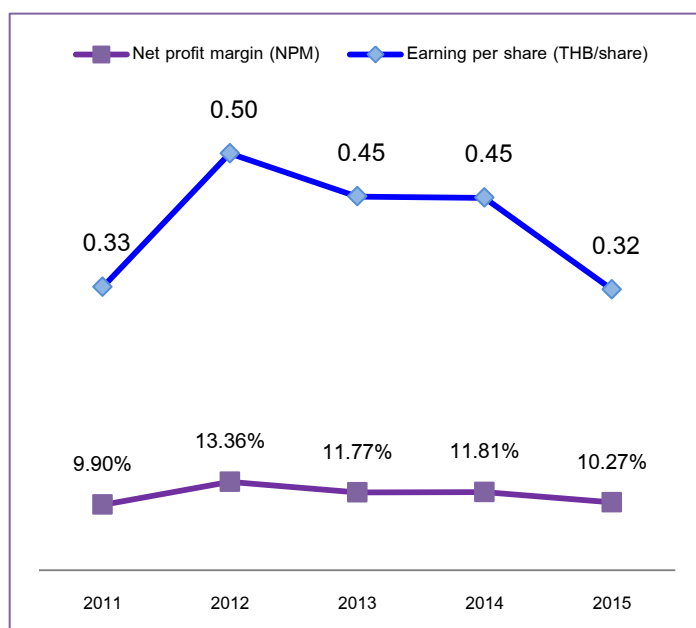




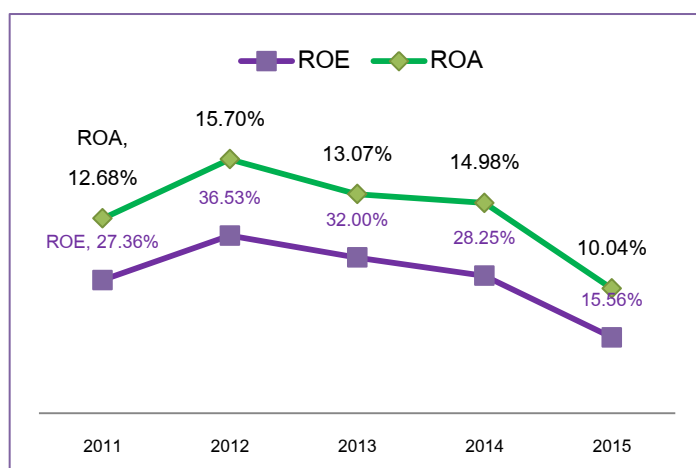
## Management Discussion and Analysis

**(2) selling/Administration expenses, financial expense, and income tax**

The Company's selling and administration expenses consist mostly of transportation cost, plant overhead, diesel cost, wage and salary, repair of building staff's village, and depreciation of vehicles; for the year ended 31<sup>st</sup> December 2015 and 2014, the Company have selling and administrative expenses of THB 191.94 million and THB 217.85 million, respectively; which decreased by THB 25.91 million or 12 %. The major expenses include selling expense, which has decreased due to decreased volume of sales, while and administrative expense has decreased by the decrease expense policy. In addition, the financial costs for the year 2014 and 2013 has of THB 8.41 million and THB 17.83 million, respectively; which decrease by the interest rates for the repayment of long-term credit facility prior to maturity during the year and income tax for the year ended 31<sup>st</sup> December 2015 and 2014, the Company has corporate income tax amount of THB 12.84 million and THB 11.16 million, respectively; which increased by THB 1.68 million or 15.04 % which increase from the profit performance do not benefit of BOI promote.

**3) Net Profit**

The Company has net profit for the year period end 31<sup>st</sup> December 2015 compare with the net profit of 2014 had THB 127.80 million by decreasing of net profits of THB 31.07 million or 24.03 % and has other the comprehensive income of THB 1.39 million has value of total of comprehensive income of THB 98.11 million decrease from the year 2014 which has THB 128.73 million decreased of THB 30.65 million or 23.80 % by the net profit margin of 2015 has calculated from the comprehensive income at 10.40% and Net profit margin for the year at 10.27%; earning per share for the 2015 period end 31<sup>st</sup> December 2015 of THB 0.32 per share



The return on equity (ROE) for the year 2015 equal 15.56 % decreasing from year 2014 which equal 28.25% the decreasing due to the performance by the year declined. The return on Asset (ROA) for the year 2015 equal 10.04 % decreasing from year 2014 which equal 14.98%; the result from the company has asset increasing from the expansion project and the profit of the performance of period has declined.



## Management Discussion and Analysis

**3. Financial Position Analysis**

Financial Position Summary as of 31<sup>st</sup> December 2015 as follow:

Unit : THB million

	31 <sup>st</sup> Dec 2014	31 <sup>st</sup> Dec 2013	Change	% Change
Current Assets	466.04	476.44	(10.40)	-2.18%
Non-Current Assets	546.56	437.10	109.46	25.04%
Total Assets	1,012.60	913.54	99.06	10.84%
	31 <sup>st</sup> Dec 2014	31 <sup>st</sup> Dec 2013	Change	% Change
Liabilities and Equity				
Current Liabilities	303.89	238.05	65.84	27.66%
Non-Current Liabilities	83.04	57.93	25.11	43.34%
Total Liabilities	386.93	295.98	90.95	30.73%
Shareholders' Equity	625.67	617.56	8.11	1.31%
Total Liabilities and Shareholders' Equity	1,012.60	913.54	99.06	10.84%

**Financial Position Summary****1) Assets**

As of 31<sup>st</sup> December 2015 the Company had total assets of THB 1,012.60 million, which is an increase from 31<sup>st</sup> December 2014 by THB 99.06 million or 11%.

By the change consist of

(1) Cash and cash equivalents decrease of THB 9.57 million consist of

- Cash from operating activities increase by THB 189.45 million
- Cash spent on in investment activities of THB 143.23 million (cash paid for current investment of THB 50 million, purchasing of land, property and equipment THB 181.23 million, increase in restricted bank deposits THB 12 million)
- Cash from financial activity of THB 55.78 million (Cash received from long-term loan THB 102.62 million and decreased from cash repayment long-term and lease payable THB 57.27 million, dividend paid THB 90 million and cash paid for interest expenses THB 11.14 million)

(2) Current investment decrease of THB 48.79 million

(3) Trade and other receivables increase of THB 20.42 million consist of



## Management Discussion and Analysis

Unit : THB million

Remain balance of Trade receivables-unrelated parties on 31 <sup>st</sup> December 2015	2015	2014	Change
Aged on the basis of due date not yet due	124.48	102.80	21.69
Past due			
1 - 90 days	29.33	32.16	-2.84
91 - 180 days	1.82	-	1.82
Over 365 days	1.38	1.38	-
Total	157.01	136.34	20.67
Less : Allowance for doubtful debts	-1.38	-1.38	-
Total trade receivables-net	155.63	134.96	20.67
Other receivables			-
Total other receivables	0.12	0.37	-0.25
Total trade and other receivables - net	155.75	135.33	20.42

The credit provide to the customer average period 30-60 days

Average collection period in 2015 average 57 days increasing of 2014 average 10 days

(4) Inventories increase of THB 12.56 million consist of

- Finish goods increase of THB 7.91 million
- Work in process increase of THB 3.24 million
- Raw materials increase of THB 2.31 million
- Suppliers decrease of THB 47.79 million
- Goods in transit increase of THB 46.88 million

The inventories turnover (days) consist of

Average Inventories turnover (Days)	2015	2014	Change
All Inventories	107	67	40
Only finish Goods	7	4	3

The duration of storage of all goods is increased due to more work in progress and undelivered machinery. Moreover, limestone, coals are also stored as a safety stock. The in-transit inventory is coal which has increasing transfer waiting time and imported in large quantities. Therefore, it will be gradually transferred to the plant. For the finished goods or the main raw materials, its duration of storage has slightly increased between 2-10 days in 2015.



## Management Discussion and Analysis

**(5) Property, Plant and equipment increase of THB 99.37 million, consist of;**

- Purchasing asset during period of the year estimated of THB 177.20 million. The major asset if from construction work in progress, including building and plant improvement, warehouse and machinery, as well as backhoe in Huai Pa wai Plant and Napralan Plant and machinery installation at Napralan plant.
- Increased purchase of land of 36 rai, amount THB 12.19 million at Huai Pa wai Sub-district, Prabuddhabaht district, Saraburi province.
- Decreasing depreciation of THB 90.02 million

**2) Liabilities**

As of 31<sup>st</sup> December 2015, the Company had total liabilities of THB 386.93 million which increased by THB 90.95 million or 30.73% at the end of 2014.

The major change of liabilities consist of

- 1) Bank overdraft and short-term liabilities increase of THB 0.65 million
- 2) Trade and other payable increase of THB 40.97 million
- 3) Liabilities under finance lease agreements decrease of THB 16.02 million
- 4) Advance received from customers increase of THB 6.09 million
- 5) Income taxes payable decrease of THB 3.08 million
- 6) Long-term loan increase of THB 61.97 million
- 7) Provision for long-term employees benefits increase of THB 0.37 million

**3) Shareholders' Equity**

As of 31<sup>st</sup> December 2015, the Company had total shareholders' equity of THB 625.67 million, an increase of THB 8.11 million or 1.31%. The increase in shareholders' equity is from the increase from comprehensive income of THB 98.11 million and dividend paid during account period of THB 90 million. In 2015, the Company hold the statutory reserve of THB 4.55 million on 31<sup>st</sup> December 2015 and has completed of total earning to statutory by THB 30 million and unappropriated retained earnings of THB 100.30 million.

Financial Structure	2015	2014	2013
Debt to Equity Ratio (D/E) (Times)	<b>0.62</b>	<b>0.48</b>	<b>1.76</b>
Net interest bearing debt to Equity Ratio (Times)	<b>0.37</b>	<b>0.30</b>	<b>1.41</b>

For the Financial structure; the Company has debt to equity ratio in 2015 equal to 0.62 times, which increasing of 2014 with the equity ratio of 0.48 times. The major change is from long-term loan increasing for investment of expansion production project at Huai Pa Wai Plant.



## Management Discussion and Analysis

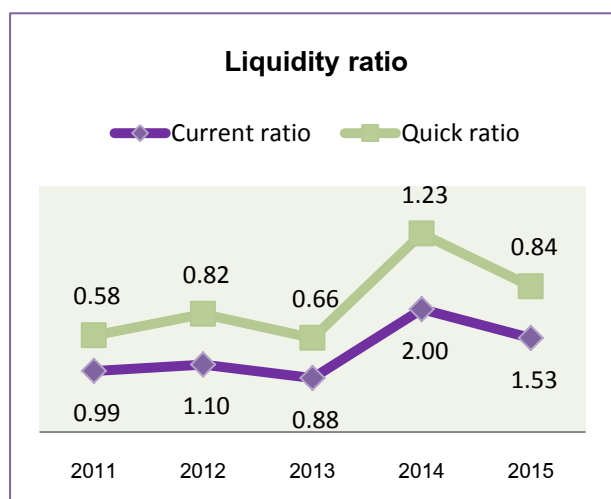
## 4. Cash Flow Analysis

	31 December 2015	31 December 2014	Change
Cash flow from operating activities			
Net cash flow from operating activities	189.45	149.38	40.07
Cash flow from investing activities			
Net cash flow used in investing activities	(143.23)	(165.79)	22.56
Cash flow from financing activities			
Net cash flow from (used) in financing activities	(55.78)	242.80	(298.58)
Net increase (decrease) in cash and cash equivalents	(9.57)	(54.46)	44.89
Cash and cash equivalents at the beginning of the period	55.88	110.34	(54.46)
Cash and cash equivalents at the end of the period	46.30	55.88	(9.57)

Cash and cash equivalent decreased by THB 9.57 million, consisting of:

- Cash and cash equivalents at the beginning of the year by THB 55.88 million
- Cash from operating activities received by THB 189.45 million
- Cash spent on in investment activities of THB 143.23 million
- Cash from financial activity of THB 55.78 million

Remain Cash and cash equivalent at the end of the year by THB 46.30 million



Liquidity ratio of the Company as of 31<sup>st</sup> December 2015, the Company has current ratio of 1.53 times, decreasing from the current ratio of 2014 with rate of 2 times and quick ratio of 0.84 times, decreasing from quick ratio of 2014 with rate of 1.23 times. Therefore, the overall liquidity ratio of the Company is considered good. The significant change is from decreased of the current asset of the Company such as cash and cash equivalents, current investment and increased of current liabilities from trade and other payables increased.



## Report of Responsibility of the Board of Directors towards Financial Reports

The Company's Board of Directors is responsible for the financial statements of the Company as well as financial information presented in the annual reports. The financial statements for the Year end of December 31, 2015 have been prepared in accordance with Thailand's Generally Accepted Accounting Principles (GAAP). In preparing the financial statements, appropriate accounting policies have been adopted and regularly adhered to, using careful discretion and reasonable estimates. As well, key information has been adequately disclosed in the notes to the financial statements. The purpose is to ensure that the disclosed information rightly reflect the Company's financial status, performance and cash flows in a transparent manner, which are beneficial to the investing public. Importantly, the certified auditor from EY Office Limited has audited the financial statements and issued an unqualified opinion on them. To enable the auditor to conduct the audit and provide the opinion in line with the audit standards, the Company provides the auditor with its support in terms of information and documents.

The Board of Directors has also provided the appropriate and efficient risk management policy, internal control systems, internal audit systems and corporate governance in order to ensure the accuracy, completion and adequacy of the accounting information. This will lead to the Company's assets were maintained properly and fraud and significant irregular actions are prevented.

In this connection, the Board of Directors has appointed the Audit Committee with all of its members being independent directors. The Committee is responsible for reviewing accounting policies and ensuring the quality of financial reports. It is also responsible for reviewing internal control, the internal audit and Risk Assessment. As well, it is responsible for ensuring that the disclosure of information about related party transactions is complete, adequate and appropriate. The opinion of the Audit Committee is given in its report which is already included in this Annual Report.

The Board of Directors is of the opinion that the overall internal control systems are adequate and appropriate and gives rise to the reasonable confidence that financial statements of the Company for the year end of December 31, 2015 are reliable and in compliance with the Generally Accepted Accounting Principles (GAAP) as well as the related laws and regulations.

Mr.Cherdkiat Monsereenusorn  
Chairman of the Board Director

Mr.Kiatikul Monsereenusorn  
Chairman of the Executive Board and  
Managing Director



**Report and Financial Statements 31 December 2015****Independent Auditor's Report**

To the Shareholders of Golden Lime Public Company Limited

I have audited the accompanying financial statements of Golden Lime Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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



## Report and Financial Statements 31 December 2015

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

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golden Lime Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 26 February 2016



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of financial position

As at 31 December 2015

			(Unit: Baht)
	Note	2015	2014
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	46,304,934	55,875,434
Current investment	8	52,712,481	101,204,712
Trade and other receivables	9	155,749,325	135,330,682
Inventories	10	190,996,437	178,434,339
Other current assets		20,279,382	5,600,377
<b>Total current assets</b>		<b>466,042,559</b>	<b>476,445,544</b>
<b>Non-current assets</b>			
Restricted bank deposits	11	12,000,000	-
Other investment	12	3,341,738	5,418,381
Investment properties	13	8,084,001	8,084,001
Property, plant and equipment	14	513,207,994	413,836,202
Deferred tax assets	23	1,154,366	1,143,150
Other non-current assets		8,768,479	8,613,286
<b>Total non-current assets</b>		<b>546,556,578</b>	<b>437,095,020</b>
<b>Total assets</b>		<b>1,012,599,137</b>	<b>913,540,564</b>

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



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of financial position (continued)

As at 31 December 2015

	Note	2015	(Unit: Baht) 2014
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	15	88,106,187	87,455,913
Trade and other payables	16	122,397,105	81,431,664
Advance received from customers		18,891,458	12,800,448
Current portion of long-term loans	17	57,500,000	30,000,000
Current portion of liabilities under finance lease agreements	18	9,736,831	16,020,816
Income tax payable		3,941,662	7,300,199
Other current liabilities		3,313,780	3,040,024
<b>Total current liabilities</b>		<b>303,887,023</b>	<b>238,049,064</b>
<b>Non-current liabilities</b>			
Long-term loans - net of current portion	17	71,971,400	37,500,000
Liabilities under finance lease agreements - net of current portion	18	2,457,768	12,194,599
Provision for long-term employee benefits	19	8,608,819	8,234,858
<b>Total non-current liabilities</b>		<b>83,037,987</b>	<b>57,929,457</b>
<b>Total liabilities</b>		<b>386,925,010</b>	<b>295,978,521</b>

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



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of financial position (continued)

As at 31 December 2015

	Note	2015	(Unit: Baht) 2014
<b>Shareholders' equity</b>			
Share capital	20		
Registered			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Issued and paid-up			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Share premium		194,175,000	194,175,000
Retained earnings			
Appropriated - statutory reserve	21	30,000,000	25,445,439
Unappropriated		100,299,816	96,977,834
Other component of shareholders' equity		1,199,311	963,770
<b>Total shareholders' equity</b>		<b>625,674,127</b>	<b>617,562,043</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,012,599,137</b>	<b>913,540,564</b>
		-	-

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



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of comprehensive income

For the year ended 31 December 2015

	Note	2015	2014
(Unit: Baht)			
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income		927,177,521	1,070,757,472
Gain on foreign exchange		4,741,365	1,514,650
Other income		9,987,799	9,870,393
<b>Total revenues</b>		<b>941,906,685</b>	<b>1,082,142,515</b>
<b>Expenses</b>			
Cost of sales and services		631,994,067	707,515,155
Selling expenses		97,960,780	121,543,000
Administrative expenses		93,981,964	96,306,169
<b>Total expenses</b>		<b>823,936,811</b>	<b>925,364,324</b>
<b>Profit before finance cost and income tax expenses</b>		<b>117,969,874</b>	<b>156,778,191</b>
Finance cost		(8,407,320)	(17,825,982)
<b>Profit before income tax expenses</b>		<b>109,562,554</b>	<b>138,952,209</b>
Income tax expenses	23	(12,835,522)	(11,156,662)
<b>Profit for the year</b>		<b>96,727,032</b>	<b>127,795,547</b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Gain on change in value of available-for-sale investment		294,426	1,204,712
Less: Income tax effect	23	(58,885)	-240,942
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		235,541	963,770
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gains	19	1,294,495	-
Less: Income tax effect	23	(144,984)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,149,511	-
<b>Other comprehensive income for the year</b>		<b>1,385,052</b>	<b>963,770</b>
<b>Total comprehensive income for the year</b>		<b>98,112,084</b>	<b>128,759,317</b>
<b>Earnings per share</b>	25		
Basic earnings per share		0.32	0.45

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





## Report and Financial Statements 31 December 2015

Golden Lime Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	Total shareholders' equity
				Appropriated		Other comprehensive income	
				statutory reserve	Unappropriated	Surplus on change in value of available- for-sale investment	
<b>Balance as at 1 January 2014</b>		225,000,000	-	19,055,662	43,072,064	-	287,127,726
Profit for the year		-	-	-	127,795,547	-	127,795,547
Other comprehensive income for the year		-	-	-	-	963,770	963,770
Total comprehensive income for the year		-	-	-	127,795,547	963,770	128,759,317
Increase in share capital	20	75,000,000	194,175,000	-	-	-	269,175,000
Dividend paid	28	-	-	-	(67,500,000)	-	(67,500,000)
Transferred unappropriated retained earnings to statutory reserve	21	-	-	6,389,777	(6,389,777)	-	-
<b>Balance as at 31 December 2014</b>		300,000,000	194,175,000	25,445,439	96,977,834	963,770	617,562,043
<b>Balance as at 1 January 2015</b>		300,000,000	194,175,000	25,445,439	96,977,834	963,770	617,562,043
Profit for the year		-	-	-	96,727,032	-	96,727,032
Other comprehensive income for the year		-	-	-	1,149,511	235,541	1,385,052
Total comprehensive income for the year		-	-	-	97,876,543	235,541	98,112,084
Dividend paid	28	-	-	-	(90,000,000)	-	(90,000,000)
Transferred unappropriated retained earnings to statutory reserve	21	-	-	4,554,561	(4,554,561)	-	-
<b>Balance as at 31 December 2015</b>		300,000,000	194,175,000	30,000,000	100,299,816	1,199,311	625,674,127

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



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of cash flows

For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
<b>Cash flows from operating activities</b>		
Profit before income tax expenses	109,562,554	138,952,209
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation	90,017,092	89,612,809
Reduction of inventory to net realisable value (reversal)	(262,885)	1,786,484
Gain on sales of equipment	-	(1,734,984)
Allowance for impairment loss on investment	2,076,643	-
Gain on sales of current investment	(1,213,343)	-
Unrealised loss (gain) on foreign exchange	(24,023)	37,985
Movements in provision for long-term employee benefits	1,668,456	1,624,929
Interest income	-	(881,685)
Interest expenses	8,407,320	17,123,596
Profit from operating activities before changes in operating assets and liabilities	210,231,814	246,521,343
Operating assets (increase) decrease		
Trade and other receivables	(20,004,318)	7,486,688
Inventories	(12,299,213)	(99,575,004)
Other current assets	(14,679,005)	(346,159)
Other non-current assets	76,816	(264,394)
Operating liabilities increase (decrease)		
Trade and other payables	36,165,252	19,084,669
Advance received from customers	6,091,010	(10,049,210)
Other current liabilities	273,756	(6,109,242)
Cash flows from operating activities	205,856,112	156,748,691
Cash paid for income tax expenses	(16,409,144)	(7,368,692)
<b>Net cash flows from operating activities</b>	<b>189,446,968</b>	<b>149,379,999</b>

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



## Report and Financial Statements 31 December 2015

## Golden Lime Public Company Limited

## Statement of cash flows (continued)

For the year ended 31 December 2015

	(Unit: Baht)	
	2015	2014
<b>Cash flows from investing activities</b>		
Increase in restricted bank deposits	(12,000,000)	-
Cash paid for current investment	-	(100,000,000)
Cash received from sales of current investment	50,000,000	-
Short-term loans to unrelated parties	-	881,685
Cash paid for other investment	-	(5,418,381)
Acquisition of property, plant and equipment	(181,002,085)	(60,685,766)
Increase in deposits for acquisition of machine	(232,009)	(3,812,988)
Proceeds from sales of equipment	-	3,245,327
<b>Net cash flows used in investing activities</b>	<b>(143,234,094)</b>	<b>(165,790,123)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	650,274	(156,805,555)
Cash received from long-term loan	101,971,400	-
Repayment of long-term loans	(40,000,000)	(49,353,426)
Repayment of finance lease payables	(17,266,553)	(22,855,004)
Cash received from capital increase	-	269,175,000
Dividend paid	(90,000,000)	(67,500,000)
Cash paid for interest expenses	(11,138,495)	(10,711,294)
<b>Net cash flows used in financing activities</b>	<b>(55,783,374)</b>	<b>(38,050,279)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,570,500)</b>	<b>(54,460,403)</b>
Cash and cash equivalents at beginning of year	55,875,434	110,335,837
<b>Cash and cash equivalents at end of year</b>	<b>46,304,934</b>	<b>55,875,434</b>
	-	-
<b>Supplemental cash flows information</b>		
Non-cash transactions		
Account payables for purchase of assets	4,405,724	3,970,855
Actuarial gains	1,294,495	-

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

**Report and Financial Statements 31 December 2015****Golden Lime Public Company Limited****Notes to financial statements****For the year ended 31 December 2015****1. General information**

Golden Lime Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand and its major shareholder is the Monsereenusorn family. It is principally engaged in the manufacture and distribution of chemical products and supply, assembly and installation of equipment. The registered office is at 8/222 Moo 3, Srisamarn Soi 2, Tambon Banmai, Amphur Pakkred, Nonthaburi and the Company has three branches, with two in Saraburi and the other in Lopburi.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

**(a) Financial reporting standards that became effective in the current year**

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any

**Report and Financial Statements 31 December 2015**

significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

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

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

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

**TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

**(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

**4. Significant accounting policies****4.1 Revenue recognition***Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

**Report and Financial Statements 31 December 2015***Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

*Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

**4.2 Cash and cash equivalents**

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

**4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

**4.4 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

**4.5 Investments**

- a) Investment in available-for-sale securities are stated at fair value. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Other long-term investments in non-marketable equity securities, which the Company holds as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.



**Report and Financial Statements 31 December 2015****4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land of investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

**4.7 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	-	5 - 20 years
Machinery and equipment	-	5 - 10 years
Office equipment	-	5 years
Vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

**4.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Report and Financial Statements 31 December 2015****4.9 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

**4.10 Long-term leases**

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

**4.11 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

**4.12 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and investment properties whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

**Report and Financial Statements 31 December 2015**

An impairment loss is recognised in profit or loss.

**4.13 Employee benefits*****Short-term employee benefits***

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

***Post-employment benefits******Defined contribution plans***

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

***Defined benefit plans***

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

**4.14 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**4.15 Income tax**

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

**Current tax**

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

**Report and Financial Statements 31 December 2015****Deferred tax**

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

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

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

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

**4.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**Report and Financial Statements 31 December 2015****5. Significant accounting judgements and estimates**

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

**Leases**

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

**Allowance for doubtful accounts**

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

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Impairment of equity investments**

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

**Investment properties**

In determining depreciation of investment properties, the management is required to make estimates of the useful lives and residual values of the investment properties and to review estimate useful lives and residual values when there are any changes.

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

**Property, plant and equipment/Depreciation**

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

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

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**Post-employment benefits under defined benefit plans**

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

**6. Related party transactions**

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2015	2014	Transfer pricing policy
<u>Transactions with related persons</u>			
Rental expenses	1.0	1.0	At the rate specified in the agreement



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During the year ended 31 December 2015 and 2014, the Company had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	2015	2014
Short-term employee benefits	10,135	11,236
Termination benefits	326	563
Total	10,461	11,799

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	2015	2014
Cash	299	286
Bank deposits in saving accounts	42,970	54,077
Bank deposits in current accounts	3,036	1,512
Total	46,305	55,875

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.05 and 0.37 percent per annum (2014: 0.5 percent per annum).

**8. Current investment**

(Unit: Thousand Baht)

	2015	2014
<u>Available-for-sale securities</u>		
Investment in open-end fund - cost	51,213	100,000
Add: Change in fair value	1,499	1,205
Total investment in open-end fund	52,712	101,205



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## 9. Trade and other receivables

(Unit: Thousand Baht)

	2015	2014
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	124,484	102,796
Past due		
1 - 90 days	29,326	32,162
91 - 180 days	1,819	-
181 - 365 days	-	-
Over 365 days	1,378	1,378
Total	157,007	136,336
Less: Allowance for doubtful debts	(1,378)	(1,378)
Total trade receivables - net	155,629	134,958
<u>Other receivables</u>		
Other receivables	-	1
Advances	120	372
Total other receivables	120	373
Total trade and other receivables - net	155,749	135,331

## 10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	14,690	6,778	-	-	14,690	6,778
Work in process	5,077	1,837	-	-	5,077	1,837
Raw materials	71,670	69,619	(1,524)	(1,787)	70,146	67,832
Supplies	32,450	80,235	-	-	32,450	80,235
Goods in transit	68,633	21,752	-	-	68,633	21,752
Total	192,520	180,221	(1,524)	(1,787)	190,996	178,434

## 11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities as described in Note 29.4 to financial statements.

**Report and Financial Statements 31 December 2015****12. Other investment**

(Unit: Thousand Baht)

	2015	2014
PT. KRAKATAU GOLDEN LIME	5,418	5,418
Less: Allowance for impairment of investment	(2,076)	-
Total other investment - net	3,342	5,418

On 26 November 2013, the Company has entered into a joint venture agreement whereby it is to invest in 10 percent of the registered share capital (708,100 ordinary shares of IDR 10,000 each) or IDR 7.1 billion in PT. KRAKATAU GOLDEN LIME, a company newly established in Indonesia, to engage in the manufacture and distribution of lime. The Company has recorded part of the investment called up in accordance with the agreement.

The resolution of PT. KRAKATAU GOLDEN LIME's shareholders meeting agreed to suspend the operations, effective from May 2015. At present, PT. KRAKATAU GOLDEN LIME is in the process of considering developing a new business plan.

**13. Investment properties**

Investment properties of the Company are land and structures thereon, with the following net book value as of 31 December 2015 and 2014.

(Unit: Thousand Baht)

	2015			2014		
	Land	Building	Total	Land	Building	Total
Cost	8,084	1,000	9,084	8,084	1,000	9,084
Less: Accumulated depreciation	-	(1,000)	(1,000)	-	(1,000)	(1,000)
Net book value	8,084	-	8,084	8,084	-	8,084

The fair value of the investment properties as at 31 December 2015 and 2014 stated below:

(Unit: Thousand Baht)

	2015	2014
Land	17,936	17,936
Land and warehouse for rent	13,372	13,372
Total	31,308	31,308



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The fair values of the above investment properties has been determined based on valuation performed by an accredited independent valuer and the management of the Company.

The fair value of land has been determined by an accredited independent valuer based on market prices.

The fair value of land and warehouse for rent has been determined by the management of the Company based on income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company mortgaged investment properties with net book values amounting to Baht 8.1 million (2014: Baht 8.1 million) with banks to secure long-term loans and other credit facilities granted to the Company as described in Note 29.4 to financial statements.

The Company has land with a book value of Baht 2 million (2014: Baht 2 million) that currently has no development plan.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and improvement	Machinery and equipment	Office equipment	Vehicles	Asset under installation and construction	Total
<b>Cost</b>							
1 January 2014	59,715	92,321	652,587	7,565	173,382	16,357	1,001,927
Additions	13,000	1,245	2,159	384	1,870	45,999	64,657
Disposals	-	-	-	-	(4,570)	-	(4,570)
Transfer in (out)	-	6,687	19,757	-	-	(26,444)	-
31 December 2014	72,715	100,253	674,503	7,949	170,682	35,912	1,062,014
Additions	12,192	2,281	13,606	369	685	160,256	189,389
Transfer in (out)	-	17,252	38,676	-	-	(55,928)	-
31 December 2015	84,907	119,786	726,785	8,318	171,367	140,240	1,251,403
<b>Accumulated depreciation</b>							
1 January 2014	-	52,005	399,415	4,769	105,435	-	561,624
Depreciation for the year	-	12,497	55,935	943	20,238	-	89,613
Depreciation on disposals	-	-	-	-	(3,059)	-	(3,059)
31 December 2014	-	64,502	455,350	5,712	122,614	-	648,178
Depreciation for the year	-	13,737	55,978	871	19,431	-	90,017
31 December 2015	-	78,239	511,328	6,583	142,045	-	738,195



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(Unit: Thousand Baht)

	Land	Building and improvement	Machinery and equipment	Office equipment	Vehicles	Asset under installation and construction	Total
<b>Net book value</b>							
31 December 2014	72,715	35,751	219,153	2,237	48,068	35,912	413,836
31 December 2015	84,907	41,547	215,457	1,735	29,322	140,240	513,208
<b>Depreciation for the year</b>							
2014 (Baht 71.8 million included in manufacturing cost, and the balance in selling and administrative expenses)							89,613
2015 (Baht 71.6 million included in manufacturing cost, and the balance in selling and administrative expenses)							90,017

During the year ended 31 December 2015, the Company included borrowing costs in the cost of machinery amounting to Baht 4.0 million (2014: None).

As at 31 December 2015, the Company had vehicles under finance lease agreements with net book values amounting to Baht 18.6 million (2014: Baht 32.9 million).

As at 31 December 2015, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 427.1 million (2014: Baht 403.8 million).

The Company has mortgaged plots of land with structures there on and machinery with net book values amounting to Baht 193.8 million (2014: Baht 192.2 million) with banks to secure loans and other credit facilities granted to the Company as described in Note 29.4 to financial statements.

#### 15. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)			
	2015	2014	2015	2014
Bank overdrafts	MOR-2.25, 3.15	MOR	8,540	8,212
Promissory notes	2.4	4.1	79,566	79,244
Total			88,106	87,456

Parts of bank overdrafts and short-term loans from financial institutions are secured by the mortgage of plots of land with structures thereon, machinery and fixed deposits of the Company as described in Note 29.4 to financial statements.



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## 16. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade payables - unrelated parties	82,713	43,358
Other payables - unrelated parties	12,208	13,976
Other payables for purchase of assets	12,569	8,163
Advances	591	127
Accrued interests	4	-
Accrued expenses	14,312	15,808
Total	122,397	81,432

## 17. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	2015	2014
1	MLR or MLR less the rate specified in the agreement	Payment of principal, excluded interest, in monthly installments; to be completed within March 2017	13,750	33,750
2	MLR or MLR less the rate specified in the agreement	Payment of principal, excluded interest, in monthly installments; to be completed within March 2017	13,750	33,750
3	4.75	Payment of principal, excluded interest, in quarterly installments; to be completed within February 2021	101,971	-
Total			129,471	67,500
Less: Current portion			(57,500)	(30,000)
Long - term loans, net of current portion			71,971	(37,500)

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2015	67,500
Add: Addition	101,971
Less: Repayment	(40,000)
Balance as at 31 December 2015	129,471



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The long-term loans are secured by the mortgage of plots of land with structure thereon and machinery of the Company as described in Note 29.4 to financial statements.

**18. Liabilities under finance lease agreements**

	(Unit: Thousand Baht)	
	2015	2014
Liabilities under finance lease agreements	12,670	29,940
Less: Deferred interest expenses	(475)	(1,724)
Total	12,195	28,216
Less: Portion due within one year	(9,737)	(16,021)
Liabilities under finance lease agreements - net of current portion	2,458	12,195

The Company has entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years. Under the terms of the agreements, the Company has the option to purchase the assets leases. The Company is required to comply with the conditions and restrictions set forth in the agreements.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2015		
	Less than 1 year	1-4 years	Total
Future minimum lease payments	10,167	2,503	12,670
Deferred interest expenses	(430)	(45)	(475)
Present value of future minimum lease payments	9,737	2,458	12,195



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(Unit: Thousand Baht)

	As at 31 December 2014		
	Less than 1 year	1-4 years	Total
Future minimum lease payments	17,270	12,670	29,940
Deferred interest expenses	(1,249)	(475)	(1,724)
Present value of future minimum lease payments	16,021	12,195	28,216

**19. Provision for long-term employee benefits**

Provision for long-term employee benefits as at 31 December 2015 and 2014, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	2015	2014
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	8,235	6,610
Included in profit or loss:		
Current service cost	1,394	1,526
Interest cost	274	259
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(873)	-
Financial assumptions changes	889	-
Experience adjustments	(1,310)	-
Benefits paid during the year	-	(160)
<b>Provisions for long-term employee benefits</b>		
<b>at end of year</b>	8,609	8,235

Long-term employee benefit expenses are included in administrative expenses in the profit or loss.

The Company expect to pay Baht 0.1 million of long-term employee benefits during the next year (2014: Baht 0.2 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2014: 12 years).

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Significant actuarial assumptions are summarised below:

	2015	2014
	(% per annum)	(% per annum)
Discount rate	2.90	3.9144
Future salary increase rate	5.0	5.0
Employee turnover rate	0 - 30	0 - 26

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Thousand Baht)	
	Increase 1%	Decrease 1%
Discount rate	(798)	931
Future salary increase rate	864	(757)
Employee turnover rate	(865)	365

**20. Share capital**

On 21 March 2013, the Annual General Meeting of the Company's shareholders passed a resolution to change the Company's status to a public company and increase its registered share capital from Baht 225 million (45 million ordinary shares of Baht 5 each) to Baht 300 million (300 million ordinary shares of Baht 1 each) with decreasing the par value of the share from Baht 5 to Baht 1 each. These are resulting in an increase in the total number of issued ordinary shares from 45 million shares to 225 million shares, and registered an additional newly issued 75 million ordinary shares with a par value of Baht 1 each, with the Ministry of Commerce on 27 March 2013. The Company would offer such registered share capital to the public when the permission had been granted by the Securities and Exchange Commission.

During 26 - 28 March 2014, the Company made a public offering of the additional 75 million ordinary shares at a price of Baht 3.7 per share, or for a total of approximately Baht 277.5 million. On 31 March 2014, the Company received payment of this share capital increment and registered the increase in its paid-up capital with the Ministry of Commerce. The Company incurred expenses relating to the share offering and these expenses were recorded net with share premium. The Company listed on the Stock Exchange of Thailand on 3 April 2014.

**Report and Financial Statements 31 December 2015****21. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

**22. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Changes in inventories of finished goods and work in progress	(11,152)	4,937
Purchase finished goods	62,139	49,278
Raw materials and consumables used	312,634	361,962
Salaries and wages and other employee benefits	63,703	68,912
Depreciation	90,017	89,613
Transportation expenses	68,708	91,300

**23. Income tax**

Corporate income tax was calculated on profit from non-promoted activities (as described in Note 24 to financial statements) and multiplying by the effective tax rate.

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	2015	2014
<b>Current income tax:</b>		
Current income tax charge	13,051	11,917
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(215)	(760)
<b>Income tax expense reported in the statements of comprehensive income</b>	<b>12,836</b>	<b>11,157</b>

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The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Deferred tax relating to gain from the change in value of available-for-sale investment	(59)	(241)
Deferred tax relating to actuarial gains	(145)	-
<b>Total</b>	<b>(204)</b>	<b>(241)</b>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	2015	2014
Accounting profit before tax	109,563	138,952
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	21,913	27,790
Effects of:		
Promotional privileges (Note 24)	(9,096)	(15,229)
Non-deductible expenses	22	61
Expenses related to unrecognised deferred tax assets	415	-
Additional expense deductions allowed	(338)	(1,229)
Others	(80)	(236)
Income tax expense reported in the statements of comprehensive income	12,836	11,157

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2015	2014
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	185	185
Allowance for diminution in value of inventories	305	357
Provision for long-term employee benefits	964	842
Loss (gain) on re-measuring available-for-sale investments	(300)	(241)
<b>Total</b>	<b>1,154</b>	<b>1,143</b>

**Report and Financial Statements 31 December 2015****24. Promotional privileges**

The Company has received promotional privileges from the Board of Investment for the manufacture of Calcium Oxide, pursuant to the investment promotion certificate No. 2236(2)/2550 and No. 2288(2)/2557 and the manufacture of Calcium Oxide and Calcium Hydroxide production, pursuant to the promotion certificate No.1426(2)/2554. Subject to certain imposed conditions, the privileges include an exemption form or reduction of import duty on machinery, raw materials and significant supplies used in production for export. They also include an exemption from corporate income tax for a period of 8 years (except under certificate No. 2288(2)/2557 where the period is 3 years) from the date the promoted operations commenced generating revenues.

The Company's operating revenues for the years ended 31 December 2015 and 2014, divided between promoted and non-promoted operations are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Sales and service income						
Domestic sales	355,405	481,375	385,603	439,672	741,008	921,047
Export sales	51,087	42,286	135,083	107,425	186,170	149,711
Gain on foreign exchange	2,080	741	2,661	774	4,741	1,515
Other income	2,856	2,328	7,132	7,542	9,988	9,870
Total sales	<u>411,428</u>	<u>526,730</u>	<u>530,479</u>	<u>555,413</u>	<u>941,907</u>	<u>1,082,143</u>

**25. Earnings per share**

Basic earnings per share is calculated by dividing profit for the year (excluded other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	<u>2015</u>	<u>2014</u>
Profit for the year (Thousand Baht)	96,727	127,796
Weighted average number of ordinary shares (Thousand shares)	300,000	281,712
Earnings per share (Baht/share)	0.32	0.45





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## 26. Segment information

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

For management purposes, the Company is organised into business units based on its products and services and have two reportable segments as follows:

- The manufacture and distribution of chemical products segment, which manufacture and distribute of Calcium Oxide, Calcium Hydroxide and other related products
- The supply, assembly and installation of equipment segment, which supply of construction equipment and related machinery for construction of lime kiln, including the consultation for commissioning.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The revenue, profit and total assets information regarding the Company's operating segments for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December					
	The manufacture and distribution of chemical products segment		The supply, assembly and installation of equipment segment		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenue</b>						
Revenue from sales and service	907,816	1,013,096	19,362	57,662	927,178	1,070,758
<b>Operating results</b>						
<b>Gross profit of segments</b>	292,857	348,941	2,327	14,302	295,184	363,243
Other income					14,729	11,385
Selling expenses					(97,961)	(121,543)
Administrative expenses					(93,982)	(96,306)
Finance cost					(8,407)	(17,826)
<b>Profit before income tax expenses</b>					109,563	138,953
Income tax expenses					(12,836)	(11,157)
<b>Profit for the year</b>					96,727	127,796

The following table presents segment assets of the Company's operating segments as at 31 December 2015 and 2014.

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(Unit: Thousand Baht)

	The manufacture and distribution of chemical products segment		The supply, assembly and installation of equipment segment		Total	
	2015	2014	2015	2014	2015	2014
Segment total assets	999,187	903,502	13,412	10,039	1,012,599	913,541

**Geographic information**

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2015	2014
Revenue from external customers		
Thailand	741,008	921,047
Laos	90,111	51,134
Indonesia	74,792	59,371
Malaysia	-	32,715
Others	21,267	6,491
Total	927,178	1,070,758

**Major customers**

For the years 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

**27. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by Krung Thai Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 0.4 (2014: Baht 0.4 million) were recognised as expenses.

**Report and Financial Statements 31 December 2015****28. Dividends**

Dividends	Approved by	Total dividends (Million Baht)	Total shares (Million shares)	Dividend per share (Baht)
Final dividends from profit for the year 2013 (after deduct interim dividends)	Annual General Meeting of the shareholders on 25 March 2014	22.5	225	0.10
Interim dividends announced from operating result for the period as from 1 January 2014 - 30 June 2014	Board of Directors' meeting No. 3/2014 on 8 August 2014	45.0	300	0.15
Total dividend for 2014		67.5		
Final dividends from profit for the year 2014 (after deduct interim dividends)	Annual General Meeting of the shareholders on 3 April 2015	45.0	300	0.15
Interim dividends announced from retained earnings	Board of Directors' meeting No. 3/2015 on 13 August 2015	45.0	300	0.15
Total dividend for 2015		90.0		

**29. Commitments and contingent liabilities****29.1 Capital commitments**

- As at 31 December 2015, the Company had capital commitments of Baht 20.2 million relating to building construction agreements and purchasing agreements of machinery and equipment (2014: Baht 3.5 million).
- As at 31 December 2015, the Company had a commitment of IDR 5.3 billion (2014: IDR 5.3 billion) in respect of uncalled portion of investments in PT. KRAKATAU GOLDEN LIME.

**29.2 Operating lease and service agreement commitments**

The Company has entered into several lease agreements in respect of the lease of land, office building and apartment and service agreement in respect of hiring a consultant. The terms of the agreements are generally between 1 and 3 years.

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Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Payable:		
In up to 1 year	2.30	2.04
In over 1 and up to 3 years	1.24	0.58

**29.3 Guarantees**

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 14.0 million and USD 2.3 million (2014: Baht 14.2 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 5.5 million (2014: Baht 6.9 million) to guarantee sale agreements, Baht 8.5 million (2014: Baht 7.3 million) to guarantee electricity use and USD 2.3 million (2014: None) to guarantee the release of goods. These bank guarantees were secured by the mortgage of plots of land and structures thereon and machines of the Company.

**29.4 Credit facilities**

As at 31 December 2015, the Company has been granted credit facilities by financial institutions for which it has placed collaterals, as follows:

- Long-term loan facilities as described in Note 17 to financial statements, and letter of credit facilities, trust receipts, import financing, letters of guarantee and short-term loan facilities totaling Baht 783 Million (2014: Baht 450 million), of which Baht 435 million (2014: Baht 253 million) of unutilised amount is outstanding. These credit facilities are secured by the mortgage of the plots of land with structures thereon, machines and fixed deposits of the Company.
- Overdraft facilities of Baht 62 million (2014: Baht 35 million) are secured by the mortgage of plots of land with structure thereon, machines and fixed deposits of the Company.
- Forward exchange contract facilities of Baht 260 million (2014: Baht 180 million) are secured by the mortgage of plots of land with structures thereon and machines of the Company.
- Hire purchase and finance lease facilities totaling Baht 72 million (2014: Baht 72 million).

**Report and Financial Statements 31 December 2015****30. Fair value hierarchy**

As at 31 December 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	Level 1	Level 2	(Unit: Thousand Baht) Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Unit trusts	-	52,712	-	<b>52,712</b>
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	31,308	<b>31,308</b>

**31. Financial instruments****31.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, investments, short-term loans, long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

***Credit risk***

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans, long-term loans and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.



## Report and Financial Statements 31 December 2015

(Unit: Million Baht)

As at 31 December 2015						
	Fixed interest rates					
	Within	1-5	Floating	Non-interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	43	3	46	0.05 - 0.37
Current investments	-	-	-	53	53	-
Trade and other receivables	-	-	-	156	156	-
Restricted bank deposits	12	-	-	-	12	1.15
	12	-	43	212	267	
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans						2.4, 3.15,
from financial institutions	80	-	8	-	88	MOR-2.25
Trade and other payables	-	-	-	122	122	-
Long-term loans	30	72	27	-	129	4.75, 5.52
Liabilities under finance lease						
agreements	10	2	-	-	12	5.31 - 8.16
	120	74	35	122	351	

(Unit: Million Baht)

As at 31 December 2014						
	Fixed interest rates					
	Within	1-5	Floating	Non-interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	54	1	55	0.5
Current investments	-	-	-	101	101	-
Trade and other receivables	-	-	-	135	135	-
	-	-	54	237	291	
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans						
from financial institutions	79	-	8	-	87	4.1, MOR
Trade and other payables	-	-	-	81	81	-
Long-term loans	-	-	68	-	68	5.75
Liabilities under finance lease						
agreements	16	12	-	-	28	5.31-13.11
	95	12	76	81	264	

**Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2015 and 2014 are summarised below.



**Report and Financial Statements 31 December 2015**

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.5	0.8	1.9	0.7	36.0886	32.9630

As at 31 December 2015 and 2014, the Company has no foreign exchange contracts outstanding.

**31.2 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

**32. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 0.6:1 (2014: 0.5:1).

**33. Event after the reporting period**

On 26 February 2016, a meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval a dividend payment to the shareholders of 300 million ordinary shares, at a rate of Baht 0.45 per share, or a total of Baht 135 million. Since the Company had already paid an interim dividend of Baht 0.15 per share, as approved by the meeting of the Company's Board of Directors held on 13 August 2015, the remaining additional dividend would be Baht 0.30 per share, or a total of Baht 90 million, to be paid on 29 April 2016.

**34. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2016.

# การลงทุนมีความเสี่ยง ผู้ลงทุนควรศึกษาข้อมูลก่อนการตัดสินใจ

“Investment contains certain risks; investors are advised to study relevant information carefully before making any decision.”



**บริษัท สุราษฎร์ จำกัด (มหาชน)**

**Golden Lime Public Company Limited**

เลขที่ 8/222 หมู่ 3 ถนนศรีสมาน ซอย 2 ตำบลบ้านใหม่ อำเภอปากเกร็ด จังหวัด นนทบุรี 11120

โทรศัพท์ +66(0) 2961 8652-6 โทรสาร +66(0) 2961 8650-1

[www.goldenlime.co.th](http://www.goldenlime.co.th)

Email : [info@goldenlime.co.th](mailto:info@goldenlime.co.th)