

ANNUAL REPORT 2015

FIRE VICTOR PUBLIC COMPANY LIMITED



FIRE VICTOR



www.firevictor.co.th

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"Investors can learn more information of Company from Form 56-1 on www.sec.or.th or the Company's website www.firevictor.co.th"



Vision, Mission and Target

Vision



Commit to carry out the business of import and distribution of valves and equipment for fire protection system, valves and equipment for sanitary and air-conditioning system, and provision of firefighting system installation services, under the quality-focused policy of delivering standard and premium grade products to customers and one-stop product distribution and consultation services by skilled and professional engineers and sales teams to fulfill customers' needs and bring them highest satisfaction.



To develop shared values organization-wide in order to foster a pleasant work culture.



To build a proactive learning organization with the common goal of becoming the leader in the import and distribution of full-fledged air-conditioning and fire protection equipment to ensure maximum safety and convenience for the consumers.

Mission and Target



Strengthen good relationship with major customers consistently and continuously.



Expand the customer base to project contractors and industrial sectors, and focus more on small and medium enterprises, which are direct end-users of the products.



Expand the distribution markets to neighboring countries, namely Myanmar, Vietnam, Cambodia, and so on.



Focus on after-sales service to project customers in coordination with project designers, and distribution of products under contracted manufacturing and products under distributorship.



Upkeep international standard of business practice and continuous development of business processes.

Key Financial Information

		2015	2014	2013
Financial Position				
	Unit			
Total Assets	Baht mil.	569.01	572.37	281.38
Total Liabilities	Baht mil.	117.21	111.84	105.67
Shareholders' Equity	Baht mil.	451.80	460.53	175.71
Operating Results				
Revenues from Sales and Services	Baht mil.	567.54	572.04	518.61
Total Revenues	Baht mil.	582.95	583.43	521.26
Costs of Sales and Services	Baht mil.	425.79	422.05	369.86
Gross Profit	Baht mil.	157.16	161.38	148.75
Net Profit	Baht mil.	46.20	60.61	61.16
Key Financial Ratios				
Return on Equity	%	10.13	19.05	38.48
Return on Assets	%	8.10	18.18	23.37
Gross Profit Margin	%	24.98	26.22	28.68
Net Profit Margin	%	8.14	10.60	11.73
Total Liabilities to Equity	Times	0.26	0.24	0.60
Asset Turnover	Times	1.02	1.37	1.99
Ordinary Shares				
Par Value per Share	Baht	0.50	0.50*	10.00
Book Value per Share	Baht	2.58	1.32	27.03
Dividend per Share	Baht	0.10	0.15	15.23
Earnings per Share	Baht	0.13	0.25	9.41

Note : * Comprehensive income were used to calculate

Messsage from the Board of Directors



A handwritten signature in black ink, appearing to read 'Thakol'.

Mr. Thakol Nunthirapakorn

Chairman of the Board

A handwritten signature in black ink, appearing to read 'Wirat'.

Mr. Wirat Sukchai

Managing Director

Message from the Board of Directors

Fire Victor Public Company Limited (“the Company”) has been listed and traded on the Market for Alternative Investment (“MAI”) since November 13, 2014. This has marked a major development of our business toward a sustainable growth in the import and distribution of valves and equipment for fire protection system, sanitary system, and air-conditioning system, as well as offering of design and installation services for all types of firefighting systems by our skilled engineering team.

In 2015, despite sluggish investments in both the public and private sectors in the backdrop of domestic and global economic slowdown, the Company was able to maintain its sales revenues relatively close to 2014. Although the increase in operating expenses as resulted from the rationalization of the management system and human resource development program had brought down our profit below the target, we are confident to achieve significant growth and to maintain impressive profitability during 2016-2018.

Going into 2016, the Company has planned to make joint venture investments in neighboring countries. There will be new establishment of branches in the eastern region of the country that will help expand

our distribution channels to penetrate new markets. We still keep on settling dealership with broader ranging suppliers in order to diversify our product range. These efforts will further strengthen our business operation prospects.

Regarding corporate governance, the Company attaches great significance to operating our business under the corporate governance policy, with responsibility to all stakeholders on a fair, transparent and examinable basis. We focus on performing in compliance with the criteria and procedure prescribed by the Stock Exchange of Thailand in order to earn trust among the shareholders, customers, trade partners, employees, and investors at large.

On behalf of the Board of Directors, we would like to thank our shareholders, customers, trade partners, business alliances, and all stakeholders, as well as members of the Board of Directors, the management and all employees for their continued supports. Please be assured that the Board of Directors, the management and all employees will continue to strive to bring the Company into sustainable development under good corporate governance for the benefits of all stakeholders.

Board of Directors



1

Mr. Thakol Nunthirapakorn

age 70

Chairman of the Board of Directors /
Chairman of Audit Committee / Independent Director



Shareholding proportion

(As at December 31, 2015) - None -

Appointment date

October 10, 2012

Education

- Ph.D. Degree (Accounting, MIS, Economics), University of Arkansas, Fayetteville, Arkansas, U.S.A.
- MBA Degree (Quantitative Analysis), Northeast Louisiana University, Monroe, Louisiana, U.S.A
- B.S. Degree (Finance), West Liberty State, West Virginia, U.S.A
- High Vocational Certificate (Finance and Banking), University of the Thai Chamber of Commerce

Training participation

- Training program of Thai Institute of Directors Association (IOD):
 1. Director Accreditation Program (DAP), Class 8/2004
 2. Audit Committee Program (ACP), Class 8/2005

Work experience

Business

- 2012 – present
Independent Director and Chairman of Audit Committee, Fire Victor Plc.
- Independent Director and Chairman of Audit Committee, Ratchthani Leasing Plc.
- Member of Audit Committee, Thai Public Broadcasting Service (TPBS)
- Independent Director and Member of Audit Committee, Bangkok Metropolitan Bank Plc.
- Director, NS Electronics Bangkok (1993) Ltd.
- Director, D.N. Machinery (1980) Co., Ltd.
- Chairman of Provident Fund Committee, NS Electronics Bangkok (1993) Ltd.

Education

- Adjunct Professor, University of the Thai Chamber of Commerce
- Member of Executive Board, University of the Thai Chamber of Commerce
- Director, Development and Establishment Project, University of the Thai Chamber of Commerce New Campus

(continue)

- Director, Council of Thongsuk College
- Special Instructor, Graduate School, University of the Thai Chamber of Commerce
- Deputy Dean (Administration and Business), University of the Thai Chamber of Commerce
- Dean, Faculty of Business Administration, National Institute of Development Administration (NIDA)
- Expert Director, Member of Administrative Committee, Doctoral Program in Business Administration, JDBA
- Director, NIDA
- Director and Member of Audit Committee, University of the Thai Chamber of Commerce
- Chairman of Academic Rank Consideration Committee, University of the Thai Chamber of Commerce
- Professor of Accounting & Finance, Youngstown State University, Ohio, U.S.A.
- Graduate Council Member, Youngstown State University, Ohio, U.S.A.

- Assistant Professor, College of Business & Industry, Mississippi State University, Mississippi, U.S.A.
- Assistant Professor of Accounting, KSU, Kent, Ohio, U.S.A.

Social

- Director, King Rama III Foundation
- Foundation Director, King Rama III Pranangklaow Hospital
- Honorary Advisor, University of the Thai Chamber of Commerce Alumni Association
- President, University of the Thai Chamber of Commerce Alumni Association
- President (Founder) of Lions Club Thailand NIDA Campus
- Advisor, NIDA Alumni Association

2

Mr. Wirat Sukchai

age 50

Managing Director / Member of Executive Committee
/ Authorized Director



Shareholding proportion

(As at December 31, 2015) 86,392,790 shares (24.68%)

Appointment date November 25, 2012

Education

- MBA (E-MBA), National Institute of Development Administration (NIDA)
- BBA (Sales and Marketing), Bangkok University

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Anti-Corruption for Executive Program (ACEP), Class 14/2015
 3. Role of Chairman Program (RCP), Class 36/2015
 4. Director Certification Program (DCP), Class 204/2015
 5. Successful Formulation & Execution of Strategy (SFE), Class 24/2015

Other Training Courses

- 12 Quality Leaders toward Digital Age and AEC Course
- Risk Management of Organization Course
- 4 Super Strategic Ideas Course
- Finance for Non-finance Executive Course
- Marketing 3.0 : Human Spirit Marketing Course
- Vice Excellence Course

- Amazing Sales Techniques for Diversified Groups of Customers Course
- Root Cause Analysis & Corrective Actions Course
- Academic Development and Enhancement 4th Refreshment Program
- ISO 9001 : 2000 Quality System Management for Executives Course
- Techniques for Collection of Business and Legal Debt relating to Civil and Criminal Cases
- In-depth Discussion on Guidelines for Success in Installation Contractor and Distribution Business
- Fire Research, Education, Performance Codes & Investigation Course
- "HYGOOD" Sapphire Fire Suppression System Course
- TQM : Total Quality Management Course
- Fire Protection Science and Technology Course
- Advanced Sales Techniques Course
- Inspection of Building Fire Safety System Course

Work experience

- 2012 – present Managing Director, Fire Victor Plc.
- 2002 – 2012 General Manager, Fire Victor Co., Ltd.
- 1997 – 2001 Sales Manager, Harn Engineering Co.,Ltd.
- 2538 – 2539 Deputy Sales Manager, Harn Engineering Co.,Ltd.

3

Mrs. Sirima Iamsakulrat

age 53

Director / Chairman of Executive Committee /
Authorized Director



Shareholding proportion

(As at December 31, 2015) 35,067,520 shares (10.02%)

Appointment date May 9, 2001

Education

- MBA, Stanford University, U.S.A.
- BA (Economics), Chulalongkorn University

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Director Certification Program (DCP), Class 210/2015
 3. Successful Formulation & Execution of Strategy (SFE), Class 24/2015

Work experience

- 2001 – present Member of Executive Committee, Fire Victor Plc.
- 2002 – present Member of Executive Committee, QIIS Co., Ltd.
- 1989 – present Member of Executive Board, Harn Engineering Co., Ltd.
- 1989 – present Member of Executive Committee, Chillmatch Co., Ltd.

4

Mrs. Valeeratn Chuerboonchai

age 61

Director / Member of Executive Committee /
Assistant Managing Director / Authorized Director



Shareholding proportion

(As at December 31, 2015) 6,003,127 shares (1.72%)

Appointment date June 12, 2007

Education

- BBA (Accounting), Assumption University

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Anti-Corruption for Executive Program (ACEP), Class 14/2015
 3. Director Certification Program (DCP), Class 205/2015
 4. Financial Statements for Directors (FSD), Class 28/2015

Other Training Courses

- 12 Quality Leaders toward Digital Age and AEC Course
- Risk Management of Organization Course
- 4 Super Strategic Ideas Course
- Finance for Non-finance Executive Course
- The Habits of Highly Effective Working Person Course
- Marketing 3.0 Human Spirit Marketing Course

- Insight of Income Tax on Wages and Welfare Course
- New Accounting Standard and Impact on Business Course
- Accounting and Finance Data for Executives Course

Work experience

- 2013 – present Assistant Managing Director, Fire Victor Plc.
- 2009 – 2015 Director, Promark Co., Ltd.
- 2007 – present Member of Executive Committee, Chillmatch Co., Ltd.
- 2007 – present Member of Executive Committee, QIIS Co., Ltd.
- 2007 – 2013 Member of Executive Committee, Fire Victor Co., Ltd.
- 2004 – 2012 General Manager (Finance and General Administration), Harn Engineering Co., Ltd.
- 1999 – 2004 Accounting and Finance Manager, Harn Engineering Co., Ltd.
- 1987 – 1999 Accounting and Finance Manager, Carpet International Thailand Plc.
- 1982 – 1987 Accounting and Finance Division Head, Carpet International Thailand Plc.

5

Mr. Parkphum Wongpaitoon

age 75

Director / Authorized Director



Shareholding proportion

(As at December 31, 2015) 4,038,000 shares (1.15%)

Appointment date May 9, 2001

Education

- MSc. (Electrical Engineering),
Illinois Institute of Technology, U.S.A.
- BSc. (Electrical Engineering),
University of Illinois, U.S.A.

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP),
Class 42/2005
 2. Anti-Corruption for Executive Program (ACEP), Class 14/2015
 3. Role of Chairman Program (RCP),
Class 36/2015

Other Training Courses

- Secrets to Success Course
- ISO : 2000 Quality System Management Course
- Self Improvement (7-Habits) Course
- Summary of the New Labor Protection Act B.E. 2551 Course
- Techniques for Collection of Business and Legal Debt relating to Civil and Criminal Cases
- ISO 9001 : 2000 Continual Improvement Course
- Internal Audit and Control for Efficiency Enhancement Course

- "Lean" Accounting Course
- Family Business Tax Planning Strategy Course
- Pay for Performance Course
- EVA for Executives Course
- Application of the Balance Scorecard & KPIs Course

Work experience

- present Director, Fire Victor Plc.
- 2002 – present Member of Executive Committee, QIIS Co., Ltd.
- 1999 – present Member of Executive Committee, Chillmatch Co., Ltd.
- 1999 – present Member of Executive Board, Harn Engineering Co., Ltd.
- 1998 – 2001 Managing Director, Harn Engineering Group
- 1992 – 1997 Managing Director, Thailand Carpet Manufacturing Plc.
- 1985 – 1991 Director and General Manager, Carpet International Thailand Plc.
- 1983 – 1984 Deputy General Manager, ITT (Thailand) Plc.
- 1976 – 1982 Factory Manager, Carpet International Thailand Plc.
- 1973 – 1975 Production Manager, Goodyear (Thailand) Co., Ltd.
- 1966 – 1972 Power Plant Design Engineer, Pioneer Service & Engineering Company and Sarget & Landy, Chicago, Illinois, U.S.A.

6

Mr. Sothitorn Mallikamas

age 53

Member of Audit Committee /
Independent Director



■ Shareholding proportion

(As at December 31, 2015) - None -

■ Appointment date

October 10, 2012

■ Education

- PhD (Economics), University of Wisconsin, U.S.A.
- MA (Economics), University of Wisconsin, U.S.A.
- BA (Economics), Chulalongkorn University

■ Training participation

- Training program of Thai Institute of Directors Association (IOD)
- 1. Director Accreditation Program (DAP), Class 102/2013

■ Work experience

- 2012 – present Independent Director and Member of Audit Committee, Fire Victor Plc.
- 2012 – present Chairman, International Economics Program, Chulalongkorn University
- 2006 – 2009 Dean, Faculty of Economics, Chulalongkorn University
- 2003 – 2006 Deputy Dean, Faculty of Economics, Chulalongkorn University
- 1999 – 2003 Director, Economics Research Center, Faculty of Economics, Chulalongkorn University
- 1992 – 1998 Advisor, Phatra Research Institute, Phatra Securities Plc.
- 1994 – 1995 Advisor, Monetary and Finance Commission, House of Representatives

7

Miss Voranuch Supaibulpipat

age 52

Member of Audit Committee /
Independent Director



Shareholding proportion

(As at December 31, 2015) - None -

Appointment date October 10, 2012

Education

- MBA, Middle Tennessee State University, U.S.A.
- BA (Economics), Chulalongkorn University

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012

Other Training Courses

- Executive Development Program, Thai Listed Companies Association, Class 10

Work experience

- 2012 – present Independent Director and Member of Audit Committee, Fire Victor Plc.
- 1987 – present First Senior Vice President, Tisco Financial Group Plc.

E xecutive Committee



1

Mrs. Sirima Iamsakulrat

age 53

Chairman of Executive Committee



■ Shareholding proportion

(As at December 31, 2015) 35,067,520 shares (10.02%)

■ Appointment date May 9, 2001

■ Education

- MBA, Stanford University, U.S.A.
- BA (Economics), Chulalongkorn University

■ Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Director Certification Program (DCP), Class 210/2015
 3. Successful Formulation & Execution of Strategy (SFE), Class 24/2015

■ Work experience

- 2001 – present Member of Executive Committee, Fire Victor Plc.
- 2002 – present Member of Executive Committee, QIIS Co., Ltd.
- 1989 – present Member of Executive Board, Harn Engineering Co., Ltd.
- 1989 – present Member of Executive Committee, Chillmatch Co., Ltd.

2

Mr. Wirat Sukchai

age 50

Managing Director / Member of Executive Committee
/ Chairman of Risk Management Committee



■ Shareholding proportion

(As at December 31, 2015) 86,392,790 shares (24.68%)

■ Appointment date November 25, 2012

■ Education

- MBA (E-MBA), National Institute of Development Administration (NIDA)
- BBA (Sales and Marketing), Bangkok University

■ Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Anti-Corruption for Executive Program (ACEP), Class 14/2015
 3. Role of Chairman Program (RCP), Class 36/2015
 4. Director Certification Program (DCP), Class 204/2015
 5. Successful Formulation & Execution of Strategy (SFE), Class 24/2015

Other Training Courses

- 12 Quality Leaders toward Digital Age and AEC Course
- Risk Management of Organization Course
- 4 Super Strategic Ideas Course
- Finance for Non-finance Executive Course
- Marketing 3.0 : Human Spirit Marketing Course
- Vice Excellence Course

- Amazing Sales Techniques for Diversified Groups of Customers Course
- Root Cause Analysis & Corrective Actions Course
- Academic Development and Enhancement 4th Refreshment Program
- ISO 9001 : 2000 Quality System Management for Executives Course
- Techniques for Collection of Business and Legal Debt relating to Civil and Criminal Cases
- In-depth Discussion on Guidelines for Success in Installation Contractor and Distribution Business
- Fire Research, Education, Performance Codes & Investigation Course
- "HYGOOD" Sapphire Fire Suppression System Course
- TQM : Total Quality Management Course
- Fire Protection Science and Technology Course
- Advanced Sales Techniques Course
- Inspection of Building Fire Safety System Course

■ Work experience

- 2012 – present Managing Director,
Fire Victor Plc.
- 2002 – 2012 General Manager,
Fire Victor Co., Ltd.
- 1997 – 2001 Sales Manager,
Harn Engineering Co.,Ltd.
- 2538 – 2539 Deputy Sales Manager,
Harn Engineering Co.,Ltd.

3

Mrs. Valeeratn Chuerboonchai

age 61

Member of Executive Committee / Assistant Managing Director /
Member of Risk Management Committee



Shareholding proportion

(As at December 31, 2015) 6,003,127 shares (1.72%)

Appointment date June 12, 2007

Education

- BBA (Accounting), Assumption University

Training participation

- Training program of Thai Institute of Directors Association (IOD)
 1. Director Accreditation Program (DAP), Class SET/2012
 2. Anti-Corruption for Executive Program (ACEP), Class 14/2015
 3. Director Certification Program (DCP), Class 205/2015
 4. Financial Statements for Directors (FSD), Class 28/2015

Other Training Courses

- 12 Quality Leaders toward Digital Age and AEC Course
- Risk Management of Organization Course
- 4 Super Strategic Ideas Course
- Finance for Non-finance Executive Course
- The Habits of Highly Effective Working Person Course
- Marketing 3.0 Human Spirit Marketing Course
- Insight of Income Tax on Wages and Welfare Course

- New Accounting Standard and Impact on Business Course

- Accounting and Finance Data for Executives Course

Work experience

- 2013 – present Assistant Managing Director, Fire Victor Plc.
- 2009 – 2015 Director, Promark Co., Ltd.
- 2007 – present Member of Executive Committee, Chillmatch Co., Ltd.
- 2007 – present Member of Executive Committee, QIIS Co., Ltd.
- 2007 – 2013 Member of Executive Committee, Fire Victor Co., Ltd.
- 2004 – 2012 General Manager (Finance and General Administration), Harn Engineering Co., Ltd.
- 1999 – 2004 Accounting and Finance Manager, Harn Engineering Co., Ltd.
- 1987 – 1999 Accounting and Finance Manager, Carpet International Thailand Plc.
- 1982 – 1987 Accounting and Finance Division Head, Carpet International Thailand Plc.

Senior Executives and Company Secretary



1

Mr. Rattanaphan Mukhariwattananon

age 37

Sales Director (Sales Group) /
Member of Risk Management Committee



■ Shareholding proportion

(As at December 31, 2015) 3,299,101 shares (0.94%)

■ Work experience

■ Appointment date January 1, 2014

■ Education

- B.Ind.Tech. (Mechanical Engineering),
Sripatum University

■ Training participation

- Sprinkler System Design Course
- Warehouse Fire Suppression System Design Course
- Standardized Fire Pump System Design Course
- Corporate Risk Management and Performance-oriented Personnel Management Course
- Techniques for Collection of Business Debt and Relevant Laws Course
- Service Excellence Improvement Course
- Advanced Sales Techniques Course
- ISO 9001 : 2000 Quality System Management for Executives Course

- 2014 – present Sales Director (Sales Group),
Fire Victor Plc.
- 2008 – 2013 Sales Manager,
Fire Victor Co., Ltd.
- 2003 – 2007 Sales Engineer,
Fire Victor Co., Ltd.
- 2002 – 2003 Supervisor,
Subsoontorn Co., Ltd.

2

Mr. Pracha Phromphornchai

age 42

Project Sales Director (Project Sales Group) /
Member of Risk Management Committee



■ Shareholding proportion

(As at December 31, 2015) 10,950,574 shares (3.13%)

■ Appointment date January 1, 2014

■ Education

- B.Eng. (Mechanical Engineering),
King Mongkut's University of Technology Thonburi

■ Training participation

- ISO 9000 : 2000 Introduction & Implementation Course
- Selling Industrial Products Course
- "HYGOOD" Sapphire Fire Suppression System Course
- "VICTAULIC" Grooved System Course
- "POTTER ELECTRIC" Fire Alarm System Course
- Continuous Improvement in ISO 9001 : 2000 Course
- Pro-active Sales Planning Course
- "CHEMGUARD" Fire Protection System (U.S.A.) Course
- Root Cause Analysis and Corrective Action Course
- Vice Excellence Course

- "SIEMENS" Fire Alarm and Fire Suppression System Course
- "WAGNER" ASD System Course
- Professional Interview Techniques Course
- Risk Management of Organization Course
- Business English Writing Course

■ Work experience

- 2014 – present Project Sales Director
(Project Sales Group),
Fire Victor Plc.
- 2003 – 2013 Sales Manager,
Fire Victor Co., Ltd.
- 2002 – 2003 Sales Engineer,
Taiko International (Thailand) Co., Ltd.
- 2000 – 2002 Sales Engineer,
Reacon Equipment Co., Ltd.
- 1998 – 2000 Design Engineer,
Harn Engineering Co., Ltd.
- 1996 – 1998 Field Engineer,
Harn Engineering Co., Ltd.

3

Mrs. Varinkan Teraumranon

age 50

Operation Support Director (General Management Group) /
Secretary to Executive Committee / Secretary to Risk Management Committee



Shareholding proportion

(As at December 31, 2015) 1,130,406 shares (0.32%)

Appointment date January 1, 2014

Education

- BBA (Accounting), Rajamangala Institute of Technology

Training participation

- Organizational Success Assessment through KPI Course
- Internal control and audit pursuant to ISO 9001 : 2008 Course
- 360o Marketing Communication Techniques Course
- Finance for Non-finance Executive Course
- Finance for the Boss Course
- Professional Interview Techniques Course
- Risk Management of Organization Course
- Import-Export Basics Course
- Performance Enhancement with Positive Thinking Course
- Annual Wage Increment and Employee Compensation Management Course

- Business English Writing Course
- Quality Leaders toward Digital Age and AEC Course

Work experience

- 2014 – present Operation Support Director (General Management Group), Fire Victor Plc.
- 2005 – 2013 Chief Policy and Human Resource Planning Officer, Harn Engineering Co., Ltd.
- 1998 – 2004 Executive Assistant, Harn Engineering Co., Ltd.
- 1993 – 1997 Marketing Support Officer, Harn Engineering Co., Ltd.

4

Mr. Suchat Suwatnodom

age 42

Project Sales Director (Petrochemical)



Shareholding proportion

(As at December 31, 2015) 147,305 shares (0.05%)

Appointment date March 2, 2015

Education

- B.Eng. (Industrial Engineering), Chiang Mai University

Training participation

- Leadership Development for Enhancement of Management Efficiency
- Design of Gaseous Fire Suppression System (Ansul, Kidre)
- Professional Sales and Marketing Techniques
- Work and Business Ethics
- Preparation of Business Entities Gearing Up for the AEC

Work experience

- 2015 - present Project Sales Director (Petrochemical), Fire Victor Plc.
- 2014 - 2015 Director, Trinity dynamic Co., Ltd.
- 1998 - 2014 Sales Manager, Guardfire Co., Ltd.

Miss Prawonwan Saipan

age 35

Company Secretary / Secretary to the Board of Directors /
Secretary to Audit Committee



■ Shareholding proportion

(As at December 31, 2015) 5,400 shares

■ Appointment date November 26, 2012

■ Education

- MSc (Environment), Mahidol University
- BSc (Agricultural Technology),
King Mongkut's Institute of Technology Ladkrabang

■ Training participation

- Business English Writing Course
- Criteria for Shareholders' Meeting and Board of Directors' Meeting
- Calibration System for Clause 7.6 of ISO 9001: 2008 Course

- ISO Data and Documentation Control Course
- Introduction to ISO 9001 : 2000 Course
- Motivation and Consciousness Course
- Training program of Thai Institute of Directors Association (IOD):
 1. Company Secretary Program (CSP),
Class 50/2013
 2. Effective Minutes Taking (EMT), Class 25/2013

■ Work experience

- 2012 – 2015 Company Secretary,
Fire Victor Plc.
- 2005 – 2012 Policy Planning Officer,
Harn Engineering Co., Ltd.



6 General Information

Name (Thai)	บริษัท ไฟร์วิคเตอร์ จำกัด (มหาชน)
Name (English)	FIRE VICTOR PUBLIC COMPANY LIMITED
Symbol	FIRE
Registered Capital	Baht 175,000,000 (totaling 350,000,000 ordinary shares each of Baht 0.50 par value)
Paid-up Capital	Baht 175,000,000 (totaling 350,000,000 ordinary shares each of Baht 0.50 par value)
Nature of Business	Import and distribution of valves and equipment for fire protection system and valves and equipment for sanitary and air-conditioning system, as well as offering of installation services of firefighting systems such as foam fire protection and fire suppression and alarm systems carried out by skillful engineering team of the Company
Head Office Location	19/20-22 Soi Soonvijai, Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 Tel: 0-2203-0868-9 Fax: 0-2203-1504
Warehouse Location	503/1 Soi Soonvijai, Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310 Tel: 0-2719-7285, 0-2716-9070 Fax: 0-2318-8624
Registration No.	0107557000217
Website	www.firevictor.co.th
Company Secretary	Miss Prawonwan Saipan Tel: 0-2203-0868-9 E-mail: prawonwan@firevictor.co.th
Investor Relations	Mr. Wirat Sukchai Tel: 0-2203-0868-9 E-mail: wirat@firevictor.co.th
Information of Subsidiary	-None-

Name and Address of Other References

Securities Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Khlong Toei Subdistrict, Khlong Toei District, Bangkok Tel: 0-2229-2800 Fax: 0-2654-5642 Website: www.tsd.co.th
Auditor	PV Audit Company Limited 100/19 Vongvanij Complex Building B, 14th Floor, Rama 9 Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310 Tel: 0-2645-0080 Fax: 0-2645-0020
Legal Consultant	Vayu & Partners Limited Law Offices 9/8 Soi Thana Akhet, Sukhumvit 63 Road, Khlong Ton Nua Subdistrict, Wattana District, Bangkok 10110 Tel: 0-2714-2799 Fax: 0-2714-2798

For more information, please see our Annual Registration Statement (Form 56-1) which is posted on The Office of the Securities and Exchange Commission's website at www.sec.or.th or visit the Company's website at www.firevictor.co.th



N⁷ature of Business

Nature of Business

Description of Products and Services

The Company's products and services can be divided into three categories as follows:

1) Valves and Equipment for Fire Protection System

Valve is a device used for starting or stopping the flow of water in the fire protection system and is fixed with a pipeline in such system. It is used for various purposes including controlling the flow of water within the system, starting or stopping the flow of water during repair and maintenance of the system, and preventing reversal of water. Equipment for fire protection system serves as a component or an auxiliary device applied jointly with the main equipment to allow for complete functioning of the fire protection system as well as other fire fighting devices such as fire hose cabinet, fire hose, fire extinguisher, etc.

2) Valves and Equipment for Sanitary and Air-conditioning System

Valve is a device used for starting or stopping the flow of water in the air-conditioning system or sanitary system and is fixed with a pipeline in such system. The air-conditioning system controls the temperature and humidity. The Company's products are used in the air-conditioning system in a control room of high-rise buildings and factory buildings. The sanitary system is composed of water supply system, water drainage system, ventilation system, rain-water management system, and waste water treatment system, whereas valve is used for various purposes, for example, controlling the flow of water, starting or stopping the flow of

water during repair and maintenance of the system, preventing reversal of water flow, etc.

3) Firefighting System Installation Services

The Company provides consulting, designing and installation services for all types of firefighting systems. It has a skillful engineering team to coordinate with customers, introduce the Company's products, and design and offer products and services to customers according to the international fire protection standards, as well as post-installation system test-run service.

Significant Changes and Developments

The Company was originally set up as a section of Harn Engineering Company Limited ("Harn"). Later on May 9, 2001, the Company was incorporated as a juristic entity named "Fire Victor Company Limited" ("FIRE" or "the Company") by Charnnarong Group and Mr. Wirat Sukchai, former executive of Harn overseeing sales of valves and equipment for firefighting system, following a corporate restructuring from family business management to professional management. With an initial registered capital of Baht 1 million, the Company was established to engage in import and distribution of valves and equipment for fire protection system and valves and equipment for sanitary system and air-conditioning system, including fire protection system installation services. On February 21, 2003 and July 24, 2006, the Company increased its registered capital to Baht 3 million and Baht 4 million, respectively, for use as working capital in its business operation.

In 2003, the Company expanded its business by adding Project Sales Division to provide consultation, designing and installation services



of all types of fire protection system such as automatic sprinkler system, foam fire protection, and fire suppression and alarm systems, all of which are to be carried out by a skillful, specialized engineering team, with focus on not so large projects, i.e. small- and medium-sized factories, and in 2005, the Company added carbon dioxide (CO₂) extinguishing system and FM200 system

into the Company's product line. In 2007, the Company received an Outstanding Distributor Award presented by NIBCO Inc., USA. The Company received ISO 9001:2008 certification from UKAS (United Kingdom Accreditation Service), a UK-based world-class certification body, with quality inspection and verification conducted by SGS (Thailand) Company Limited.

Important developments of the Company over the past five years can be summarized as follows

2011

- The Company signed a distributorship agreement with Cement (Thailand) Company Limited for distribution of nitrogen extinguishing and fire alarm systems.

2012

- On October 10, 2012, the Company increased its registered capital from Baht 4 million to Baht 65 million for use as working capital in its business operation.

2013

- The Company was appointed as a distributor of Air Sampling Detector (ASD), a high-sensitivity smoke detection system of WAGNER, Federal Republic of Germany.
- The Company was conferred by the Ministry of Industry the honorable mention award for cooperation with Thailand in reducing and phasing out ozone-depleting substances.

2014

- The Company was appointed as a distributor of balancing and control valves of OVENTROP, Federal Republic of Germany.
Organizational restructuring of the Company was undertaken to support future business expansion. The Company changed its status to a public limited company and adjusted its par value from Baht 10 per share to Baht 0.50 per share. Furthermore, it was granted permission to be listed on the Market for Alternative Investments ("mai") under a symbol "FIRE" and began trading on the mai on November 13, 2014.

2015

- The Company was appointed as a distributor of SIEX gaseous fire suppression products, Kingdom of Spain.
- The Company expanded distribution its market to neighboring countries, such as Kingdom of Cambodia.
- The Company set up a project sales department for petrochemical products to increase distribution channels for full-scale fire protection systems in heavy industrial zones.
- The Company upgraded its ERP (Enterprise Resource Planning Application) with SAP in specific to manage its business processes by linking all sub systems into one, streamlining the processes, and producing timely and most accurate financial reports to enhance data analysis and decision making.



R

Revenue Structure

Type of Revenues	2015		2014		2013	
	Baht mil	%	Baht mil	%	Baht mil	%
1. Revenues from sales and services						
1.1 Valves and equipment for fire protection system	431.83	74.08	475.15	81.44	451.66	86.65
1.2 Valves and equipment for sanitary and air-conditioning systems	41.58	7.13	34.40	5.90	34.27	6.57
1.3 Firefighting installation services	94.13	16.15	62.49	10.71	32.68	6.27
Total revenues from sales and services	567.54	97.36	572.04	98.05	518.61	99.49
2. Other revenues	15.41	2.64	11.39	1.95	2.65	0.51
Total revenues	582.95	100.00	583.43	100	521.26	100.00

Note : Other revenues included gains from foreign exchange, gains on disposal of assets, interest income, gains on sales of securities, income from product and property insurance compensation, and income from provision of supporting services (starting in 2014), etc.



9 Industry and Competition Overview

1. Industry Conditions

Fire Victor Public Company Limited engages in import and distribution of valves and equipment for fire protection system, valves and equipment for sanitary and air-conditioning system, and provision of firefighting system consulting, design, and installation services for various projects. The major sources of revenues come from sales to contractors, most of whom high-rise building or factory contractors, and distribution and contractor service of firefighting system to factories. The Company's business operation is accordingly related directly to the construction industry which grows in line with the economy or the gross domestic product (GDP) but prone to more volatility. That is, when the economy begins to recover, the construction industry expands in a greater and more rapid pace, but it will slow down in line with the economic slowdown but in a faster pace and in tandem with the permitted areas of construction in each year.

For 2016, according to the National Economic and Social Development Board, Thai economy is predicted to expand by 3.0%-4.0%. Supporting factors which help create opportunities and stimulate economic activity are public sector spending and investment.

Expenditure budget for fiscal year 2016 of approximately Baht 390 billion was an increase from the deficit in the foregoing year when expenditure was allocated for bidding at Baht 250 billion for six key infrastructure projects which were scheduled for investment by 2016, and Baht 1,500 billion allocated for 12 infrastructure projects scheduled for investment in the following year.

The current global economic woes will remain to be a major risk factor in 2016. Although the economy in overall may pick up to some extent, the Chinese economy is expected to grow less than 6.7% and the unrest in the Middle East has prevailed, hence global currency uncertainties, amid the prolonged drought and global climate change.

Domestic indicators that reflect private sector's confidence, e.g. household, business and manufacturing, have continued to improve gradually, possibly indicating the economic activity in several sectors having bottomed out although domestic economy has not yet fully recovered. The latest domestic economic indicators in October 2015, especially those reflecting domestic spending, started to signal positive prospects, hence much difference from the previous months, as spurred by accelerated public sector



spending (since the beginning of the fiscal year) and the turnaround of private sector consumption and investment. This has partly relieved the pressure from the sluggish export, manufacturing and agricultural sectors.

2. Competition

There has been intense competition in the import and distribution of valves and equipment for sanitary and air-conditioning systems, with a great number of large and small operators and with several widely accepted brands in the market. However, due to the large market size, there is still much room for product distribution to customers. In addition, the Company's strength lies in its product diversity, reputation and ability to fully reach both general customers and contractors.

The competition in the import and distribution of valves and equipment for fire protection system has been moderate. Since these products are for safety purpose, they are typically required to be of high quality and with certification by international standards. The Company's major rivals are distributors of imported products which are in quite a small number as there is only a limited number of world-class brands available in the market. In addition, most brand owners have a policy to distribute their products through only one single authorized distributor or through as few distributors as possible in a bid to prevent competition among the distributors themselves.

In regards to the segment of firefighting system design, procurement, installation and testing services, the number of competitors is

minimal as firefighting system installation requires professional skills in the design engineering area. The Company's key competitors are firefighting system engineering service providers and contractors. Strong growth potentials can still be expected in this business segment since the government sector has enacted laws for stricter control of fire outbreak, and factory building modification to conform to the Building Control Act B.E. 2535 (1992), thereby leading to greater demand for products and services relating to firefighting system.

There are 4-5 importers of valves and equipment for fire protection in buildings and factories who are deemed as direct competitors of the Company. These competitors could sometimes become trade partners buying products from the Company. In terms of market share based on the Company's revenues in comparison with those of its competitors, it has been found that in 2015 the Company and its three major competitors captured a combined market share of around 80% with that of the Company alone being about 25% (according to Business Online database).





3. Industry and Competition Outlook

At present, there are a large number of large and small operators in the market in line with business expansion and more rigid enforcement of the safety laws on buildings and factories. As required by law, all buildings with a height of 23 meters or more or extra large buildings with a total space of 10,000 square meters or more must be equipped with a fire protection system and must have their firefighting system examined every 3-5 years before renewing their building utilization permits. The said safety control regulation began to be imposed on small buildings in October 2012. The stricter safety control law enforcement not only leads the operators to see greater opportunities for their business expansion and product distribution but also is a key factor in driving further growth in this industry in the future.

4. Characteristics of Customers and Target Customers

Key target markets of the Company are high-rise buildings, infrastructures such as sky train, airport and bus terminal, as well as factory buildings that must be equipped with fire protection system to ensure safety in compliance with the Building Control Act, as well as operations relating to sanitary and air-conditioning systems that require valves and equipment for sanitary and air-conditioning systems to be used in such operations. The Company's customers may be direct customers who are project owners or contractors who purchase its products for installation in such projects, together with shops or distributors

of products relevant to fire protection and engineering systems that procure its products for resale to contractors or end-users. The Company has successively maintained good relationship with its customers and has loyal customers who regularly purchase its products because of their trust in the quality and safety of the Company's products which mostly gain international standard certification and also its quality services provided by a professional sales team who have profound knowledge on each product. In this regard, during 2014-2015, not any single customer contributed to the Company's revenues exceeding 30% of its total revenues.

5. Environmental Impacts

- None -

6. Undelivered Works

As of December 31, 2015, there were a total of 26 contracts of works not yet delivered, comprising the installation works of firefighting systems, e.g. installation of fire extinguishing system for power plant, and installation of sprinkler, foam fire protection systems and petrochemical system, with a total contract value of Baht 122.18 million. Outstanding value (under order and pending delivery in 2016) as of December 31, 2015 was Baht 31.52 million.





Risk Factors

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The Company determines to continuously develop its Risk Management for realizing its business risk complexity and severity from both internal and external factors. In order to ensure sustainable development, it is essential to lay down solid foundation of risk management that will sufficiently prevent and reduce our exposure from the variation of risk factors. The Company has adopted Risk & Control Self Assessment (RCSA) to help us analyze the risk factors and identify dominant ones. So on to come up with measures that will not only soften the impact but also prevent them to happen. We have also identified risk indicators to monitor as well as those who are responsible for each individual measure in order to ensure that our business will reach its goals in the direction we have set forth. Our risks can be illustrated as the followings:

1. Operation Risks

1.1 Exchange rate risk

The products distributed by the Company are mainly imported from abroad. Its import volume in 2014 and 2015 made up 61.94% and 68.72% of total volume of product procurement respectively. Price offer and payment for products are primarily denominated in US dollar currency while the products are almost entirely

for local distribution. In some cases, the Company is unable to promptly adjust product prices upward in line with the rising cost and is thus vulnerable to foreign exchange fluctuation, which will further affect its costs of products and gross profits.

Well aware of such impact, the Company has executed forward contracts with financial institutions to provide hedging against such risk. The contract value covers all existing foreign trade account payables at any specific period. As of December 31, 2015, the total value of forward contracts between the Company and financial institutions was in Thai Baht and US dollar, totaling Baht 17.38 million and USD 2.66 million, respectively. The Company has a policy to make forward contract during the period of foreign exchange volatility within the prescribed limit. In 2015, the Company began advance purchase of foreign currency totaling Baht 130.15 million, or 48.03% of its import volume. Furthermore, the Company managed its exchange rate risk by always keeping abreast of foreign exchange movement, resulting in only minimal risk exposure as can be seen from its exchange risk management outcome during 2013-2015 which recorded foreign exchange gains (loss) of Baht (1.88) million, Baht 0.62 million and Baht (0.55) million, respectively.



In addition, if foreign exchange rates change to the level that leads to sharp increase in its cost, the Company will revise its selling prices based on market conditions with prior notice thereof to its customers. The Company also keeps a stock of products to accommodate product distribution in advance. Therefore, foreign exchange volatility does not have any significant impact on the revenues and costs of the Company.

1.2 Risk from loss of distributorship status

The Company is a distributor of a wide range of valves and equipment for fire protection system, air-conditioning system and sanitary system under world-class brands. The top three brands with highest sales volume altogether made up about 43.10% of total sales in 2014 and 36.66% of total sales in 2015. The Company's sales may thus be affected if it loses its distributorship authorization from any of such major brands.

Having distributorship authorization is highly essential to the Company's business. There are two types of distribution authorization, i.e. with expiration and without expiration. However, for most of the brands distributed by the Company, it has not yet officially entered into distributorship contract with the brand owners. The Company is thus exposed to risk if its distributorship is revoked or its distributorship contract has been terminated under whatever circumstances, for example, trade partner entering joint venture with another company or trade partner discontinuing

business, etc. In whichever case, there may be negative impact on the Company's sales. Since 2004, the Company has lost two brands of which the Company had officially signed distributorship contract with the brand owners. This was because one brand owner decided to sell off its business and the other decided to carry out distribution of the brand itself.

However, in view of our experience in this business and longstanding relationship with brand owners, its distribution coverage of over 25 brands, good service quality, and good relationship with customers, as well as a large customer base of over 1,000 customers, the Company is confident that if it loses distribution authorization of any brand, it will be able to secure alternative brand to satisfy the market demand. The Company has also developed its house brands for some product items to mitigate risk of dependence on other brands.

In addition, throughout the past years, the Company has honored all trade terms and conditions as agreed upon and as trusted for being distributor of the respective brands. This can be witnessed from its continuously rising growth of sales. Coupled with its efficient distribution channels, a strong sales team and distributorship of brands that allows it to achieve ongoing growth of sales, the Company is confident that brand owners will continue to assign the Company as their distributor through the years ahead.



1.3 Risk from brand owners implementing marketing by themselves

If a foreign brand owner wishes to operate business in Thailand without dependence on the Company, the Company could risk losing its distribution authorization for any such brand and may otherwise have to compete with that brand owner.

Nonetheless, the Company believes that there is a slim chance for such risk to occur, considering that it is not worthwhile for the brand owner to make such investment and implement the marketing by itself. In the distribution of valves and equipment for fire protection system, air-conditioning system and sanitary system, the distributor must be able to offer a broad variety of products and comprehensive solutions to satisfy customers' requirements. Customers prefer convenience in ordering products from the distributor who has all products to completely serve their needs. Over the past years, some brand owners from abroad assigned their subsidiaries to directly operate on their behalf, but they failed, so they have switched back to the original distribution method through distributors.

1.4 Risk associated with product procurement and inventory management

The Company sells more than 3,000 product categories and therefore needs to properly control its inventories to fit with its current sales activities. It must have a stock of products available for selling or meeting customers' demand promptly and sufficiently. Failure to do so could result in a loss of sales or opportunity for subsequent sales. At the same time, some product items that have long been kept in stock could become obsolete and then incur extra stock cost.

The Company is aware of such risk and has accordingly devised product procurement

plan that matches its sales target. Both sales unit and procurement unit have jointly made product procurement and established procurement plan in advance. The procurement unit is responsible for fast and correct product procurement and close follow-up of suppliers to ensure punctual delivery to timely meet customers' demand.

For inventory management, the Company has proportionately allocated storage space for each type of products and assigned staff to systematically control the storage and disbursement thereof. It also employs a modern warehouse management system for stock control, accurately and rapidly recording details of products and check outstanding stock at any time. This allows the Company to satisfy each customer's needs in a timely manner and gain trust from its customers through accurate and punctual service. Furthermore, the Company conducts monthly cycle counting for inventory counting to prevent risk of inaccurate disbursement of products and build confidence among customers through its accurate inventory management.

1.5 Human Resource Risk involves the lack of manpower as well as the lack of competency to support the realization of our vision

The Company has reviewed its organization structure and required human resource plan. We have improved our recruiting effectiveness by enhancing the recruiting channels. In addition, we have identified human resource development plan according to our vision and mission as well as to constantly communicate among executives to ensure successors as needed. All along, we have stimulated our staff and management of the future goals and so they can accelerate self-development.



Shareholder structure

The Company has a registered and paid-up capital of Baht 175,000,000, divided into 350,000,000 ordinary shares with a par value of Baht 0.50 per share.

Major shareholders of the Company as of December 31, 2015 are as follows:

No.	Names of shareholders		No. of shares held	%
1	Mr. Wirat	Sukchai	86,392,790	24.68
2	Mrs. Sirima	Iamsakulrat	35,067,520	10.02
3	Mr. Jain	Charnnarong	33,970,700	9.71
4	Nice Noble Limited		33,020,000	9.43
5	Mr. Pramual	Chutikamoltham	13,144,700	3.76
6	Mrs. Noppharat	Sukchai	13,000,000	3.71
7	Mr. Pracha	Phromphornchai	10,950,574	3.13
8	Miss. Urairat	Harnthaweeapat	6,673,429	1.91
9	Mrs. Valeeratn	Chuerboonchai	6,003,127	1.72
10	Mr. Thammanoon	Tripetchr	4,926,580	1.41
11	Mr. Parkphum	Wongpaitoon	4,038,000	1.15
12	Mr. Arunai	Charnsiriviriyakul	3,831,000	1.10
13	Miss. Chonlatee	Pleakprachitt	3,538,984	1.01
14	Mr. Chaiwat	Taephaisitpong	3,380,000	0.97
15	Mr. Rattanaphan	Mukhariwattananon	3,299,101	0.94
16	Mrs. Leena	Rajitrattanaying	3,000,000	0.86
17	Mr. Wiroj	Tangsathapornpong	2,070,000	0.59



Table summarizing change in shareholding proportion of the Board of Directors and top executives of the Company as of December 31, 2015:

No.	Names of directors/executives		January 27, 2015	December 31, 2015	Increase (Decrease)
Board of Directors					
1	Mr. Wirat	Sukchai	86,190,000	86,392,790	202,790
2	Mrs. Valeeratn	Chuerboonchai	5,947,520	6,003,127	55,607
3	Mrs. Sirima	Iamsakulrat	35,067,520	35,067,520	-
4	Mr. Parkphum	Wongpaitoon	6,110,000	4,038,000	(2,072,000)
5	Mr. Thakol	Nunthirapakorn	-	-	-
6	Mr. Sothitorn	Mallikamas	-	-	-
7	Miss Voranuch	Supaibulpipat	-	-	-
Top Executives					
1	Mr. Pracha	Phromphornchai	10,900,000	10,950,574	50,574
2	Mr.Rattanaphan	Mukhariwatthananon	3,250,000	3,299,101	49,101
3	Mrs. Varinkan	Teraumranon	1,098,000	1,130,406	32,406
4.	Mr. Suchat	Suwatnodom	-	147,305	147,305

Shareholder structure by nationality

Shareholder structure as of December 31, 2015 which is the latest book closing date of the Company is as shown below:

	No. of share- holders	No. of shares held	%	Juristic person			Individual person		
				No. of share- holders	No. of shares held	%	No. of share- holders	No. of shares held	%
Thai shareholders	2,130	316,330,000	90.38	6	1,619,744	0.46	2,124	314,710,256	89.92
Foreign shareholders	2	33,670,000	9.62	1	33,020,000	9.43	1	650,000	0.19
Total	2,132	350,000,000	100.00	7	34,639,744	9.89	2,125	315,360,256	90.11



12 Dividend Policy

The Company has a policy of paying dividend at not less than 40% of net profit after income tax and reserves of all types as required by law and according to the separate financial statements. Dividend payment depends on the Company's cash flow, adequacy of working capital in business operation, investment plan, loan repayment, terms and conditions the agreements binding the Company, legal restrictions, and other circumstances as necessary and appropriate in the future.

The Board of Directors' resolution on dividend payment shall be subject to the approval of the shareholders' meeting, unless it is interim dividend which the Board of Directors shall have the authority to approve from time to time when it considers that the Company has sufficient profit to do so as appropriate. In such case, the interim dividend payment shall be submitted to the next shareholders' meeting for information.

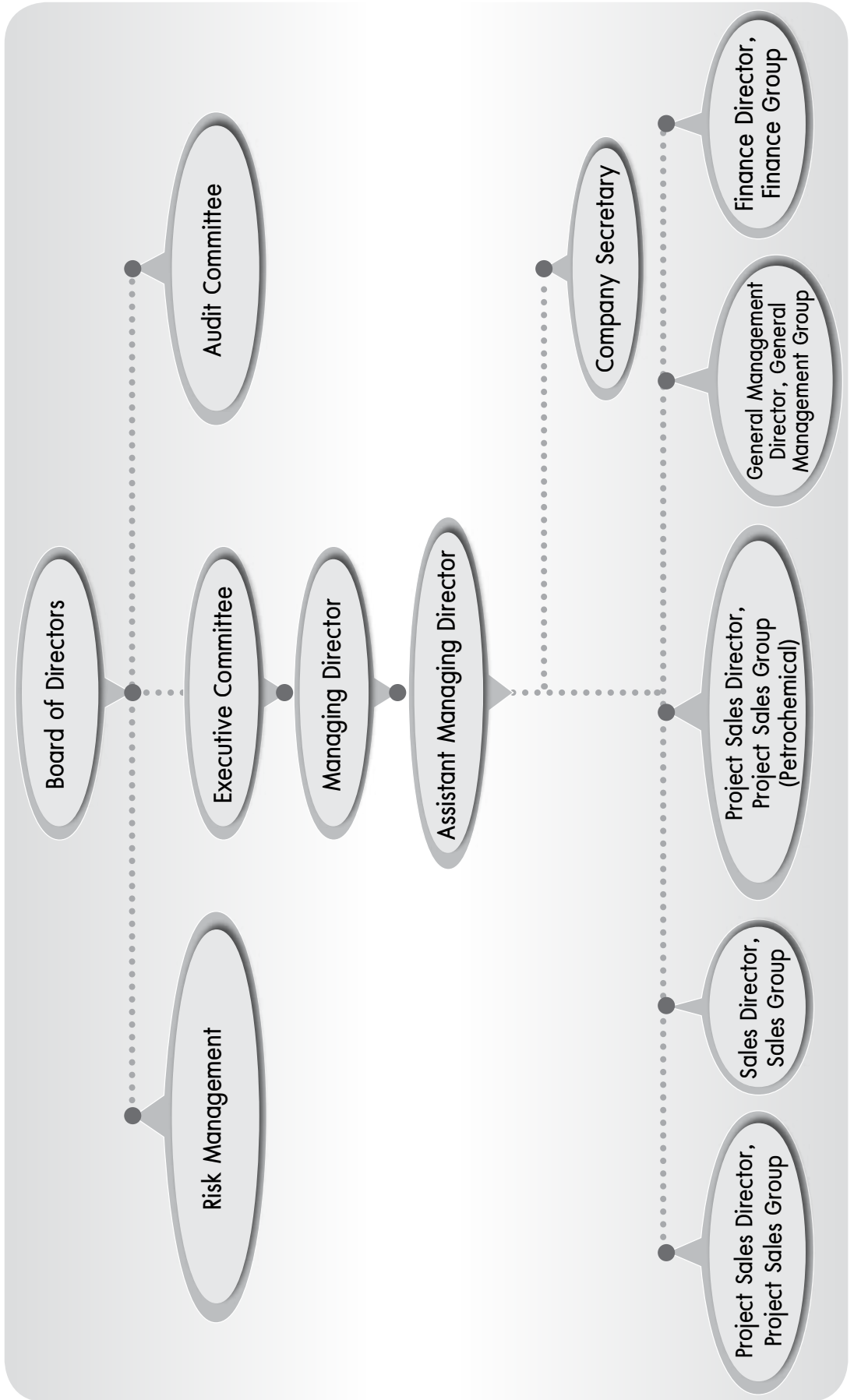
Dividend payment	2015	2014	2013
Interim dividend payment (Baht per share)	-	-	-
Annual dividend payment (Baht per share)	0.10	0.15	15.23
Stock dividend (Baht per share)	-	-	-
Earnings per share (Baht)	0.13	0.25	9.41
Dividend payout ratio (%)	76.92	60.00	161.85
Par Value (Baht per share)	0.50	0.50	10
Totaling ordinary shares (Share)	350,000,000	350,000,000	6,500,000

- Remark**
- The 2015 dividend payment of Baht 0.10 per share being submitted to approval at the 2016 Annual General Meeting of shareholders.
 - Individual ordinary shareholders may request a tax credit at rate of 20/80 of the dividend payment pursuant to the guidelines set forth in Section 47 bis of the Revenue Code.



Organization Chart

Organization Chart





1. Board of Directors

The Company's Board of Directors is currently composed of seven members as follows:

No.	Name	Position
1.	Mr. Thakol Nunthirapakorn	Chairman of the Board, Chairman of Audit Committee and Independent Director and
2.	Mr. Wirat Sukchai	Director, Member of Executive Committee and Managing Director
3.	Mrs. Sirima Iamsakulrat	Director and Chairman of Executive Committee
4.	Mrs. Valeeratn Chuerboonchai	Director, Member of Executive Committee and Assistant Managing Director
5.	Mr. Parkphum Wongpaitoon	Director
6.	Mr. Sothitorn Mallikamas	Independent Director and Member of Audit Committee
7.	Miss Voranuch Supaibulpipat	Independent Director and Member of Audit Committee

Miss Prawonwan Saipan is Secretary to the Board of Directors and Company Secretary.

The Company's Board of Directors shall have at least three Independent Directors representing no less than one-third of the total number of directors, and shall have at least three Audit Committee members. Each Independent Director and Audit Committee member must have qualifications that completely fulfill the requirements stipulated by the Notification of the Capital Market Supervisory Board No. Thor.Jor. 28/2551 regarding Application for and Approval of Offer for Sale of Newly Issued Shares (and the amendments).

Authorized Directors as the Company's Signatories

Two of the following four directors, namely Mr. Parkphum Wongpaitoon, Mr. Wirat Sukchai, Mrs. Sirima Iamsakulrat and Mrs. Valeeratn Chuerboonchai, shall jointly

sign on behalf of the Company with the Company seal affixed.

Term of Office of the Board of Directors

At every annual general meeting of shareholders, at least one-third of the total number of directors shall retire by rotation. In the event that the number of directors due to retire cannot be divided by three, the number nearest to one-third shall retire. In the first and the second year following the Company's registration, the retirement of directors from office shall be determined by ballot drawing. In the subsequent years, directors having served the longest shall retire. The retired directors may be re-elected.

Scope of Power, Duties and Responsibilities of the Board of Directors

The Board of Directors shall have the power, duties and responsibilities in directing the Company's business in accordance with



the laws, objectives and the Articles of Association of the Company, as well as rightful resolutions of the shareholders' meeting with honesty, integrity and prudence in the best interests of the Company, the salient points of which are as below:

1. Determine corporate vision, policies, strategies, targets, business plans, annual budget, management structure and delegation of authority, as well as corporate governance policy.

2. Monitor and supervise the performance of the management or any other persons assigned in compliance with the specified policies, plans and budget in an efficient and effective manner, and ensure that the Company's business management is in line with the corporate governance policy.

3. Have power to appoint Executive Committee, Managing Director and Subcommittees as deemed appropriate, and draw up the scope of power and duties of the Executive Committee, Managing Director and Subcommittees so appointed.

In this regard, the authority delegated under the specified scope of power and duties shall not be in the nature that will enable the Executive Committee, Managing Director and Subcommittees to consider and approve transactions which may have conflict of interest, beneficial interest or any other conflict of interest with the Company or subsidiaries (if any), unless the approval of such transactions is in line with the policy and criteria duly approved by the Board.

The Board's assignment of the Managing Director or any other person to perform duty

on behalf of the Board shall be conducted in writing or clearly recorded as a resolution of the Board meeting in the relevant meeting minutes, with the scope of power and duties of the authorized person clearly specified.

4. Evaluate on a regular basis the performance of the management, and oversee the remuneration payment mechanism for executives and employees to ensure appropriateness.

5. Put in place reliable accounting system, financial reporting and auditing process, and oversee documentation system to facilitate examination of information thereafter.

6. Arrange for the Company's preparation of financial statements that are accurate, exhibiting factual information of its financial status and operating results in the previous accounting period correctly and completely in conformity with the generally accepted accounting principles. The Company's financial statements as of the end of the accounting period must be audited by its auditor before submitting to the shareholders' meeting with report of the Board of Directors' responsibility for the financial reports presented together with report of the auditor in the Annual Report.

7. Ensure the Company has efficient and effective internal control and internal audit systems, comprehensive risk management system and process, effective reporting and monitoring procedure, complaint handling mechanism and actions in case of whistle blowing, and the Company's management process is in line with corporate governance policy.

8. Ensure a clear and transparent process is in place to manage transactions between



the Company and related persons to prevent conflict of interest, with correct and adequate disclosure of information and reports to the Board on a regular basis.

9. Ensure continuity in business operation, employee development plan and executive succession plan, and institute effective nomination and succession procedures of directors and senior executives.

10. Consider to approve and/or give opinion on connected transactions, acquisition or disposition of assets, investment and any other businesses of the Company and subsidiaries (if any) in accordance with the applicable laws, notifications, requirements, rules and regulations, unless it is prescribed by law to seek approval from the shareholders' meeting.

11. Safeguard and ensure benefits for major and minor shareholders on a fair and equitable basis, and make available to the shareholders and other stakeholders accurate operational highlight reports and financial reports as prescribed by laws. Directors shall, without delay, notify the Company of his beneficial interests in any of the contracts or agreements made with the Company or of increase or decrease in the shareholding in the Company or subsidiaries (if any). Directors with beneficial interest in any transactions made with the directors or persons who may have conflict of interest or beneficial interest or any other conflict of interests with the Company or subsidiaries shall not be entitled to vote on such transactions.

12. Have power to authorize one or more directors or any other persons to perform any duties on behalf of the Board, subject to the control and supervision by the Board, or to authorize such person to have power as considered appropriate by the Board and for a specified period of time as the Board may deem proper. Such power may be cancelled, revoked, changed or amended as the Board may see fit.

In this regard, such authorization shall not be in the nature that will enable such person to consider and approve transactions in which he or other person may have conflict of interest, beneficial interest or any other conflict of interest in other nature with the Company or subsidiaries (if any), unless the approval of such transactions is in the normal course of business and consistent with general trade conditions or the policy and criteria duly approved by the Board.

2. Supporting Committees

The Company has three supporting committees, comprising Audit Committee, Executive Committee, and Risk Management Committee to take charge of specific areas and report the matters to the Board of Directors for consideration or acknowledgement. These committees have the rights and duties as defined in the scope of power, duties, and responsibilities of each committee.

Details of the supporting committees as of December 31, 2015 are as follows:



2.1 Audit Committee

The Audit Committee is composed of three independent directors, all of whom have full qualifications as stipulated by the SEC and the SET and at least one whom has competence and experience in reviewing the reliability of the financial statements, as named below:

Name	Position
Mr. Thakol Nunthirapakorn	Chairman of Audit Committee
Mr. Sotthithorn Mallikamat	Audit Committee member
Miss Voranuch Supaibulpipat	Audit Committee member

Mr. Thakol Nunthirapakorn is the Committee members who have adequate competence and experience in reviewing the reliability of the financial statements. Miss Prawonwan Saipan is the secretary to the Audit Committee.

Audit Committee's term of office

The Audit Committee has a three-year term of office from the date of appointment. Committee members retiring by rotation may be re-appointed. In case of a vacancy in the Audit Committee for reasons other than retirement by rotation, the Board of Directors shall appoint a fully qualified person as a replacement so that the Committee has the required number of members as specified by the Board. The replacing member will be in office only for the remaining term of the member vacating office.

Scope of power, duties, and responsibilities of Audit Committee

1. Review the Company's financial reporting to ensure its accuracy and adequacy.
2. Review the Company's internal control and internal audit systems to ensure that they are appropriate and effective; consider the independence of the internal audit office; approve and be responsible for the internal audit; and consider the internal audit operational framework, annual internal audit plan and budget to ensure that they are consistent with the operational framework and sufficient to support works under the Audit Committee's responsibilities.
3. Review the Company's compliance with the Securities and Exchange Act, the SET's regulations and other laws relevant to the Company's business.
4. Consider, select, and propose the appointment of an independent party to perform the duties of the Company's auditor, and also propose the remuneration of that person, as well as attend the meetings with the auditor and internal auditor at least once a quarter.



5. Consider relevant transactions or those having possible conflict of interest to ensure that they are compliant with all pertinent laws and requirements of the SET, reasonable, and bring utmost benefit to the Company.

6. Prepare and disclose in the Company's Annual Report the Audit Committee's report signed by the Chairman of the Audit Committee and at least containing the following information:

- Opinion on the accuracy, completeness and reliability of the Company's financial report,

- Opinion on the adequacy of the Company's internal control system,

- Opinion on the compliance with the securities and exchange law, the stock exchange regulations, and the laws relevant to the Company's business,

- Opinion on the suitability of the auditor,

- Opinion on the transactions that may lead to conflicts of interests,

- Number of Audit Committee meetings and attendance of such meetings by each Committee member,

- Opinion or remarks in overall as derived from its performance of duties, and

- Any other reports that should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.

7. Perform any other act as assigned by the Company's Board of Directors and with the consent of the Audit Committee. In performing the assigned duties, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors is still responsible to outside parties regarding the Company's business operation.

8. In carrying out the Audit Committee's duties, if it has found or has any suspect that any of the following transactions or acts may have material impact on the Company's financial status and operational performance, the Audit Committee shall report them to the Board of Directors to seek a remedial action within a timeframe it may deem fit:

- transactions with conflicts of interests,

- fraud or irregularities or material deficiencies in the internal control system,

- breach of the securities and exchange law, the stock exchange regulations, and other laws relevant to the Company's business.

If the Board of Directors or its executives fail to arrange for rectification in due course as provided in paragraph 1, any member of the Audit Committee may report the transactions or acts in paragraph 1 to the Securities and Exchange Commission or the Stock Exchange of Thailand.



9. Summarize and submit the Audit Committee's mission to the Board of Directors for acknowledgement.

The Audit Committee has the power to take the following actions: inviting directors, employees, contract employees to attend the meeting to discuss, clarify or answer any question relating to the Committee's duties and responsibilities; discussing with the Company's expert or consultant (if any); or engaging a third-party consultant or specialist if necessary at the Company's expenses; requesting the Company's employees to submit necessary documents about the Company's operation for auditing or investigation for work accomplishment; assigning any employee or contract employee to within the scope of duties of the Committee for the audit purpose; and taking any action as specified above in relation to subsidiaries as assigned or requested by subsidiaries and as allowed by the scope of their authority and duties.

The Company does not have an internal audit work unit yet. It has thus hired Ultima Advisory Co., Ltd., an external audit agency that is not related to the Company, as its internal auditor to examine and ensure the adequacy and appropriateness of the Company's internal control system.

2.2 Executive Committee

The Board of Directors appoints the Executive Committee by selecting among directors, executives or senior employees, who are competent in managing day-to-day business operations; administering the Company; formulating policy, business plan, budget plan, and management structure; and inspecting and monitoring operating results of the Company in compliance with the policy determined by the Board.





The Executive Committee is composed of three members as follows:

Name		Position
Mrs. Sirima	Iamsakulrat	Chairperson of Executive Committee
Mr. Wirat	Sukchai	Executive Committee member
Mrs. Valeeratn	Chuerboonchai	Executive Committee member

Mrs. Varinkan Teraumranon is secretary to the Executive Committee.

Executive Committee's term of office

The Executive Committee has a three-year term of office from the date of appointment. Committee members retiring by rotation may be re-appointed. In case of a vacancy in the Executive Committee, the Board of Directors shall appoint a qualified person as a replacement.

Scope of power, duties, and responsibilities of Executive Committee

The Executive Committee has power, duties, and responsibilities in administering the Company's day-to-day business and operations in accordance with the Company's objectives, articles of association, policies, rules, provisions, orders, and resolutions of the Board of Directors' and the shareholders' meetings. The Executive Committee shall screen and map out policy, business plan, budget plan, management structure, administrative authority, and criteria in the business operation in line with the economic conditions and propose them to the Board of Directors for consideration and approval and/or consent, as well as inspect and monitor the

Company's operational performance in line with the policy set forth.

In summary, the scope of power, duties and responsibilities of the Executive Committee covers:

1. Propose policies, strategies, targets, operation plan, annual budget, business expansion plan, financial plan, and organizational and administrative structure; and examine and screen the proposals submitted by the management before proposing for the Board of Directors' approval.
2. Oversee the Company's business operation and follow up the results thereof to be in line with the policies, targets, operation plan, targets and budget approved by the Board of Directors or as assigned by the Board of Directors, as well as regularly report the operational performance to the Board meeting.
3. Consider and approve key capital expenditure as specified in the annual budget and assigned by the Board of Directors, or as approved in principle by the Board of Directors.



4. Consider and approve borrowing, acquisition of credit lines, or any credit facilities each in an amount not exceeding Baht 10 million and in a total amount not exceeding Baht 30 million. In case of using the Company's assets as collateral security, approval must be sought from the Board of Directors.

5. Consider and approve off-budget capital expenditure in an amount not exceeding Baht 10 million and approve expenditure in excess of annual budget by an amount not exceeding Baht 5 million. Such transactions, once approved, shall be informed to the Board of Directors.

6. Consider profit and loss of the Company and proposal for payment of an interim dividend or annual dividend before submission for the approval of the Board of Directors and the shareholders' meeting accordingly.

7. Formulate a human resource management policy, and select and appoint persons with suitable qualifications to hold managerial positions from the general manager level upward, with the exception of the position of managing director, as well as transfer, terminate employment, determine remuneration including bonuses and other benefits commensurate to the duties of such managerial positions.

8. Have the power to authorize any person or persons to perform any act under the control of the Executive Committee, or for that

person to have power as considered proper by the Executive Committee within the specified timeframe. The Executive Committee may cancel, revoke, withdraw, change or correct the authorized person as appropriate.

The Executive Committee's authorization as such must not be made in a manner of authorization or sub-authorization that enables the authorized person to approve the transaction in which such authorized person or person with possible conflict of interest (as defined in the Notification of the Capital Market Supervisory Board and/or the SET, and/or other relevant agencies) has beneficial interests or may have any other conflict of interest with the Company or its subsidiaries and/or associated companies. The Executive Committee has no power to approve the proceeding of such transaction, and has to propose it to the Board of Directors meeting and/or the shareholders' meeting (as the case may be) for approval, unless it is the approval of a transaction in the normal course of business operation and under normal commercial terms pursuant to the Notification of the Capital Market Supervisory Board and/or the SET, and/or other relevant agencies.

9. Perform any other duties as assigned by the Board of Directors on a case by case basis.



2.3 Risk Management Committee

The Company's Risk Management Committee is composed of 13 members as follows:

Name		Position
1. Mr. Wirat	Sukchai	Risk Management Chairman
2. Mrs. Valeeratn	Chuerboonchai	Member of Risk Management Committee
3. Mr. Pracha	Phromphornchai	Member of Risk Management Committee
4. Mr. Rattanaphan	Mukhariwattananon	Member of Risk Management Committee
5. Miss Urairat	Harnthaweeapat	Member of Risk Management Committee
6. Miss Chonlatee	Plaekprachitt	Member of Risk Management Committee
7. Miss Siriporn	Sasadeedet	Member of Risk Management Committee
8. Mrs. Suntaree	Ketprayoon	Member of Risk Management Committee
9. Mr. Nonthapat	Photee	Member of Risk Management Committee
10. Mr. Jamnong	Sala	Member of Risk Management Committee
11. Mrs. Nonglak	Yuttakosa	Member of Risk Management Committee
12. Mr. Suwan	Ngernying	Member of Risk Management Committee
13. Mrs. Varinkan	Teraumranon	Member of Risk Management Committee and Secretary to Risk Management Committee

Mrs. Varinkan Teraumranon is secretary to the Risk Management Committee.

Risk Management Committee's term of Office

The Risk Management Committee consists of executives from various work units. In case any Committee member resigns during the term of office, Chairman of the Risk Management Committee shall appoint a new member to replace the vacating member and report the same to the upcoming Board of Directors' meeting.

Scope of Power, Duties and Responsibilities of Risk Management Committee

1. Consider and screen the overall risk management policy and guidelines of the Company which shall encompass major risk categories, i.e. financial risk, investment risk and reputational risk of the Company, etc. to be presented to the Board meeting for approval.



2. Put in place risk management strategies and guidelines in line with the determined risk management policy to assess, monitor and control risk to be at appropriate level.

3. Oversee and monitor implementation of the risk management policy under the direction and guidelines approved by the Board.

4. Set risk measurement criteria and risk limit.

5. Determine appropriate measures to manage risks in alignment with the circumstances.

6. Review adequacy of the overall risk management policy and system, and the effectiveness of the system and compliance with the policy in place.

7. Report to the Board on a quarterly basis risk management, implementation and risk status of the Company as well as changes and remedy and improvement actions to comply with the policy and strategy set forth.

8. Appoint Risk Management Working Committee as deemed necessary.

9. Support Risk Management Working Committee in respect of manpower, budget and other resources required in line with the defined scope of responsibilities.



3. Nomination of Directors and Top Executive

The Company has no Nomination and Remuneration Committee to select and nominate qualified candidates to assume the positions of directors and executives. However, it has a procedure in place to nominate directors or executives in that major shareholders and/or representatives thereof, competent officers in the relevant function lines, directors, and independent directors jointly consider and nominate qualified, potential and experienced candidates, with due regards to skills and experience considered necessary for the Company's business operation, as follows:

3.1 Board of Directors

1. Director shall have knowledge, competency and experience beneficial to the business operation; have integrity and business ethics in running business; and dedicate sufficient time to full contribution of his skills and knowledge to the performance of his duties.



2. Director shall have full qualifications and possess no prohibited characteristics pursuant to the Public Limited Companies Act, and the securities and exchange law, as well as have no sign of inappropriateness for being entrusted to manage the business of the public company as specified by the Securities and Exchange Commission ("SEC"). The director shall also be in the director and executive list of the securities-issuing company in accordance with the Notification of the Capital Market Supervisory Board regarding the criteria for recording of the name list of directors and executives of securities-issuing company.

3. Director may not conduct any business of the same nature as and in competition with the Company's business, and not be a partner or director of any juristic entity of the same nature as and in competition with the Company's business, whether for own benefits or for those of others, unless the shareholders' meeting is informed thereof before the resolution to appoint such director is made.

4. Director shall, without delay, inform the Company of his interests, either directly or indirectly, in any legal agreements executed by the Company, or of the increase or decrease in his holding of shares or debentures of the Company or affiliated companies.

Selection and nomination of directors shall conform to the procedure specified in the Company's articles of association. The appointment of such directors shall be subject to the approval of the shareholders' meeting with majority votes of the shareholders attending the meeting and having the right to vote. The resolution of the meeting shall be based

on the majority of the shareholders attending the meeting and having the right to vote.

1. The shareholders' meeting shall elect Board of Directors, being composed of at least five members, to take charge of administering the overall business of the Company and performing duties within the scope prescribed by law, the Company objectives, Articles of Association and resolutions of the shareholders' meeting, as well as conducting any acts stipulated in the Memorandum of Association or other relevant acts. Directors may or may not be shareholders of the Company.

2. At least half of the total number of directors shall have domicile in the Kingdom of Thailand. All directors shall have full requisite qualifications and have no prohibited characteristics as prescribed by law.

3. The shareholders' meeting shall elect the directors in accordance with the following criteria and procedure:

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

(2) Each shareholder shall cast all the votes he has to elect one or several directors. In case of electing several directors, each shareholder may not divide his votes and allocate them to all such candidates in portions.

(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 until the required number of directors to be elected is met. Where the votes cast for candidates in descending order are tied, the chairman of the meeting shall have a casting vote.



4. At every annual ordinary general meeting of shareholders, one-third (1/3) of the total number of the directors of the Company shall retire by rotation. If the number of directors cannot be equally divided into three, the number of directors closest to one-third (1/3) shall retire.

Directors to vacate office in the first year and the second year after the Company registration shall be decided by drawing lots. For the years thereafter, the directors having been in office the longest shall retire. The vacating directors may be re-elected.

5. Any director wishing to resign from his office shall submit his resignation letter to the Company. Such resignation shall take effect from the date when the resignation letter reaches the Company.

The director resigning pursuant to the above paragraph may also inform the Share Registrar of his resignation.

6. In case any vacancy occurs in the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall elect a person who has the required qualifications and has no prohibited characteristics under the public limited companies law or the securities and exchange law as a replacement at its upcoming meeting, unless the remaining duration of the vacating director's term of office is less than two months. The replacing director shall hold office only for the remaining term of office of the director whom he has replaced.

The resolution of the Board of Directors under the first paragraph shall be supported by the votes of at least three-fourths of the number of the remaining directors.

7. In case the entire Board of Directors vacate office, all the vacating directors shall remain in office temporarily to carry on the business only for a period of time as deemed necessary until the new Board of Directors take office, unless otherwise ordered by the court in the event of directors vacating office at the order of the court.

The vacating directors shall arrange a shareholders' meeting to elect a new Board of Directors within one month from the date of vacating office. They shall send a meeting notice to the shareholders at least 14 days prior to the meeting and publicize the notice in a newspaper at least three days prior to the meeting date for three consecutive days.

8. The shareholders' meeting may resolve for any director to vacate office before the retirement by rotation with the votes of at least three-fourths of the number of the shareholders attending the meeting and having the right to vote.

9. The Company has invited minority shareholders to nominate candidates who have the qualifications as prescribed in the Securities and Exchange Act and as specified by the Company, to be considered for election of directors of the Company by posting on its website 90 days prior to the shareholders' meeting date through which the shareholders may propose the names and profiles of such candidates to the Company. Based on the Company's criteria, the shareholders eligible to nominate candidates shall hold shares in an aggregate amount of not less than five percent of the total voting shares of the Company.



3.2 Independent Directors

The Company has defined the composition of the Board of Directors to include independent directors at least one-third of the total number of directors, or at least three independent directors.

The criteria for selecting and nominating independent directors are based on those for the nomination of directors. An independent director shall have the required qualifications and no prohibited characteristics, just as in the case of a director pursuant to the Public Limited Companies Act, and the securities and exchange law, as well as other relevant notifications, stipulations and/or regulations. He shall have capabilities, specialized expertise, work experience and other required qualifications. Nominations of qualified candidates shall be submitted to the shareholders' meeting for election and appointment as directors. In case of any independent director vacating office before the end of the office term, the Board of Directors may appoint a new independent director with the required qualifications as a replacement. The replacing independent director shall hold office only for the remaining term of office of the independent director whom he has replaced.

Qualifications of an independent director shall be as follows:

1. Holding not more than 1% of the total shares with voting rights of the Company, or its principal company, subsidiary company, associated company, major shareholder, or controlling person of the Company, which shall be inclusive of the shares held by any related person thereof;

2. Neither being nor having been an executive director, an employee, a staff member, an adviser who receives a regular salary, or

a controlling person of the Company, or its subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Company unless the foregoing status has ended for no less than 2 years before the independent director assumes the post of Audit Committee member;

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

4. Neither holding nor having held a business relationship with the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgement; and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as an Audit Committee member;

5. Neither being nor having been an auditor of the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person; and not being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, principal company, subsidiary company, associated



company, major shareholder or controlling person unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as an Audit Committee member;

6. Neither being nor having been any professional service provider including legal adviser or financial adviser who receives an annual service fee exceeding Baht 2 million from the Company, or its principal company, subsidiary company, associated company, major shareholder or controlling person; and not being a substantial shareholder, controlling person or partner of the professional service provider, unless the foregoing relationship has ended for no less than 2 years before the independent director is appointed as Audit Committee member;

7. Not being a director who has been appointed as a representative of a director of the Company, major shareholder, or shareholder related to the major shareholder of the Company;

8. Not undertaking any business the nature of which is the same as that of the Company or subsidiary company and which, in any material respect, is competitive with the business of the Company or subsidiary company or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1% of the total shares with voting rights of a company undertaking any business the nature of which is the same as that of the Company or subsidiary company;

9. Not having any characteristics that prohibit the expression of independent opinion towards the Company's business undertakings.

In this regard, the independent directors shall examine and certify their qualifications and independence at least once a year by presenting together with profile of directors as of year-end for preparation of the Annual Disclosure Statement (Form 56-1) and Annual Report.

3.3 Audit Committee Members

The Board of Directors or the shareholders' meeting (as the case may be) has appointed the Audit Committee composed of at least three members to perform duties in this specific area. Each Committee member shall be an independent director and shall not be assigned by the Board to make decision on the business operation of the Company, its principal company, subsidiary company, associated company, subsidiary company at the same level, major shareholders, or the person with controlling power of the company, and not be director of the principal company, subsidiary company, or subsidiary company at the same level that is a listed company. The Audit Committee members shall have the same duties as those prescribed in the Notification of the Stock Exchange of Thailand regarding qualifications and scope of work of Audit Committee.

In this regard, at least one Audit Committee member shall be a person with sufficient knowledge and experience to perform duty of reviewing the reliability of the financial statements.



3.4 Executive Committee Members

The Board of Directors has appointed the Executive Committee composed of members selected from directors, executives or high level employees of the Company, who can be entrusted to administer its normal business operation, handle managerial tasks, draw up the policy, business plan, budget, and management structure, and examine and monitor the operating results of the Company in line with the policy set forth by the Board of Directors.

3.5 Top Executives

The Company has a policy to recruit top executives by selecting from qualified persons with dependable skills, knowledge, and experience in this business area, in accordance with the Company's human resource management regulations and subject to approval by the Board of Directors or person authorized thereby.

The Board of Directors has selected and recruited a qualified candidate to take office as Managing Director. Appointment of the Managing Director shall be subject to approval by the Board of Directors. The Managing Director is authorized to recruit and employ qualified individuals with required skills, knowledge, and experience in this business area to take office in various positions, except for the positions of General Managers and higher (excluding Managing Director), selection and recruitment of whom shall be decided by the Executive Committee.

Appointment of head or executive in charge of internal control and audit shall be subject to prior approval by the Audit Committee.

4. Management and Company Secretary

The Company's management is composed of six members as follows:

No.	Name		Position
1.	Mr. Wirat	Sukchai	Managing Director
2.	Mrs. Valeeratn	Chuerboonchai	Assistant Managing Director and Acting Finance Director
3.	Mr. Rattanaphan	Mukhariwattananon	Sales Director (Sales Group)
4.	Mr. Pracha	Phromphornchai	Project Sales Director (Project Sales Group)
5.	Mrs. Varinkan	Teraumranon	General Management Director (General Management Group)
6.	Mr. Suchat	Suwatnodom	Project Sales Director (Petrochemical)



Scope of Power, Duties and Responsibilities of Managing Director

Managing Director shall have the power, duties and responsibilities in managing the business of the Company as well as concerned matters and business as assigned by the Board of Directors as follows:

1. Oversee the management of overall operations and approval of matters concerning business operation and/or day-to-day administration of the Company to ensure the best interests of the Company and consistency with the objectives, regulations, rules, orders, resolutions of the Board meeting and annual general meeting of shareholders under applicable laws and the scope of power and responsibilities as assigned by the Board.

2. Work out policies, strategies, targets, business plan and annual budget plan, as well as management structure and delegation of authority within the organization for submission to the Executive Committee for endorsement before seeking approval from the Board.

3. Ensure that the operation or administration of the organization is in line with the approved policies, strategies, targets, business plan and budget plan.

4. Monitor, inspect, control and report overall operating results of the Company to the Board on a quarterly basis.

5. Ensure personnel of all work units carry out efficient and effective operation, pursue ongoing organizational and personnel development, and maintain good image of the Company.

6. Have power to appoint, transfer, promote, suspend from work, terminate employment, determine salary or other compensation and gratuity, including determining wage/salary increment and bonus for employees. However, any matters concerning employees in the management level shall be subject to prior consent from the Executive Committee.

7. Have power to issue, amend, add, improve or revoke orders, rules, memorandum or regulations concerning work procedure to ensure compliance with the policy in the best interests of the Company, and maintain work discipline within the organization.

8. Have power to approve investments and expenses in the Company's business operation or any other relevant expenses within the limit set by the Board, comprising approval of acquisition of fixed assets without amount limit, approval of entering into engagement/rent/lease contract of fixed assets without amount limit, etc.

9. Have power to approve payments under contract or agreement as per the approved budget or as approved by the Board meeting or shareholders' meeting without amount limit.

10. Have power to approve procurement, executing contract, and conduct of normal business transactions within the approved budget and without amount limit.

11. Perform any other duties as assigned by the Board and/or the Audit Committee.

12. Have power to authorize any other person to perform duties on his behalf, and be responsible for any act performed by the authorized person.



In this regard, the power of the Managing Director and that of the person authorized by him as deemed appropriate shall exclude the power or granting of power which will permit the Managing Director or the authorized person to approve transactions which he or related person may have conflict of interest (as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies), beneficial interest or any other interest with the Company or subsidiaries and/or associated companies. The Managing Director shall have no power to approve such transactions which are subject to the consideration and approval by the Board meeting and/or the shareholders' meeting (as the case may be) in compliance with the Articles of Association of the Company or applicable laws, unless the approval of such transaction is in the normal course of business with the general trade conditions in line with the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

Company Secretary

The Board meeting no. 2/2014 on April 28, 2014 resolved to approve the appointment of Miss Prawonwan Saipan as the Company Secretary in line with the requirements of the Securities and Exchange Act B.E. 2535 (1992) (and the amendments) and to perform duties and responsibilities as follows:

1. Oversee and give preliminary advice to the Board and the executives on the rules, regulations and laws of which the Board and the management must be aware.

2. Supervise the Board activities and be in charge of arranging the Board meeting and the shareholders' meeting, keep record of minutes of the Board meeting and the shareholders' meeting, and coordinate with relevant parties to effect and follow up implementation in accordance with the resolutions of such meetings.

3. Prepare and safekeep important documents of the Company including:

3.1 Board register

3.2 Invitation notice to the Board meeting, minutes of the Board meeting and the Annual Reports of the Company

3.3 Invitation notice to the shareholders' meeting and minutes of the shareholders' meeting

4. Safekeep reports on beneficial interests of directors and executives (referring to directors and executives who are duty-bound to report to the Company their beneficial interests and those of related persons).

5. Perform any other tasks and responsibilities prescribed by the Notification of the Capital Market Supervisory Board.

Miss Prawonwan Saipan had undergone training in Company Secretary Program (CSP), Class 50/2013 in 2013 and Effective Minutes Taking (EMT), Class 25/2013 in 2013.



The Company has mapped out qualifications of Company Secretary as regards age, education, foreign language proficiency, communication skills, interpersonal skills, interpersonal skills, capability in coordinating with internal and external parties, and public relations and enhancement of the Company's good image among external parties. In the event that the Company Secretary vacates office or is unable to perform duty, the Board shall appoint the new Company Secretary within 90 days from the date on which the existing Company Secretary vacates office or can no longer perform duty, and during the lapse of which, the Board shall assign any one of the directors to perform Company Secretary duty as per the Securities and Exchange Act B.E. 2535 (1992) (and the amendments).

5. Remuneration for Directors and Top Executives

5.1 Monetary Remuneration

(a) Directors

The 2015 Annual General Meeting of Shareholders held on April 24, 2015 resolved to approve payment of remuneration for Board members and Audit Committee members as below:

Position	Remuneration (Baht/time)
Chairman of the Board	15,000
Director	10,000
Chairman of Audit Committee	15,000
Audit Committee member	10,000

Note : Conditions pertaining to payment of remuneration:





1. Directors entitled to remuneration include only non-employee directors and Audit Committee members.

2. Since many directors hold positions in more than one specific Committee, no remuneration shall be allocated for Executive Committee and Risk Management Committee members.

3. Board and specific Committee members are entitled to remuneration in form of gratuity, meeting allowance, bonus or benefits of other nature in accordance with the Articles of Association or as resolved by the shareholders' meeting. The amount may either be set in a definite amount or specified as criteria to be set from time to time or fixed until there are changes. Moreover, they are also entitled to other allowances and benefits according to the regulations of the Company under condition that no impacts shall be posed on rights of employees and contract employees appointed as directors or Committee members to receive remuneration and benefits in the capacity of employees or contract employees of the Company. In addition, such remuneration payment must not contradict the criteria of maintaining the qualifications of

Independent Directors prescribed by the securities and exchange law.

4. The Board shall decide on when payment of annual director remuneration is to be made, as well as details and conditions of such payment. For example, payment of remuneration shall be made only to directors remaining in office. However, for directors who have recently been appointed and have yet completed a full year in office, payment of remuneration shall be in proportion to the period he has been in office.

The Extraordinary General Meeting of Shareholders also resolved to approve payment of bonus for 2014 to the Board of Directors in a total amount of not exceeding Baht 2 million.

Moreover, the 2015 Annual General Meeting of Shareholders held on April 24, 2015 resolved to approve payment of annual bonus to Board members and supporting committee members at the rate of 15 percent of incremental net profit above the past highest net profit recorded in the past years. However, in 2015, the Company's net profit decreased, hence no such bonus payment to the Board and committee members in this year.



Meeting allowance payment to each director was as tabulated below:

Name	Position	Meeting Allowance (Baht)			
		2015		2014	
		Board of Directors	Audit Committee	Board of Directors*	Audit Committee
Mr. Thakol Nunthirapakorn	Chairman** / Audit Committee Chairman	50,000	60,000	60,000	70,000
Mr. Wirat Sukchai	Director	-	-	-	-
Mrs. Sirima Iamsakulrat	Director	40,000	-	60,000	-
Mrs. Valeeratn Chuerboonchai	Director	-	-	-	-
Mr. Parkphum Wongpaitoon	Director	50,000	-	85,000	-
Mr. Sothitorn Mallikamas	Audit Committee	40,000	40,000	60,000	50,000
Miss Voranuch Supaibulpipat	Audit Committee	40,000	40,000	60,000	50,000
รวม		220,000	140,000	325,000	170,000

Notes : * On April 9, 2015 the Company paid bonus for fiscal year 2014 to all directors at Baht 216,447 each, totaling Baht 1,515,129.

** The Company's Board of Directors at its meeting no. 2/2015 on May 15, 2015 resolved to appoint Mr. Thakol Nunthirapakorn as Chairman of the Board of Directors to replace Mr. Parkphum Wongpaitoon, effective from June 1, 2015. However, Mr. Parkphum Wongpaitoon's directorship remains in effect to date

(b) Top executives

In 2014, and 2015, remuneration payment to top executives was as follows:

Remuneration	2015		2014	
	No. of executives	Remuneration (Baht)	No. of executives	Remuneration (Baht)
Salary, bonus and other benefits such as social security fund, provident fund, EJP and post-employment benefits	2	7,377,484	2	8,576,614

5.2 Other Remuneration

- None -



6. Manpower

6.1 Number of Personnel

As of December 31, 2014 and December 31, 2015, the Company has a total of 103 and 112 employees (excluding executives) respectively, categorized by function line as follows:

Operational Line	Number of Employees (persons)	
	As of 31 December 2015	As of 31 December 2014
Project Sales Division	32	23
Air Conditioning Valve & Fire Protection Equipment Sales Division	27	26
Project Sales (Petrochemical) Division	3	-
Accounting & Finance Division	16	13
ICT Division	4	6
Purchasing Department	6	7
Logistics Department	11	10
Quality Management Department	4	6
Human Resource Department	2	6
Office Administration Department	7	6
Total	112	103

6.2 Employee Compensation

The Company's employees will receive remuneration in both monetary and non-monetary forms. Monetary remuneration includes salary, bonus, overtime pay, brokerage fee, incentives and rewards, as well as other monetary benefits.

Non-monetary compensation includes provident fund managed by an authorized asset management company to be compliant with the provisions of Provident Fund Act B.E. 2542 (1999) with employee savings rate to go up in line with the increasing years of service of the respective employee. The Company also allows the employees to select or change their



investment policy as considered proper for them with acceptable risk level. The employee choice can be made twice a year. Group life and health insurance is taken out by the Company to insure the employees, with coverage amount varied to job position and level of risk associated with nature of job performance. Moreover, the Employee Joint Investment Program (EJIP) has been established to provide the employees with an opportunity to jointly invest in and own the Company, which will be regarded as savings for the employees' long-term financial security. The Company also offers scholarships of both undergraduate and graduate levels, and financial support for in-house and external training programs and seminars.

Monetary and non-monetary employee compensation to the employees totaled Baht 58.76 million in 2015, compared with Baht 47.34 million in 2014.

6.3 Major Labor Dispute in the Past 3 Years

- None -

6.4 Employee Development Policy

The Company has a policy to regularly develop its employees at all levels to enhance competency, knowledge and capabilities to improve performance outcomes and strengthen the organization to be well equipped in facing business competition. Employees are allowed to self-improve and fully demonstrate their skills for maximum benefits. At FIRE, we encourage employees to learn more through education and training programs to enhance their knowledge, competency and experience to correspond with the direction of organization growth. We offer both in-house and external training courses and programs annually to enhance the skills within the scope of responsibilities of employees at all levels. We also place importance on following up and evaluating the knowledge gained by the employees from those programs, including their ability to apply such knowledge to their work and transfer what they learn to their team members and relevant work units.



C¹⁴ CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE POLICY

Fire Victor Public Company Limited strongly believes that deliberate, fair, transparent, and examinable business operation is the key to create trust among investors and all stakeholders as well as contributing to sustainable growth of our business.

The Board of Directors attaches great significance to the corporate governance policy and implementation of the principle of corporate governance, which has been inscribed in the Company's mission. The Company has established the corporate governance policy to boost its operational standard and promoted corporate governance practices among staff at all levels in order to create corporate governance culture. It has adopted Principles of Good Corporate Governance for Listed Companies 2012 mapped out by the Stock Exchange of Thailand (SET) and the regulations of the Securities and Exchange Commission (SEC) for use as common guidelines of practices across the organization. The Company has accordingly posted its corporate governance policy, consisting of five main chapters, on its website www.firevictor.co.th under the title "Corporate Governance" to provide information for those interested. Details of the Company's corporate governance policy are as follows:

Chapter 1 The Rights of Shareholders

The Company is well aware of and respects the basic rights of shareholders, both as investors and owners of the Company. These rights include the rights to purchase, sell or transfer the securities they hold; to receive profit sharing from the Company; to adequately access information of the Company; to attend the shareholders' meeting; to express opinions; and to make decision on important issues, e.g. dividend payment, appointment or removal of directors, appointment of auditor, approval of significant transactions having impact on the Company's business direction, and amendment of the Company's memorandum and articles of association, etc.

Apart from the above basic rights, the Company has undertaken efforts to encourage and facilitate the shareholders' exercise of their rights as follows:

(1) Holding of the shareholders' meeting

The Company organizes the annual general meeting of shareholders every year within four months from the date ending the Company's fiscal year. However, in an urgent case where a special session is needed to consider and approve matters affecting or



involving the interests of the shareholders, and thus requiring the shareholders' approval, the Board of Directors may call an extraordinary general meeting on a case by case basis. In 2015, the Company organized the 2015 Annual General Meeting of Shareholders on Friday, 24 April 2015 at 14.00 hrs. at Taratthep Hall, Taratthep Hall Building, 1st Floor, Chaophya Park Hotel, Bangkok, No. 247 Ratchadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. There were 75 shareholders who attended the meeting, 44 of whom in person and 31 by proxy, holding a total of 247,552,587 shares, which represented 70.7293% of the total issued shares of the Company. The meeting was held in conformity with the guidelines of the AGM Checklist issued by the Thai Investors Association to ensure the meeting standard in compliance with corporate governance principles as follows:

1.1 The Company has a policy to support and encourage all shareholders, including institutional shareholders, to attend the shareholders' meeting. The Company will prepare and send to the shareholders an invitation notice indicating the venue, date, time, agenda items, supporting information of the agenda items, as well as the opinion of the Board of Directors on each agenda item indicated in the invitation notice, or in the supporting documents so enclosed.

1.2 The Company sent the invitation notice for the 2015 Annual General Meeting of Shareholders along with supporting documents of the agenda items to the shareholders by post at least seven days prior to the meeting as required by law (Civil and Commercial Code Amendment Act (No. 18) B.E. 2551, Section 1175). The Company also posted the notice in both Thai and English on its website, and so notified to the SET through SET information system, at least 30 days prior to the meeting, so that all shareholders had easy and timely access to the information, hence adequate time to study and consider the information needed in their decision-making. Moreover, the Company publicized the invitation notice in Kao Hoon newspaper for three consecutive days at least seven days prior to the meeting for the shareholders' acknowledgement and preparation for the meeting.

1.3 The Company allowed the shareholders to provide their opinions, suggestions, and questions prior to the meeting under clear criteria set by the Company and notified to the shareholders along with the meeting notice, as well as posted on the Company's website.

1.4 In case the shareholders were unable to attend the meeting, the Company allowed them to assign the Company's designated independent directors or any other persons to attend the meeting on their behalf, by using either one of the proxy forms sent



along with the invitation notice in which at least one independent director was proposed as an option for proxy assignment by the shareholders.

(2) Proceeding on the shareholders' meeting date

2.1 The Company fully facilitated the shareholders' attendance of the meeting and exercise of their voting rights. The meeting venue was arranged to be easily accessible by the shareholders. The shareholders had the opportunity to register their attendance one hour before the meeting began. Also, during the meeting, they were able to register their attendance without losing their rights. The Company assigned its staff to provide assistance and information during the verification of documents and the registration process, with refreshments served to all the shareholders attending the meeting.

2.2 The Company used a barcode system containing each shareholder's reference number in the registration form for the registration and vote casting process to ensure accuracy, convenience and promptness thereof.

2.3 The Company provided voting cards separately for each agenda item to facilitate the vote casting and counting process. Upon the completion of the vote casting, the votes so casted were counted in combination with those indicated in the proxy forms. The results of the vote count were announced right during the meeting.

2.4 The Company conducted no act in a manner that would limit the shareholders' right to attend the meeting. All the shareholders had the right to attend the meeting any time during the meeting, and were allowed to freely raise questions and give comments or opinions.

2.5 The Board and top management members, and the auditor, as well as the independent legal advisor, attended the meeting. Before the meeting started, the chairman of the meeting asked Miss Pawonwan Saipan, the Company Secretary, to explain the meeting procedures, such as opening of the meeting, voting, and counting of votes casted by the shareholders on each agenda item in accordance with the Company's articles of association.

2.6 The Company would declare the beneficial interests of the directors in the invitation notice. At the meeting, directors with beneficial interests or involvement in any agenda item would be notified by the chairman of the meeting to the attendees before considering that agenda item. Directors with beneficial interests in any agenda item would not be entitled to be present at the meeting during consideration of that agenda item.

2.7 The Company invited volunteers from the shareholders present at the meeting to witness the vote counting to ensure transparency in the voting process, and allowed the shareholders to enquire about the voting process and method.



2.8 The Company encouraged the shareholders to exercise their rights for protection of their interests by asking questions, giving opinions and suggestions, and casting their votes on important matters that may have impact on the Company, such as appointment or removal of directors, nomination of qualified persons to be independent directors, approval of the auditor, dividend payment, capital decrease or increase, imposition or amendment of articles and memorandum of association, approval of special transactions, and so forth.

(3) Proceeding after the shareholders' meeting date

3.1 The Company disclosed the meeting resolutions together with voting results on the following working day after the meeting as a newsletter to the SET via the SET's electronic listed company information disclosure (ELCID) system and also by posting on the Company's website.

3.2 The Company prepared and submitted the minutes of the shareholders' meeting to the SET within 14 days from the meeting date in accordance with the SET's regulation, and posted detailed and complete information of the meeting in conformity with the corporate governance principles comprising the meeting minutes with details of questions raised by the shareholders on each agenda item on its website (www.firevictor.co.th).

The Company has earned a score of 84.75 points according to the evaluation of the quality of annual general meetings of shareholders (AGM checklist) of listed com-

panies for 2014 carried out by the Thai Investors Association. The Company will bring into consideration the shareholders' opinions and suggestions in the quality evaluation and keep up its efforts to improve its annual general meeting of shareholders accordingly.

Chapter 2 The Equitable Treatment of Shareholders

The Company has in place a policy of treating all shareholders on an equitable basis, regardless of whether they are major or minor shareholders, or they are executive or non-executive shareholders. The Company has drawn up guidelines on the equitable treatment of shareholders as follows:

1. Provision of information before the shareholders' meeting

1.1 The Company notifies the SET of the meeting schedule, and agenda items together with the Board's opinions, which will also be posted on the Company's website at least 28 days prior to the shareholders' meeting.

1.2 Before the beginning of each meeting, the Company Secretary will explain to the shareholders the meeting rules and regulations applicable to the meeting, and vote casting and counting procedures for the agenda items.

2. Protection of minority shareholders' rights

2.1 The Company has prescribed clear criteria regarding proposal of agenda items by minority shareholders prior to the shareholders' meeting date to ensure fairness and transparency in considering whether the agenda items proposed by them should be included in the meeting agenda.



Qualifications of the shareholders who are eligible to propose agenda items for the meeting are as stipulated in Section 89/28 of the Securities and Exchange Act stating that one or several shareholders who hold shares and have the right to vote in an aggregate amount of not less than five percent of the total number of the voting rights of the Company; and hold shares consecutively for not less than 12 months from the date of acquisition until the date of proposing the agenda item; as well as hold shares until the date of the respective annual general meeting of shareholders, may submit a written proposal in order to request the board of directors to include such proposal as an agenda item of the shareholders' meeting. The proposal shall indicate the objective and details of the matter as well as supporting information for consideration.

2.2 The Company has prescribed procedures regarding minority shareholders' nomination of qualified candidates to be considered for election of board members 3-4 months prior to the shareholders' meeting together with supporting information including the candidates' qualifications and letter of consent from the nominated candidates.

Qualifications of the shareholders who are eligible to nominate qualified candidates for the meeting are as stipulated in Section 89/28 of the Securities and Exchange Act stating that one or several shareholders who hold shares and have the right to vote in an aggregate amount of not less than five percent of the total number of the voting rights of the Company; and hold shares consecutively for not less than 12 months from the date of

acquisition until the date of nominating qualified candidates; as well as hold shares until the date of the respective annual general meeting of shareholders, may submit a written proposal in order to nominate qualified candidates to be considered for election of board members.

Independent directors will consider and screen the nominated persons for the election of board members and then present the names to the Board of Directors for consideration on whether to propose the nominations to the shareholders' meeting. The Board of Directors' opinion is deemed final.

2.3 The Company provides an opportunity for the shareholders to exercise their right to elect each director individually.

2.4 The Company has no policy to add agenda items for the meeting without notifying the shareholders in advance if not necessary, especially agenda items involving important matters on which shareholders should have adequate time to study information before making decisions. The shareholders arriving after the meeting has commenced shall also not be deprived of their rights to attend the meeting.

3. Prevention of misuse of information

The Company strictly controls and monitors the use of internal information to prevent abusive self-dealing and to maintain fairness to all stakeholders. The Company has set written guidelines to prevent use of internal information for personal gains and communicated the guidelines to all staff members organization-wide for further practice. Directors, executives and employees are also prohibited



from trading the Company shares by using confidential information and/or internal information and/or making any other legal transaction by using confidential information and/or internal information that could cause direct or indirect damage to the Company. Moreover, directors, executives and employees in the work units that have access to internal information must not use the information before public disclosure. Persons involved with internal information, as well as their spouses and children who are minors, are prohibited from trading the Company shares either directly or indirectly (such as nominee trading through private fund) within one month before the disclosure of quarterly and annual financial statements and at least three working days after public disclosure of such information.

The Company has imposed disciplinary punishment against those who misuse the Company's internal information for personal gains or disclose such information resulting in damage to the Company. The disciplinary punishment, which will be considered on a case by case basis, include giving verbal and written warnings, probation, and termination of employment through suspension, removal or dismissal, as the case may be, etc.

The Company has notified its directors and executives of their duty to report their securities holding in the Company to the SEC and penal provisions pursuant to the Securities and Exchange Act B.E. 2535. According to the SET's regulations, directors and executives of the Company are required to report the SEC of their securities holding in the Company, as well as holding of securities in the Company by their spouses and minor children within 30

days from the date on which they are appointed the Company's directors or executives. They are also required to report on any changes in securities holding to the Company and to the SEC within three working days from the date of purchase, sale, transfer, or acceptance of transfer of securities pursuant to Section 59 of the Securities and Exchange Act B.E. 2535. The report on changes in their securities holding will accordingly be disclosed to the public.

4. Beneficial interests of directors

The Company has put in place guidelines for directors or executives with beneficial interests or involvement in any transactions not to participate in the consideration of those transactions. At the Board of Directors' meeting, directors with beneficial interests in any matters are not entitled to vote on those matters.

Chapter 3 The Role of Stakeholders

The Company respects the rights of all stakeholders, whether they are internal stakeholders like shareholders, executives and employees of the Company, or external stakeholders like creditors, customers, trade partners, competitors, the government sector, the society and the community. The Company is well aware that supports and viewpoints from all stakeholders will benefit the Company's business operation and development. Hence, the Company will comply with relevant laws and regulations so as to safeguard the rights of all stakeholders. In addition, the Company conducts its business with the rights of all stakeholders brought into consideration according to the following guidelines:



Shareholders

The Company has a policy of running its business with honesty, integrity and business ethics and puts best efforts in developing its business, and improving the operating performance to ensure consistent and reasonable returns on the investment of the shareholders and investors on a sustainable basis. The Company adheres to equitable treatment of its shareholders. Its directors, executives and employees are committed to performing duties with honesty and making decisions with transparency, carefulness, prudence and fairness to all shareholders for the maximum benefits of all shareholders.

Customers

The Company realizes the importance of customer satisfaction. It has adopted the ISO9001:2008 to its organization, and upheld a quality policy that reads: We will strive to impress our customers with prompt services and quality products supported by ongoing personnel development and rationalization of work process.

Trade partners and/or creditors

The Company has a policy to create good relationship with our trade partners and/or creditors and to run the business on the basis of mutual benefits that are fair to all parties. The Company treats all trade partners and/or creditors with due regard to the maximum benefits of the Company, avoids the circumstances that may cause conflict of interest, and complies strictly with the commitment or agreement to achieve mutual benefits. The Company will not commit any misconduct in dealing with trade partners and/or creditors. In case there is any information indicating occurrence of a dishonest act, the Company will inform the trade partners and/or creditors thereof and jointly seek solution on a fast and fair basis, and strictly comply with all conditions with the trade partners and/or creditors. Any inability to fulfill the conditions shall immediately be informed to the trade partners and/or creditors to find a solution.

**Competitors**

The Company has a policy to treat its competitors with adherence to fair competition rules, without seeking competitor's trade secret by any unfair or inappropriate method. The Company will abide by the competition rules, without any attempt to impair the competitor's reputation through false accusation or accessing the competitor's trade secret in a dishonest manner.

Employees

The Company considers its employees as its essential resource that will play an important role in supporting and driving the Company to successful operation. Therefore, the Company has a policy in place to improve the quality of life of all staff members with fair employment conditions, reasonable welfare packages, promising career path, and safe and sanitary work environment.

Public sector

The Company runs its business in order to support the country's advancement in accordance with the relevant laws, rules, regulations, as well as customary practice.

Community, Society and Environment

The Company values the responsibility for the community and the society by strictly following various standards relating to safety, security, sanitation and environment, and with the impact on natural resources and the environment taken into account. The Company has continuously fostered awareness of social and environmental responsibility among the staff at all levels and created activities that will promote the society, the environment and the quality of life of the people.



Chapter 4 Disclosure and Transparency

The Board of Directors attaches a high degree of importance on disclosure of accurate, complete, timely and transparent important information, both financial and non-financial, through reliable and easily accessible channels on an equitable basis. The Company has disseminated its information to shareholders, investors and the public through the channel and media of the Stock Exchange of Thailand and on the website of the Company. Its information is also compiled in the Annual Disclosure Statement (Form 56-1) and the Annual Report.

The Board of Directors is responsible for the financial statements of the Company and financial information presented in the Annual Report. The financial statements are prepared in accordance with generally accepted accounting standards in Thailand and with regular adoption of appropriate accounting policy and disclosure of adequate information therein.

As regards investor relations, the Company has not yet set up a specific work unit to deal with this area where activities so far have been in small volume. However, it has authorized the Managing Director to take charge of communicating with investors, shareholders, securities analysts, and relevant public agencies.

1. Disclosure

1.1 The Company is obliged to disclose information that affects decision making of investors and stakeholders. Information so disclosed, financial and non-financial, shall be accurate, complete, timely, reliable, transparent, not misleading and sufficient for investors to make decision, and shall accord with the criteria of Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including also other significant information that affects the Company share price.

1.2 The Company makes available brief reports on corporate governance policy, code of conduct, risk management policy, and social and environmental policy, and results of implementation in compliance with such policies including also non-compliance cases thereof together with reasons (if any) in the Annual Report and on its website.

1.3 The Board of Directors reports its responsibility for the financial statements in the Annual Report together with report of the auditor.

1.4 The Company prepares management discussion and analysis (MD&A) to support its disclosure of its quarterly financial statements so that investors access information on changes to the Company's financial status and operating performance in each quarter in addition to figure data in the financial statements.

1.5 The Company discloses in the Annual Report audit fee and other service fees for the auditor.



1.6 The Company discloses in the Annual Report information on the roles and duties of the Board of Directors and specific Committees, number of meetings held and number of meetings attended by each director in the previous year, as well as opinions in relation to performance of duties and directorship training and development for directors.

1.7 The Company discloses in the Annual Report policy on payment of remuneration for directors and top executives of the Company that reflects their duties and responsibilities and types and nature of the remuneration, including also remuneration for any directorship on the board of subsidiaries (if any).

Chapter 5 Responsibilities of the Board of Directors

The Board of Directors has a significant role as representatives of the shareholders. Their duties are to formulate corporate vision, mission, business strategies, and budget plan for the management to achieve its business objectives. Moreover, the Board has a duty to oversee the management's operation to ensure that it is consistent with policies, with fairness and transparency, and being compliant with the laws, regulations, policies and business ethics. The Board of Directors has been appointed by the shareholders through a transparent process. They are persons with knowledge, competence, and experience, with devotion of their time and efforts to the performance of duties in the best interests of

the Company. They shall have leadership, vision, independence in decision making, and competence in ensuring that the overall operation is carried out rightfully in line with the laws and code of ethics. There is clear segregation of the roles and responsibilities between the Board of Directors and the management to ensure that the Board of Directors is independent from the management.

1. Board of Directors

1.1 The Board of Directors is composed of members with diverse skills, experience and expertise in specialized areas that are beneficial to the Company. They will play a vital role in formulating organizational policies, overall business framework and business plans of the Company, as well as overseeing, monitoring and evaluating the operating results of the Company to ensure they are consistent with the defined plans. The Board is also responsible for ensuring that the Company's business operation is in compliance with the laws, regulations and resolutions of the shareholders' meeting with integrity, morality and business ethics. Furthermore, the Board oversees the operational performance of the management to be in line with the objectives and guidelines set forth and for the maximum benefits to the Company and the shareholders. The Board shall have at least one non-executive director with experience in engineering product trading business, which is the Company's core business, and at least one non-executive director with accounting and finance experience. The Board of



Directors has disclosed its policy on determination of the Board composition and the term of office of directors in the Annual Report and on the Company's website.

1.2 The Board of Directors has adequate number of directors for overseeing the business operation of the Company. Each member of the Board has sufficient knowledge, experience and competency in performing their duties efficiently. The Board shall have no fewer than five members and no more than nine members as required by law and at least half of the total number of directors shall be non-executive to ensure proper checks and balances between executive directors and non-executive directors. At present (as at December 31, 2015), the Company's Board of Directors is composed of seven members, of whom five are non-executive directors (three of whom are independent directors and audit committee members) and two are executive directors, i.e. Managing Director and Assistant Managing Director.

1.3 The Board of Directors has three independent directors out of a total of seven directors, which accounts for more than one-third of the total number of directors. All the independent directors may independently give opinions regarding the performance of the management, hence proper checks and balances in the voting on various matters, and review the operational performance of the management for the optimum benefits of the Company. These three independent directors are also Audit Committee members. The number of independent directors and Audit

Committee members are in compliance with the requirement of the Office of Securities and Exchange Commission that at least one-third of the total number of directors shall be independent directors and three of the total number of directors shall sit on Audit Committee. In addition, all independent directors and Audit Committee members shall have the qualifications as prescribed by the Notification of the Capital Market Supervisory Board.

1.4 The Board of Directors shall represent all the shareholders, not any particular group of shareholders.

1.5 The Board of Directors has established a policy which requires the number of directors who are not independent directors to be in fair proportion to the equity of the controlling shareholders.

1.6 The appointment of directors shall be in accordance with the Company's articles of association and the relevant laws. It shall be carried out transparently with the nomination process clearly under corporate governance principles and based on candidates' educational background and professional experience, information of which shall be sufficiently in detail to support the Board of Directors' and the shareholders' decision making.

Pursuant to the Company's articles of association, at each annual general meeting of shareholders, at least one-third of the directors shall vacate their office. If the number of directors cannot be divided into three, the number nearest to one-third shall retire. The directors to vacate office in the first and second years following the registration of the



Company shall be drawn by lots. In the subsequent years, those longest-serving shall vacate office. Directors who retire by such rotation may be re-elected.

1.7 The office term of each director shall be as specified in the Company's articles of association. Directors who vacate office may be re-elected without any limit in number of times. Regarding the qualifications of independent directorship, the Board has set as a policy to annually review the independence of independent directors who have sit on the Board for nine consecutive years or three consecutive terms.

1.8 The Board of Directors has clearly separated the power and responsibilities concerning the formulation of corporate governance policy from routine administrative operation. The Chairman of the Board and Managing Director shall be elected by the Board and must not be the same person in order to ensure clear segregation between the role in formulating corporate governance policy and that in routine administrative operation. The Company has clearly segregated the roles and responsibilities of the Board of Directors from the management to ensure proper checks and balances in terms of operation. The Board of Directors shall be responsible for determining the policies and overseeing the operational performance of the management at the policy level whereas the management is in charge of managing the business operation in various areas in line with

the policies in place. The Chairman of the Board shall take no part in routine administrative operation but regularly give supports and recommendations concerning the operation carried out by the management via the Managing Director. Meanwhile, the Managing Director shall administer the Company's business operation within the scope of power assigned by the Board of Directors.

1.9 The Board of Directors has set the number of companies in which each director may hold office to be no more than five listed companies with prudent consideration of the efficiency of directors serving more than one company to ensure that each director can dedicate enough time to performing their duties.

1.10 The Board of Directors has a policy on the directorship of its members in other companies in accordance with the Company's articles of association which prohibits the Board members from conducting a business, or being a partner in any ordinary partnership or a partner with unlimited liability in any limited partnership, or being a director of other limited company or public limited company which conducts business of the same nature as that of the Company and business that is in competition with that of the Company unless a prior notice is given to the shareholders' meeting before the passing of the appointment resolution.



Furthermore, the Board of Directors has no policy to appoint any management member to be a director of any company outside the Company's group of companies. In the event that any member would like to do so, a prior consent must be obtained from the Executive Committee unless in case of directorship in non-profit charitable organizations. Nevertheless, such directorship must not be conflicting with the laws and regulations relating to the business operations of the Company and his/her post in the Company must not be used as a reference to support any businesses outside the Company.

1.11 The Board of Directors has appointed the Company Secretary who has appropriate experience and qualifications in performing the roles and responsibilities specified in the Securities and Exchange Act. The Company Secretary is responsible for providing advice on the laws and regulations of which the Board members need to be aware and making arrangements for all activities pertaining to the Board of Directors, as well as coordinating with relevant parties to ensure they follow the resolutions of the Board of Directors. The qualifications and professional experience of the Company Secretary are disclosed in the Annual Report and on the website of the Company.

1.12 The Board of Directors supports and encourages the Company Secretary to continuously undergo training and development of knowledge on legal and accounting areas as well as that on secretarial duties.

2. Supporting Committees

2.1 The Company has three supporting committees, comprising Audit Committee, Executive Committee, and Risk Management Committee to take charge of specific areas and report the matters to the Board of Directors for consideration or acknowledgement. These committees have the rights and duties as defined in the scope of power, duties, and responsibilities of each committee.

2.2 Supporting committees shall have the rights and duties as specified under the roles and responsibilities of each supporting committee. The Chairman of the Board shall not chair or become a member of any supporting committee to ensure true independence of the supporting committees in performing their duties.

3. Roles, Duties and Responsibilities of the Board of Directors

3.1 Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible for considering and giving approval of significant matters concerning the operation of the Company, such as corporate vision, policies, strategies and goals, as well as business plans, annual budget, internal control and risk management. The Board of Directors shall also oversee to ensure that the management has efficiently and effectively followed the policies and plans in place.



Furthermore, the Board of Directors shall be responsible for the Company's financial statements by assigning the Audit Committee to conduct review of financial reports in order to ensure that such financial reports are properly and accurately prepared according to the generally accepted financial standards and that all essential information of the Company is disclosed in a transparent and sufficient manner. There shall be joint meetings between the accounting department and/or the auditor. Financial reports shall be presented to the Audit Committee and the Board of Directors on a quarterly basis. The Board of Directors shall be responsible for the Company's financial statements and financial information (report on the Board of Directors' responsibility towards financial reports) which are disclosed in the Annual Report of the Company.

3.2 Corporate Governance Policy

The Board of Directors has established corporate governance policy in writing and approved such policy at the Board of Directors' Meeting No. 3/2014 held on May 15, 2014. The Board of Directors has communicated with every member within the organization to ensure that they have the accurate and common understanding of such policy and that the policy has been adopted organization-wide. The Board of Directors shall review the policy and compliance with the policy at least once a year.

3.3 Code of Conduct

The Board of Directors is committed to carry out the Company's business with integrity and fairness by defining the code of conduct to be adopted among the directors, executives and employees of all levels so that every member within the organization understands the ethical standard which the Company upholds in carrying out its business operation, as well as to set up a practice guideline to reflect corporate intention in conducting its business with transparency and fairness and with responsibility towards all stakeholders, the society and the environment, all of which are done through trainings and various forms of internal communication. Such code of conduct also reflects corporate values and practices adopted by the employees in compliance with the defined ethical standard. The Company has made announcements and informed all members across the organization to strictly follow the code of conduct and guideline while the Board of Directors shall be responsible for ensuring strict compliance with such code of conduct.

3.4 Conflict of Interest

The Board of Directors has carefully considered matters concerning conflict of interest. Transactions with possible conflict of interest are considered based on clear guidelines in the best interests of the Company and the shareholders. The Board has put in place a



policy which prohibits directors, executives, employees and related persons from seeking personal interests which may contradict the interests of the Company, and that all actions which may lead to conflict of interest shall be avoided. Persons involved with or having beneficial interest in or having connection with the transaction under consideration shall inform the Board of their relationship or involvement with such transaction and they shall not be allowed to take part in any decision making concerning such transaction.

The Audit Committee shall present to the Board of Directors the related party transactions and transactions with conflict of interest which have already been carefully considered in terms of appropriateness. The Company has strictly followed the guidelines set forth by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand concerning the determination of prices and conditions engaged with persons with conflict of interest just like a transaction made with external parties.

The Board of Directors shall ensure that all requirements concerning the procedure are met and that the disclosure of transactions with conflict of interest is carried out in an accurate and complete manner. Such transactions shall be disclosed in the financial statements, the Annual Disclosure Statement (Form 56-1) and the Annual Report.

3.5 Internal Control

The Board of Directors recognizes the necessity to have in place efficient internal control mechanism at both managerial and operational levels as it is the key to building confidence by helping minimize business risks and enhance efficient operation through appropriate allocation of resources and achieving the defined goals. In addition, it can help prevent asset leakage, loss or misconduct, and ensure the accuracy and reliability of financial reports, encourage personnel compliance with relevant laws and regulations, and protect the equity investments of shareholders. Hence, the Company has clearly laid down the scope of duties and authority concerning various matters in writing for the management and operation functions, including overseeing the use of the Company's resources toward resource optimization and clearly separating the roles and duties between operation, control and evaluation functions to ensure proper checks and balances.

The Board of Directors has assigned the Audit Committee to take charge of reviewing the adequacy and efficiency of the internal control system set up by the management, establishing and reviewing the control system on operation, financial reporting and regulatory compliance, and overseeing the operation and risk management. The Board of Directors also looks into any warning signals and unusual transactions.



The Company has engaged Ultima Advisory Company Limited, an independent external party, as its internal auditor to examine and ensure the adequacy and suitability of the Company's internal control system. To enable the internal auditor to perform duties independently in order to promote proper checks and balances, the internal auditor shall directly report to the Audit Committee. The Company shall constantly monitor the assessment results to be assured of the system efficiency. The assessment on the adequacy of the internal control system and the reviewing process on major systems shall be carried out at least once a year, and the results shall be disclosed in the Company's Annual Report.

3.6 Risk Management Policy

The Board of Directors has mapped out the risk management policy to be adopted by the entire organization and implemented by the management. Reports must be presented to the Board of Directors on a quarterly basis. System review or assessment of the effectiveness of risk management process must be conducted at least once a year and disclosed in the Company's Annual Report, which shall be updated from time to time especially when changes in the risk level are observed, as well as giving importance to warning signals and unusual transactions.

3.7 The Audit Committee shall give opinions on the adequacy of the internal control and risk management systems, which shall be disclosed in the Company's Annual Report.

3.8 The Board of Directors has set up a clear procedure for whistleblowers or stakeholders who would like to report any suspicious acts either through Company's website or directly contacting with the Company by requiring them to directly report to the Company's independent directors or the Audit Committee so that they can proceed with the inspection process in place and report to the Board of Directors.

4. The Board of Directors' meeting

4.1 The Company schedules meetings and prepares agenda items in advance and notifies all directors of the meeting schedule so they can arrange their own schedule and attend the meetings.

4.2 The Board of Directors holds at least four meetings a year (once every three months). The meeting schedule is set in advance for the entire year. There may be another meeting held one month before the annual general meeting of shareholders, and a special meeting held as deemed necessary. However, for flexibility in business operation of the Company, the Executive Committee will hold a monthly meeting to make decisions as assigned by the Board of Directors. The Executive Committee shall report resolutions of the meetings to the Board meeting so that the Board of Directors can direct, control, and oversee operational performance of the management in a consistent and timely manner.



4.3 At every Board meeting, the Board Chairman and the Managing Director jointly determine and approve issues to be put on the agenda. Other Board members are also allowed to freely propose issues that they think are beneficial to the Company to be included in the agenda. It is the responsibility of all the directors to consistently attend the Board meeting at least 75% of the total number of meetings held in each year.

4.4 The Company Secretary is in charge of sending the meeting notice together with the meeting agenda and meeting documents to all directors at least seven days before the meeting date so that they will have enough time to study the agenda items, unless in urgent case to protect the interests of the Company, the meeting notice may be sent by other means and the meeting may be scheduled earlier.

The Company Secretary has the duty to attend the Board meeting and prepare the minutes, which will be submitted to the Board Chairman for consideration and signing in certification. The Board Secretary will then present the minutes to the next Board meeting for adoption. The Company Secretary also has the duty to keep meeting information and documents for ease of reference in future. All Board members shall normally attend all meetings, except in case necessary, and in such case they shall inform their absence prior to the meeting.

4.5 The Board Chairman shall be chairman of the meeting to proceed with the meeting and allocate sufficient time for each agenda item. All directors are allowed to independently discuss and express their opinions on key issues with the best interests of the shareholders and other stakeholders taken into consideration on a fair basis.

Resolutions of the meeting shall be passed by majority votes. Each director shall have one vote, but the director who has interests in any matter shall not be entitled to attend the meeting and/or vote on such matter. In case of a tie of votes, the chairman of the meeting shall have a casting vote.

All directors have the right of access to meeting documents and other necessary documents. If the independent directors or members of the Audit Committee have any queries, other directors and the management shall put in efforts in responding to such queries as promptly and completely as possible.

In case the directors disagree with a resolution, they may request the Company Secretary to record the points of their disagreement in the meeting minutes or submit a letter to the Board Chairman to express their disagreement.

4.6 The Board of Directors encourages senior executives or executives concerned to attend the Board meeting as deem necessary and appropriate, to provide the meeting with additional beneficial



information and details in the capacity of concerned parties, and to directly acknowledge the relevant policies from the Board for efficient implementation thereafter, as well as to support the Board's decision making and allow the Board members to be acquainted with the executives which will facilitate their consideration of the Company's succession plan afterward.

4.7 The Board of Directors can access additional necessary information from the Managing Director, the Company Secretary, or other executives assigned within the scope of designated policy. In case necessary, the Board may seek independent advice from external advisers or professionals, the expenses for which shall be borne by the Company.

4.8 The Board designates non-executive directors to have meetings among them as deemed appropriate without the attendance by executive directors or management to discuss problems in relation to the Company's business and other matters of interest. The resolutions of the meetings are notified to the Managing Director, the Chairman of the Executive Committee, and the Board of Directors. Such meetings are chaired by the Board Chairman. If the Board Chairman cannot attend the meeting, a director shall be elected to chair the meeting while the Company Secretary shall serve as secretary to the meeting.

5. Remuneration

5.1 Remuneration for directors shall be commensurate with their experience, duties, scope of accountability and responsibility together with benefits expected from each director. The Board of Directors has set out clear policy and criteria on director remuneration, which will be proposed to the shareholders' meeting for approval annually. Determination of the remuneration shall be transparent, examinable, and comparable to those of other companies with similar scale in the industry, as well as sufficient to attract and retain capable directors. Additional duties and responsibilities of directors who are appointed as members of supporting committees, such as Audit Committee, etc., are also taken into consideration.

5.2 Remuneration for Managing Director and senior executives shall be in line with the principles and policy set out by the Board of Directors and/or the Executive Committee and for the maximum benefits to the Company. The amount of remuneration, including salary, bonus, and variable pay, shall be appropriate and correspond to performance of each executive. Executives who have additional duties and responsibilities shall receive an increased amount of remuneration to match their larger scope of duties and responsibilities. Moreover, remuneration shall be comparable to those of other companies in the same business to retain capable executives while taking into account benefits to the Company and the shareholders.



5.3 All non-executive directors shall assess the performance of the Managing Director annually to accompany the consideration of remuneration for the Managing Director based on criteria and benchmark priorly agreed upon with the Managing Director under concrete criteria including results of financial performance, operational performance toward long-term strategic objective, and executive personnel development. The performance evaluation result shall be subject to the Board of Directors' consideration and approval, which shall accordingly be notified by the Board Chairman to the Managing Director.

6. Development of Directors and Executives

6.1 The Board of Directors encourages and facilitates the training of and the provision of knowledge for concerned parties in the corporate governance mechanism including Board members, Audit Committee members, executives and company secretary to ensure ongoing improvement of work performance.

6.2 For every new director appointment, the management will provide the new director with documents and information useful for his performance of duty including information on the Company's nature of business and business direction.

6.3 The Board of Directors has designated for the Managing Director to regularly report the Board of the personnel development and succession plan. The Managing

Director and top executives have to prepare the succession plan to position successors in case they can no longer perform their duties.

6.4 The Board of Directors has made available executives development program, the progress of which is to be reported annually by the Managing Director. The development program is taken into account when considering the succession plan.

7. Self-assessment of the Board

7.1 The Board of Directors and supporting Committees regularly conduct self-assessment on operating performance at least once a year in order to jointly consider the outcome and problems to seek corrective measures.

7.2 The Company discloses the criteria, procedure and result of the self-assessment of the Board in overall in the Annual Report

1. Self-assessment procedure

1.1 Board of Directors

- The Board of Directors shall approve and review the assessment form in order to ensure the accuracy, completeness and conformity to the criteria set by the regulatory authorities.

- The Company Secretary shall summarize and analyze the performance evaluation of the Board of Directors, and report the result to the Board of Directors.

- The Company Secretary shall use the results and comments from the Board of Directors for developing an improvement plan.



1.2 Individual Directors

- The Board of Directors shall approve and review the assessment form in order to ensure the accuracy, completeness and conformity to the criteria set by the regulatory authorities.

- Individual director shall conduct self-assessment in order to express comments regarding the directors' roles, independence, management structure, knowledge development and other comments regarding the corporate management.

- The Company Secretary shall summarize, analyze and report to the Board of Directors the assessment result, and develop an individual improvement plan.

2. Self-assessment criteria

2.1 On Board basis

- The structure and qualifications of the Board of Directors shall be diverse in terms of the directorship, proportion of the directors, and qualifications of each supporting Committee.

- Roles, duties and responsibilities of the Board/Committees shall involve spending adequate time to consider important matters, transactions with conflict of interest, and internal control and risk management systems.

- The meetings of the Board of Directors shall involve the pre-determined meeting agenda for the entire year, quality of the documents, and adequacy of information for the directors' decision making process.

- The Board of Directors' performance of duties shall involve efficiency in attending the meeting, voting independence, expression of opinions, and setting of meeting timeframe.

- Relationship with the management team involves allowing the opportunity for co-discussion and joint participate in problem solving.

- Self-development of the directors and development of executives shall involve understanding the roles and responsibilities of the directors, having knowledge and understanding of the Company business and surrounding environment which affects the Company business, and succession plan.

2.2 On individual basis

- The structure and qualifications of the Board of Directors shall be diverse in terms of the directorship and adequate in terms of performance of duties.

- The meetings of the Board of Directors shall involve meeting attendance, expression of opinion, and study of agenda items in advance.

- Roles, duties and responsibilities of the Board of Directors shall involve independence in expression of opinion, adequacy of participation in the Company's activities, internal control and risk management systems, and disclosure of information.



3. Results of 2015 self-assessment of the Board of Directors

3.1 Results of self-assessment on Board basis

Percentage: 80.40%

Level: Good

Evaluation topic		Percentage
1.	Structure and qualifications	73.63
2.	Roles, duties and responsibilities	76.79
3.	Meetings	85.32
4.	Performance of duties	83.67
5.	Relationship with the management	85.00
6.	Self-development of directors and development of executives	77.98

Additional comments/remarks from self-assessment:

- Development and improvement of the directorship nomination process in a fair and transparent manner will enhance efficiency in the Board's performance.
- Consideration and review of the director remuneration policy shall be appropriate and independent, and be able to ensure every process is transparent and examinable.
- Determination of the succession plan for senior executives remains a crucial issue to be closely monitored.

3.2 Results of self-assessment on Board individual basis

Percentage: 81.79%

Level: Good

Evaluation topic		Percentage
1.	Structure and qualifications	82.14
2.	Meetings	83.93
3.	Roles, duties and responsibilities	79.29

Additional comments/remarks from self-assessment:

- The directors should control and monitor the performance of the management appropriately, and undergo development and learning regularly in order to enhance the skills needed for the operation.



3.3 Results of self-assessment of supporting committees

3.3.1 Audit Committee

(a) On Committee basis

Percentage: 83.40%

Level: Good

Evaluation topic		Percentage
1.	Proper structure and qualifications of the Audit Committee results in efficient performance.	80.95
2.	The meetings of the Audit Committee are conducted in a way that allows for efficient performance.	84.72
3.	Roles, duties and responsibilities of the Audit Committee emphasize on time spending for consideration, review, and compliance in important matters adequately.	84.52

Additional comments/remarks from self-assessment:

- The Committee members mutually agree that the Company should clearly determine the definite number of listed companies in which members of supporting committees are assigned to assume directorship.

(b) On individual basis

Percentage: 85.83%

Level: Good

Evaluation topic		Percentage
1.	Structure and qualifications of the Audit Committee	91.67
2.	Meetings of the Audit Committee	79.17
3.	Roles, duties and responsibilities of the Audit Committee	86.67

Additional comments/remarks from self-assessment:

- The Audit Committee members should control and monitor the performance of the management appropriately, and undergo development and learning regularly in order to enhance the skills needed for the operation.



3.3.2 Executive Committee

(a) On Committee basis

Percentage: 82.65%

Level: Good

Evaluation topic		Percentage
1.	Proper structure and qualifications of the Executive Committee results in efficient performance.	69.05
2.	The meetings of the Executive Committee are conducted in a way that allows for efficient performance.	88.89
3.	Roles, duties and responsibilities of the Executive Committee emphasize on time spending for consideration, review, and compliance in important matters adequately.	90.00

Additional comments/remarks from self-assessment:

- Qualifications of the Executive Committee members in terms of knowledge, experience, and appropriateness to performance of duties within the scope of power, duties and responsibilities set forth have impact on the efficiency in the Committee's performance of duties.
- The Executive Committee places great importance to consideration, review, and compliance with the Company's policies, strategies, targets, business plan, and annual budget.

(b) On individual basis

Percentage: 83.06%

Level: Good

Evaluation topic		Percentage
1.	Structure and qualifications of the Executive Committee	79.17
2.	Meetings of the Executive Committee	83.33
3.	Roles, duties and responsibilities of the Executive Committee	86.67

Additional comments/remarks from self-assessment:

- Roles and duties of the Executive Committee members can adequately support the Board's performance.

**3.3.3 Risk Management Committee****(a) On Committee basis**

Percentage: 76.75%

Level: Fair

Evaluation topic		Percentage
1.	Proper structure and qualifications of the Risk Management Committee results in efficient performance.	74.76
2.	The meetings of the Risk Management Committee are conducted in a way that allows for efficient performance.	77.50
3.	Roles, duties and responsibilities of the Risk Management Committee emphasize on time spending for consideration, review, and compliance in important matters adequately.	78.00

Additional comments/remarks from self-assessment:

- Regular consideration and review of the criteria and process in nomination of qualified persons to perform the duties as specified in the scope of power, duties and responsibilities set forth can support the efficient performance of the Board.

(b) On individual basis

Percentage: 76.08%

Level: Fair

Evaluation topic		Percentage
1.	Structure and qualifications of the Risk Management Committee	70.83
2.	Meetings of the Risk Management Committee	78.75
3.	Roles, duties and responsibilities of the Risk Management Committee	78.67

Additional comments/remarks from self-assessment:

- The Risk Management Committee members should put emphasis on development and learning in various areas which may pose some risks and hence impact on the Company business, and should dedicate time and efforts to the full performance of duties in accordance with the scope of power, duties and responsibilities set forth.



8. Governance of Subsidiary and Associated Companies

Currently, the Company does not invest in any subsidiary and associated companies. However, as regards future investment, the Company has a policy to invest in related business or business contributing to its core business and having potential and profitability prospects in the long run. In case of investment in a subsidiary company, the Company will control or manage such company just like it is a work unit of the Company, and have representative directors on its board of directors in proportion to the Company's shareholding or as mutually agreed upon. Meanwhile, there will not be so much control by the Company in case of an associated company. Whether to have representative directors on the associated company's board of directors shall be as considered appropriate and as mutually agreed upon. Such representatives shall have appropriate qualifications and experience to manage and closely monitor the subsidiary and associated companies' business operation to ensure achievement of the targets set forth.

9. Use of Inside Information

The Company strictly controls and monitors the use of inside information to prevent any abusive self-dealing and maintain fairness to all stakeholders. The Company has set written guidelines for keeping inside infor-

mation and for prevention of the use of inside information for abusive self-dealing, and communicated the guidelines to all staff organization-wide for further practice. Moreover, directors, executives and employees are required not to trade the Company securities and/or to enter into any legal acts using inside and/or confidential information, which may cause the Company direct or indirect damage. In addition, directors, executives and employees in the work units receiving inside information of the Company must not use such information before disclosure to the public and also must not trade the Company securities by themselves, spouses and underage children, either directly or indirectly transaction (such as nominee through a private fund), within one month prior to the disclosure of quarterly and yearly financial statements and at least 3 business days after the disclosure of such information.

The Company has put in place disciplinary punishment measures to be taken against those who take advantage of the insider information by disclosing it and causing damage to the Company. The punishments include verbal warning, written warning, probation, termination of employment by firing or disposition, as the case may be, etc.

Moreover, the Company has informed the Board members and executives of their duty to report their holding of the Company securi-



ties and penal provisions in accordance with the Securities and Exchange Act B.E. 2535 (1992) and the regulations of the Stock Exchange of Thailand. The directors and executives have to report the holding of the Company's securities by themselves, their spouses and underage children to the Office of the SEC within 30 days from the date of their appointment as the directors and executives, and also when there are any changes thereof, to report to the Company and Office of the SEC within three business days from the buying, selling, transfer, or receipt of such securities, in order to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and for disclosure to the public.

10. Remuneration for Auditor

In 2014 and 2015, the Company paid audit fee and other relevant service fee as below:

Unit: Baht		
Auditor Remuneration	2015	2014*
Audit fee	1,000,000	1,053,020
Other relevant service fee	-	-
Total remuneration for the auditor	1,000,000	1,053,020

The 2015 Annual General Meeting of Shareholders resolved to set the remuneration for the auditor for 2015 at Baht 1,000,000.

Note : * The 2014 auditor remuneration shown above has already covered travel expense, allowance, overtime pay and other expenses including material and equipment, delivery of balance confirmation, document delivery, etc.



C¹⁵orporate Social Responsibility

1. Corporate Social Responsibility Policy

The Company is aware of its corporate social responsibility (CSR), an element that enhances sustainable growth of the business. The Company has implemented on a continual basis and taken into consideration its vision, values, mission, and goal in establishing its CSR policy as follows:

1.1 Fair business operation

In the course of business operation, the Company is committed to fair and ethical administration, creating management creditability. The fair treatment shall apply to all groups of stakeholders, including shareholders, customers, business partners, and competitors. The Company promotes fair competition to motivate innovations and improvement of products and services, which will in turn contribute to economic growth and better standard of living in the long run. In addition, the Company also promotes social responsibility in all stages of business chain, takes responsibility for its actions which may affect the society and the environment, and the effect on other businesses due to its procurement activities, in order to avoid or minimize the negative impact, as well as respects the rights in properties and commits no violation of intellectual property. In so achieving, the Company has established the following guidelines:

Promote fair competition

1. Undertake the business activities in compliance with the law and competition regulations, and cooperate with the government authorities.
2. Establish the procedure and measure preventing the involvement in or conspiracy with the behavior against fair competition.
3. Ensure the employees be aware of fair competition and compliance with applicable competition law.
4. Promote fair competition and activities, and support anti-monopoly and anti-dumping.
5. Pay attention to the Company's social context and not take advantage of natural or social conditions, such as poverty, to unfairly create competitive advantages.

Promote social responsibility in value chain

1. Integrate social and environmental measures in the measures and procedures for procurement and distribution.
2. Encourage other relevant companies to accept and apply the similar policy in order to prevent unfair competition.
3. Actively participate in elevating awareness of the principles and issues relating to CSR activities in which the Company takes part.



4. Promote fair treatment to one another throughout the value chain, both in terms of costs and benefits of implementing CSR activities; that is to say, improve the capability to achieve the CSR targets in all operations of the value chains including appropriate procurement such as creating guarantee for fair price with adequate lead delivery time and an established trade agreement.

Promote respect for the right over property

1. Appropriately check to ensure that the Company is legally allowed to use and grant the right to use a certain property.

2. Not participate in any activity violating other person's properties, for example, inappropriately using advantageous marketing position, producing fake products, and intellectual property infringement.

3. Fairly pay for the use or acquisition of a certain property.

However, the Company has a compensation measure in place in case any stakeholders are affected by the Company's violation of the rights of the stakeholders. It opens a channel for providing information or reporting the violation of law or ethics through an independent director and a member of Audit Committee. The Company has an established procedure for actions to be taken after getting the report of such issue. The reported matter shall be investigated and then submitted to the Company's Board of Directors.

In addition, the Company also sets a practice guideline for the directors, top executives and employees, including code of ethics and accountability for the stakeholders. The guideline is aimed at creating behavior

standard for the operation of such personnel on an integrity basis. It is also a guideline for the Board members, top executives, and employees organization-wide to be aware and follow. In this regard, the Company has set a process to monitor such performance on a regular basis.

2. Anti-Corruption

Corruption means the abuse of entrusted power, or wrongful use of assets for personal gains, which jeopardize the interests of other people. The acts of corruption include bribing government officers by offering or giving them money or presents, accepting bribes in form of money or presents; having conflict of interest; committing frauds; laundering money; embezzlement; concealment of factual information; hindering judicial process; and influential trading. Corruption can take place not only between private and government sectors, but also in transactions among individuals or private entities.

The Company is aware of negative effects of corruption practices, frauds, and taking personal gains from the Company. Therefore, the Company has established an anti-corruption policy and practice guidelines to prevent corruption and set the course for the Board members, executives, and all employees to follow and avoid committing wrongful acts. Implementation of the anti-corruption policy will be monitored regularly and the practice guidelines reviewed from time to time to ensure that they correspond to the changes in business, rules, regulations, and laws. Details of the practice guidelines are as follows:



1) Board members, executives and all employees shall follow the anti-corruption policy by avoiding involvement with any acts of corruption, directly or indirectly, and shall not be negligent or ignorant when witnessing any acts deemed corrupt in relation to the Company.

2) Refrain from committing or supporting bribery of any types, and ensure that donations, business gifts, and sponsoring activities are conducted in a transparent manner and without intention to induce private or government officials to commit inappropriate act.

3) Establish the internal control, risk management, and internal audit systems that function properly and effectively to prevent misconduct.

4) Encourage employees, contract parties, and business partners to pay attention to possible corrupt acts and anti-corruption practices.

5) Provide Board members, executives, and employees with knowledge on anti-corruption practices to promote honesty, integrity and responsibility in performing their duties, and make available training course on anti-corruption for new employees within 90 days from the date they join the Company.

6) Realize the importance of disseminating knowledge to and enhancing understanding with parties engaging in business involving the Company or having possible impact on the Company so that they perform in compliance with the Company's anti-corruption policy.

7) Establish the best practice regarding giving or accepting gifts, assets, or other benefits, to prevent corruption or unfair treatment of other relevant persons, as well as to ensure appropriateness and efficiency in the procurement process, by ensuring no acceptance of gifts and/or souvenirs in the value over the limit for normal business undertakings from those in business transactions with the Company or other parties who might benefit from the Company employees' performance of duties, or no acceptance of entertainment benefits from those in business transactions with the Company or other parties who might benefit from the Company employees' performance of duties.

8) Provide communication channels to accommodate report of fraud, thereby employees can report any fraud incident or incident suspicious of fraud to the Company based on the Company announcement defining details and status of wrongful acts as well as punishment measures. If such wrongful acts are legal offenses, the wrongdoers may be subject to punishment according to the law.

9) Provide fairness and protection for employees who report fraud incidents relating to the Company by applying protection measures for petitioners or those who cooperate in reporting fraud incidents.





3. Fair Treatment of Employees

The Company recognizes the value of employees as invaluable resources to drive the Company toward achieving business goals. Therefore, the Company has a policy in place to create the quality of life of its employees by providing fair employment conditions, appropriate welfare arrangements, promising career path, and safe and hygienic workplace, with the practice guidelines as follows:

- 1) Strictly follow laws and regulations relating to the employees.
- 2) Provide good working conditions that are safe for the employees' lives and assets.
- 3) Treat the employees with politeness and respect their individuality and dignity.
- 4) Provide fair remuneration for the employees.
- 5) Consider appointment, transfer, giving reward and punishment on a fair basis taking into account knowledge, capabilities, and qualifications of each employee.
- 6) Attach significance to enhancement of the employees' potentiality, with opportunity provided to them equally and regularly.
- 7) Avoid any unfair act that may affect the employees' career security, or threatens or exerts pressure on the employees.
- 8) The employees have the rights to lodge complaints against unfair treatments through the system and procedure in place.
- 9) Pay attention to opinions and suggestions from the employees of all levels equally and fairly.

All the Company's employees share the

common corporate value and code of conduct guiding them towards the targets. The Company values its employees and recognizes the importance of their livelihood security that will lead to work efficiency. To ensure that the employees have a good working life, good health, and happiness, the Company has set up a committee to take care of and be responsible for the well-beings of every employee at all levels and departments. The Company also realizes the significance of the employees' sense of participation as they play a vital role in creating business growth and stability. Apart from wage and salary, the Company provides the employees with welfare packages and other types of benefits that are fair, appropriate, and comparable to those of other leading companies in the same industry and based on the Company's affordability.

Employee Remuneration and Welfare

The Company provides all employees with remuneration and welfare packages, including salary and bonus, which are adjusted annually based on the employees' performance evaluation. Key performance indicators (KPI) are applied to motivate the employees to perform. Welfare packages and benefits the Company provides to the employees are overtime allowance, reward, life and accident insurance, workmen compensation fund, contributions to the social security fund at the rate stipulated by the Labor Department, provident fund, employee uniform, funeral allowance, and annual recreational trip for the employees to relax and to promote good relationship among them. Benefits other than those required by the law also include annual



health check-up, English-language conversation course, and medical expense allowance (for non-accident cases). These benefits are incentives motivating the employees to work with dedication, devotion, professionalism, full capabilities and determination to deliver the best outcome. Moreover, all employees are required to perform with discipline, self-responsibility and adherence to business ethics.

Occupational Health, Safety, and Working Environment

The Company has concern for the employees' occupational health and safety; therefore, it is committed to continuously promoting safety, occupational health, and working environment, alongside work efficiency. The Company publishes "Safety Manual" as a guideline for employees' safety at work. Fire drill and fire-fighting training are provided every year. There is an operation plan in place with assignment of persons in charge to ensure correct and effective implementation.

Human Resources Development

The Company organizes training courses to enhance knowledge in specialized areas for employees, with lectures provided by personnel with expertise from the production unit. Both in-house and external training courses are available, and self-development and relationship building activities among the employees are supported across the organization. The employees are encouraged to improve their knowledge and competence constantly through various activities such as a reading competition in which the winner would receive

an overseas travel package. The Company is aware that reading is the key to improving quality of life, self-development, and life-long learning of employees at all levels. Moreover, prizes are granted to the Company's pick-up truck drivers as rewards for their fuel-efficient driving to promote energy-saving and awareness of the rising cost of fuels, as well as to prevent road accidents and prolong the Company's asset life cycle.

4. Responsibility to Consumers

The Company's vision is to be "the manufacturer and distributor of equipment for air-conditioning and firefighting systems to provide convenience and safety for the consumers." It offers quality and worthwhile products with promptness, punctuality, and accuracy, leading to its differentiation from and competitiveness against its peers, and boosting customer loyalty and value added to the Company. The Company also takes into account its cost and investment worthiness for customer satisfaction under the balanced scorecard concept.

The Company conducts corporate social responsibility (CSR) activities for its customers through the employees' implementation and activities in various departments. It attaches great significance to the product quality to ensure convenience and safety for the customers. Therefore, the Company is committed to provide quality products that meet the international standards, carefully selects sources of products and raw materials that are environmentally friendly, ensures the procurement process is transparent



and examinable, has complete information on product features and standard certifications, and follows the standards in the storage and distribution of the products. The company adheres to fair marketing and sales practices with after-sales services and regular contacts with the customers after product delivery. It also provides communication channels to deal with complaints from the customers via telephone, email or Company officers, with the Marketing Department to take charge of these complaints by review, inspection and correction of the complaint issues, and seeking measures to prevent recurrence of such issues.

In addition, the Company provides product warranty to boost the customers' confidence. It keeps on exploring new products for the customers' convenience and safety with reasonable cost for the maximum benefits to the customers. The Company values the customers and responds to their needs on a quick and timely basis. The Company's operation procedures, which have been certified with the ISO 9001:2008, ensure that all work run smoothly, meet the target, and comply with the Company's quality policy stating that

"We aim to impress our customers with prompt service, quality products, consistent development of human resources, and ongoing improvement of our operation procedures."

5. Environmental Protection

The Company runs its business with responsibility to the community and society and has concern for the possible impacts on the environment and natural resources. Therefore, it attaches great significance to the implementation of safety, security, sanitary and environmental standards. It distributes products that serve the needs of the people and strictly complies with the laws and business ethics. The Company's social responsibility policy has been integrated into its marketing strategy. For example, in brand positioning, the Company emphasizes on compliance with business ethics, rules, regulations, and disciplines to create good impression and loyalty to the brand among the customers, which will lead to sustainable growth of the Company's revenues.

The Company has consistently raise social responsibility and environmental awareness among the employees at all levels. It allocates part of its profit to give back to the society by supporting social development and environmental protection activities. The Company is committed to minimize social and environmental impacts as well as impacts on the people's living quality to the lowest level and strictly





complies with the laws and regulations enforced by regulatory authorities. It gives importance to the community's activities on social and community development, environmental protection, and natural resources conservation. Its employees are encouraged to implement energy-saving measures and follow energy-saving guidelines in the use of air-conditioners, lighting system, and computers to optimize energy efficiency, save energy costs, and foster energy conservation awareness for the public interests and in response to the government's energy-saving policy.

6. CSR after Process

In 2015, the Company organized social contribution and environmental protection activities outside the Company as follows:

- An activity in celebration of Her Majesty the Queen's Birthday Anniversary on August 12, 2015.
- "Do Good for Mom" activity on August 14, 2015.
- Safety Week at BITEC on July 28, 2015.
- TEMCA 2015 on August 21-22, 2015.
- VICDAY Seminar on September 18, 2015.





Internal Control and Risk Management

The Company's Board of Directors has assigned the Audit Committee to review the appropriateness and effectiveness of the internal control system put in place by the management to ensure the Company has appropriate and adequate internal control system for monitoring of its business operation to achieve the targets and to accord with the applicable laws and regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as the internal control framework under the international standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Board has deter-

mined to have the adequacy of the Company's internal control system assessed and reported directly to the Board at least once a year with disclosure thereof made available in the Annual Disclosure Statement (Form 56-1) and the Annual Report (Form 56-2).

The Audit Committee has constantly monitored and reviewed the Company's internal control and risk management systems, and considered the internal audit results and the auditor's opinion on the appropriateness and adequacy of the internal control system, the operating results of which shall be reported to the Board on a quarterly basis.

Related Transactions

1. Necessity and reasonableness of related transactions

In 2015, the Company entered into a number of significant related transactions with relevant parties. The transactions were necessary and reasonable as they were in the normal course of business operations or in support of its business. Transaction prices were determined at market or fair prices applicable to transactions with outside parties. However, for operating assets transferred among companies in the group

following transfer of employees for management restructuring purpose, most of which were computers in use for a long time and upgraded and maintained to be in usable conditions, such transactions would mainly be priced at book value. The related transactions undertaken by the Company up to present have been reasonable and at fair prices.

The Audit Committee has reviewed such related transaction and considered them necessary, reasonable, and beneficial to the Company.



2. Related transaction approval measure or process

The Board of Directors' meeting no. 3/2014 on May 15, 2014 resolved to establish a policy and process for approving related transactions between the Company and individuals who have or may have conflict of interest on or beneficial interest in the transaction, such as the major shareholders, directors, executives, persons with controlling power, connected persons, or related persons, etc. The Company will comply with the securities and exchange law, provisions or notifications or stipulations of the Office of the Securities and Exchange Commission, Capital Market Supervisory Board, and the Stock Exchange of Thailand regarding such matters, as well as the regulations regarding disclosure of information on related transactions according to the accounting standards set forth by the Institute of Certified Accountants and Auditors of Thailand. In this regard, persons with conflict of interest or beneficial interest in the transactions shall not be entitled to take part in consideration of or to vote on the transactions.

In case prescribed by law to seek approval of such transactions from the Board of Directors' or the shareholders' meeting, the Company will designate the Audit Committee to attend the meeting to consider and give opinion on the necessity and reasonableness of the transactions.

Making of the related transactions that are under general commercial conditions and transactions that are not under general commercial conditions shall be subject to the following criteria:

Related transactions with general commercial conditions

For related transactions with general commercial conditions done between the Company and persons that have or may have conflict of interest or beneficial interest, at present or in the future, the Company has set a scope for doing such transactions, which has been reviewed and endorsed by the Audit Committee and approved in principle by the Board of Directors. Within such scope, when any of such transactions is to be made, approval may be sought only from the management, subject to the conditions that such transaction shall carry commercial conditions similar to those under which a person of ordinary common sense would do with a general counterparty under the same situation, having the bargaining power without any influence from the status of being directors, executives or persons otherwise on an arm's length basis, and being commercial transaction to be done in general by the Company for business operation, or commercial transaction generally done by a company in the same business to support its own normal business, with fair prices and conditions, and would not result in the transfer of benefits, including the following commercial conditions:

- 1) Prices and conditions offered to the Company or offered by the Company to persons in general
- 2) Prices and conditions offered by related persons to persons in general
- 3) Prices and conditions proven by the Company that companies of similar nature of business would offer to persons in general



However, when there is any transaction made on an arm's length basis as stated above, the management will make decision thereon. After an approval is given, a report on such related transaction will be prepared and submitted to the Board of Directors for information. In case that the Audit Committee and the Board of Directors find out that such transaction has not been undertaken in compliance with the policy in place, they may jointly discuss to find a solution.

Related transactions with non-general commercial conditions or other transactions

For related transaction with non-general commercial conditions or other transactions made between the Company and the persons that have or may have conflict of interest or beneficial interest, at present or in the future, the Company shall present to the Audit Committee to weigh the necessity and reasonableness in making the transaction as well as fairness of the price and conditions by comparing with a third party or the market price, before presenting to the Board of Directors and/or the shareholders' meeting, as the case may be, for approval. In case that the Audit Committee does not have the specialized knowledge on such transaction, the Company will engage an independent expert or the Company's auditor to provide an opinion on such related transaction to support the consideration and decision of the meeting of the Audit Committee, the Board of Directors, and/or the shareholders' meeting, as the case may be. The Board/Committee members or the shareholders who have conflict of interest or beneficial interest in such transaction shall not be entitled to take part in consideration of or to vote on the transaction.

The Company will disclose the related transactions made by the Company in the Notes

to Financial Statements audited by the Company's auditor in the Annual Report and the Annual Registration Statement (Form 56-1).

3. Policy or tendency of entering into related transactions in future

The Company expects to continue doing related transactions from its normal business operation and in support of its normal business operation, i.e. rent of office building space, warehouse and vehicle rent, sales and purchase of goods, and management service of supporting work. However, loan guarantee provided by directors and/or loan security with directors' assets may be relaxed after the Company stock is listed on the MAI. If the Company does not release such guarantee/collateral, the directors shall continue such guarantee/collateral obligations free of charge. Any related transactions existing or those to take place in future will be subject to definite pricing policy with fair market prices and conditions and not resulting in transfer of benefits, and in the best interest of the Company. The Audit Committee shall review and give opinions on the related transactions with general commercial conditions or in support of the normal business on a quarterly basis.

To enter into related transactions in future, the Company shall comply with the securities and exchange law, provisions or notifications or stipulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, and abide by the regulations regarding disclosure of related transaction information of the Company according to the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand.



18 Management's Discussion and Analysis (MD&A)

Overview of Past Performance

Fire Victor Plc. ("the Company") is an importer and distributor of valves and equipment for fire protection system and valves and equipment for sanitary and air-conditioning system, and also offers firefighting system installation services, which include consulting, designing and installation of firefighting systems, with its skillful engineering team. The Company therefore generates revenues mainly from sales of products and from fire protection system installation services. These revenues are primarily consistent with economic condition and construction industry situation.

Analysis of Profit/Loss

Analysis of Revenues

From its 2015 operation, the Company recorded total revenues of Baht 582.95 million, dropping by Baht 0.48 million and being close to revenues earned in 2014. The revenues were almost entirely generated from sales and services, consisting of revenues from sales of fire protection system products, which made up 74.08% of revenues from sales and services; revenues from sales of sanitary and air-conditioning system equipment, accounting for 7.13%; and revenues from fire protection system installation service, constituting 16.15%.

Revenue Structure

Roughly 90.23% of revenues from sales and services were from sales of fire protection products, while the remainder came from sanitary and air-conditioning products, details of which are as follows:

Revenues	2015		2014		2013	
	Baht Million	%	Baht Million	%	Baht Million	%
1. Sales of fire protection products	431.83	74.08	475.15	81.44	451.66	86.65
2. Sales of sanitary and air-conditioning products	41.58	7.13	34.40	5.90	34.27	6.57
3. Fire protection system installation services	94.13	16.15	62.49	10.71	32.68	6.27
Total	567.54	97.36	572.04	98.05	518.61	99.49
Other revenues	15.41	2.64	11.39	1.95	2.65	0.51
Total revenues	582.95	100.00	583.43	100.00	521.26	100.00

Amid the drastic slump in the country's economy and construction sector in 2015 coupled with the negative GDP growth rate, the Company could still generate revenues from sales and services at about the same level as 2014 thanks to an offering of products under new brands as additional alternatives for customers.



Analysis of Costs and Expenses

Costs of sales and services

In 2015, the Company incurred total costs of sales and services of Baht 425.79 million, representing 75.02% of revenues from sales and services. The major item was cost of products, making up 60% - 65% of total costs of sales and services. The remainder included cost of services, labor cost for equipment installation, etc.

	2015		2014		2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Revenues from sales and services	567.54	100.00	572.04	100.00	518.61	100.00
Costs of sales and services	425.79	75.02	422.05	73.78	369.86	71.32
Gross profit	141.75	24.98	149.99	26.22	148.75	28.68
Net profit	46.20	8.14	60.61	10.60	61.16	11.79

Selling and administrative expenses

In 2015, selling and administrative expenses amounted to Baht 100.55 million, consisting of selling expenses of Baht 34.39 million and administrative expenses of Baht 66.16 million. Major factors leading to an increase in selling and administrative expenses were as follows:

1. Personnel-related expenses went up by Baht 10.21 million due to a restructuring of staff salary and an increase of manpower to gear up for business expansion.
2. Depreciation cost rose by Baht 1.40 million caused by a change of ERP system to ensure a more efficient database management.
3. There was an unrealized loss on fund revaluation of approximately Baht 2.48 million.

	2015		2014		2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Selling expenses	34.39	5.90	28.66	4.91	27.47	5.27
Administrative expenses	66.16	11.35	55.12	9.45	46.83	8.98
Total selling and administrative expenses	100.55	17.25	83.78	14.36	74.30	14.25
Total revenues	582.95	100.00	583.43	100.00	521.26	100.00



Net Profit

In 2015, the Company posted a net profit of Baht 46.20 million, a drop of Baht 14.41 million, and a net profit margin of 8.14% which declined from 10.60% in 2014. The decrease in net profit from a year earlier was attributed to increases in costs of sales and services and in selling and administrative expenses.

Analysis of Financial Position

Assets

The Company had total assets of Baht 569.01 million as at the end of 2015, down by Baht 3.36 million or 0.59% from 2014. The major items were current investments of Baht 256.68 million, representing 45.11% of total assets, trade and other receivables of Baht 116.90 million, 20.54%, and inventories of Baht 114.32 million, 20.09%.

Current Investments

Current investments as at the end of 2014 and 2015 amounted to Baht 270.16 million and Baht 256.68 million or 47.20% and 45.11% of total assets respectively. Current investments were composed mainly of investments in fixed income fund and partly of investments in equity securities, on which the Company made an investment decision based on its excess liquidity during any such period.

Trade and Other Receivables

As at the end of 2015, trade and other receivables-net accounted for Baht 116.90 million or 20.54% of total assets, declining from the end of 2014 by Baht 12.96 million due to improvement in debt collection management. The average debt collection period in 2015 was 63 days, which was five days shorter than the collection period in 2014, thus leading to a decrease in overdue debts. Allowance for doubtful accounts amounted to Baht 2.93 million, which was in line with the Company's policy to set aside an allowance that fully covers accounts receivable overdue for longer than 12 months.



	Dec 31, 2015		Dec 31, 2014		Dec 31, 2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Trade accounts receivable						
Not yet due	75.31	64.42	94.75	72.96	87.34	67.09
Overdue						
Less than or equal to 3 months	33.60	28.74	30.03	23.12	39.09	29.96
More than 3 up to 6 months	0.53	0.45	1.35	1.04	1.7	1.31
More than 6 up to 12 months	2.21	1.89	0.76	0.59	1.29	0.99
More than 12 months	1.74	1.49	0.65	0.50	0.96	0.74
Total	113.39	97.00	127.54	98.21	130.38	100.15
<u>Less</u> Allowance for doubtful accounts	2.93	2.50	1.97	1.52	1.58	1.21
Trade accounts receivable - net	110.47	94.49	125.57	96.70	128.8	98.94
Other receivables	6.44	5.51	4.29	3.30	1.38	1.06
Trade and other receivables – net	116.90	100.00	129.86	100.00	130.18	100.00

Inventories

As at the end of 2015, the Company had total inventories (net of allowance for decline in value of inventories) of Baht 114.31 million, representing 20.09% of total assets. Inventories consisted of finished goods and goods in transit, most of which were finished products procured by the Company for sales to contractors, trade partners for firefighting equipment, or general users.

Inventories as at the end of 2013, 2014 and 2015 were at about the same level due to a systematic inventory management. In this regard, procurement and stock of products were partially made, whereas special-purpose or high-value items were not stocked in advance, but would be procured upon demand from customers or would be used only for projects specially designed for any such customers, including products such as fire-extinguishing foam tank, etc. In 2015, inventories rose by Baht 12.79 million from 2014 because of a higher quantity of products procured in Q4/2015 for further delivery in early 2016.

The Company has a policy to set aside an allowance for inventories that fall under the following conditions:



- 1) products aged two years or more;
- 2) yearly turnover amounting to less than 20% of total inventories for two consecutive years; and
- 3) the inventories turnover as in 2) still remaining below 20% of total inventories over the subsequent time period from the end of fiscal year until the date the auditor conducts an audit or review of financial statements (about 20 days after the end of fiscal year).

As at the end of 2013-2015, the Company set aside an allowance for devaluation of inventories at around 5% - 7% of net inventories value. The average product turnover period was 84 days, 73 days and 77 days in 2013-2015 respectively.

	Dec 31, 2015		Dec 31, 2014		Dec 31, 2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Finished goods	98.06	85.78	78.73	77.56	86.03	84.21
Goods in transit	22.86	20.00	28.72	28.29	23.46	22.96
<u>Less</u> Allowance for devaluation of inventories	6.61	5.78	5.93	5.85	7.33	7.17
Inventories - net	114.31	100.00	101.52	100.00	102.16	100.00

Other current assets

The Company recorded other current assets as of the end of 2013-2015 of Baht 1.53 million, Baht 2.98 million and Baht 6.49 million respectively, representing a surge of Baht 1.45 million or 94.77% as of year-end 2014 and Baht 3.51 million or 117.79% as of the end of 2015. Other current assets were largely comprised of deposits for product procurement from domestic and international sources, prepaid expenses, suspense input tax, advance payment, etc.

Equipment

As at the end of 2013-2015, equipment amounted to Baht 7.54 million, Baht 12.81 million and Baht 16.22 million or 2.68%, 2.24% and 2.85% of total assets respectively. They consisted of tools and equipment, furniture and office equipment, vehicles, assets for rent and testing, etc. The Company does not own any land and office building, but has leased building space from a related company for use as its head office.

Equipment increased by Baht 5.27 million or 69.89% as of the end of 2014 and Baht 3.41 million or 26.62% as at year-end 2015. Such increase stemmed from procurement of vehicles and office furniture.

The Company has a policy to depreciate equipment for five years and vehicles for seven years.

**Intangible assets-net**

The Company's intangible assets as at the end of 2013-2015 were Baht 0.19 million, Baht 5.48 million and Baht 6.72 million or 0.07%, 0.96% and 1.18% of total assets respectively. During the year 2013-2015, the Company purchased additional intangible assets of Baht 0.04 million, Baht 5.43 million and Baht 2.08 million respectively. The increase in intangible assets in 2014 and 2015 resulted from a change of ERP system to support operation of Accounting Department and increase efficiency in database management to ensure quick and reliable reporting, including SAP computer software which will be amortized by straight line method a period of 10 years.

Liabilities

The Company had total liabilities of Baht 105.67 million, Baht 111.84 million and Baht 117.21 million as at the end of 2013-2015 respectively, rising by Baht 6.17 million or 5.84% as at the end of 2014 and by Baht 5.37 million or 4.80% as of year-end 2015. They mainly comprised trade and other payables.

Trade and other payables

Trade and other payables as at the end of 2013-2015 were Baht 80.19 million, Baht 88.20 million and Baht 88.57 million or 75.89%, 78.86% and 75.57% of total liabilities respectively. They were composed of trade accounts payable with credit term of about 60 days, accrued expenses, and other payables, as follows:

	Dec 31, 2015		Dec 31, 2014		Dec 31, 2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Trade accounts payable	69.67	78.66	67.61	76.66	66.08	82.40
Other payables						
- Accrued expenses	15.92	17.97	18.98	21.52	12.81	15.98
- Other payables	2.98	3.37	1.61	1.83	1.30	1.62
Total	88.57	100.00	88.20	100.00	80.19	100.00

Other current liabilities

Other current liabilities as at the end of 2013-2015 amounted to Baht 3.15 million, Baht 6.30 million and Baht 10.26 million or 2.98%, 5.63% and 8.75% of total liabilities respectively. They consisted of sales deposits payable, deferred withholding tax, deferred value added tax, etc. The rise in other current liabilities was mainly caused by an increase in sales deposits payable due to a greater amount of deposits collected from customers in accordance with growth in their purchase volume.



Employee benefit obligations

Employee benefit obligations were Baht 5.04 million, Baht 6.40 million and Baht 9.84 million as at the end of 2013-2015 respectively. The Company began to comply with TAS19 Employee Benefits, which took effect as from January 1, 2011. Under its new accounting policy, the Company is obligated to compensate its employees after their resignation in accordance with its employment regulations and the labor law. The Company deems such compensation as post-employment benefits for its employees. Previously, employee benefit obligations were recognized when they have taken place and provisions for post-employment benefits were calculated by the discounting method for each unit as estimated by the actuary.

Shareholders' equity

As at the end of 2013-2015, the Company had total shareholders' equity of Baht 175.71 million, Baht 460.53 million and Baht 451.80 million respectively. The increase in shareholders' equity as of year-end 2013 of Baht 33.54 million was ascribed to net profit of Baht 61.16 million and dividend payment of Baht 27.63 million. As at the end of 2014, shareholders' equity grew strongly from the end of 2013 by Baht 284.82 million, driven by net profit of Baht 60.61 million, issuance of new ordinary shares of Baht 110.00 million, and premium on ordinary shares of Baht 213.21 million, net of dividend payment of Baht 99.00 million. Decrease in shareholders' equity as at the end of 2015 compared with year-end 2014 resulted from net profit of Baht 46.20 million, dividend payment of Baht 52.50 million, and net actuarial loss adjustment arising from employee benefit plan of Baht 2.43 million.

Analysis of statements of cash flow

Unit: Baht Million	2015	2014	2013
Net cash provided from operating activities	50.34	62.79	56.13
Net cash provided from (used in) investing activities	4.68	(253.95)	(31.68)
Net cash used in financing activities	(52.50)	214.29	(31.06)
Net increase (decrease) in cash and cash equivalents	2.52	23.13	(6.61)
Cash and cash equivalents as of January 1	25.66	2.53	9.14
Cash and cash equivalents as of December 31	28.18	25.66	2.53

In 2015, the Company had net cash provided from operating activities of Baht 50.34 million, declining by Baht 12.45 million from 2014. Profit from operating activities before change in operating assets and liabilities amounted to Baht 62.75 million. The change in operating assets and liabilities was due mainly to a decline in trade and other receivables of Baht 12.00 million and an increase in inventories of Baht 13.47 million.



Net cash provided from investing activities totaled Baht 4.68 million, comprising sales of current investments of Baht 12.76 million, disposal of automobiles of Baht 0.89 million, cash paid for purchases of equipment of Baht 6.89 million, and purchases of intangible assets of Baht 2.08 million.

Net cash used in financing activities was for dividend payment of Baht 52.50 million.

The Company had cash and cash equivalents as at December 31, 2015 of Baht 28.18 million, up by Baht 2.52 million from December 31, 2014.

Liquidity Ratio

The Company's cash cycle in 2013-2015 was as follows:

	2015	2014	2013
Average debt collection period (day)	63	68	87
Average sale period (day)	77	72	84
Average debt repayment period (day)	54	53	60
Cash cycle (day)	86	87	111

In 2013-2015, the Company's cash cycle was equal to 111 days, 88 days and 86 days respectively. A constantly shortened cash cycle is indicative of improvement in management efficiency. The Company's cash cycle is in line with the nature of its core business which has an average collection period from trade accounts receivable of 30 - 60 days, while receiving an average credit term from trade accounts payable of 60 days. As at the end of 2013-2015, the Company recorded an average debt repayment period of 60 days, 53 days and 54 days respectively and an average sale period of 84 days, 73 days and 77 days respectively.

The cash cycle in 2015 was close to 2014 because, despite the longer average sale period, the Company could efficiently manage its debt collection which led to a faster debt collection from customers.



19 Report of the Board of Directors' Responsibility for Financial Reports

Dear Shareholders,

The Board of Directors is responsible for the financial statements of Fire Victor Public Company Limited prepared in accordance with Thailand's accounting standards under Accounting Act, B.E. 2543 (2000) and accounting interpretations and practices enforced by the Federation of Accounting Professions, and pursuant to the regulations of the Securities and Exchange Commission regarding preparation and presentation of financial report under the Securities and Exchange Act, taking into consideration appropriate and consistent accounting policies and based on careful judgments and reasonable reporting in the preparation of the financial report, as well as adequate and transparent disclosure of important information in the Notes to Financial Statements according to the Report of Independent Auditor, for the benefits of the shareholders and investors in general.

The Board of Directors has established and maintained good corporate governance and appropriate risk management and internal control systems to assure that the accounting information is correctly, completely and timely recorded, and adequate to sustain the Company's assets and prevent any fraud or any material act of irregularities.

The Board of Directors has appointed an Audit Committee comprising Independent Directors to oversee and review the reliability and accuracy of the financial reports, the assessment of internal control, risk management and internal audit to ensure efficiency. The Audit Committee's opinions on these issues are included in the Report of the Audit Committee presented in this Annual Report.

The Board of Directors is of the opinion that the internal control and internal audit of the Company can give assurance that the financial statements of Fire Victor Public Company Limited for the year ended December 31, 2015 exhibit its financial status, operating results and cash flows accurately and appropriately in material aspects in accordance with the financial reporting standards, and the audit of which has been performed by the Independent Auditor according to the generally accepted accounting standards with opinion given in the Report of Independent Auditor presented in this Annual Report.

Mr. Thakol Nunthirapakorn
Chairman of the Board

Mr. Wirat Sukchai
Managing Director



R

eport of the Audit Committee

Dear Shareholders,

The Audit Committee, appointed by the Board of Directors, is composed of three Independent Directors as follows:

- | | | |
|------------------|----------------|-----------------------------|
| 1. Mr. Thakol | Nunthirapakorn | Chairman of Audit Committee |
| 2. Mr. Sothitorn | Mallikamas | Audit Committee Member |
| 3. Miss Voranuch | Supaibulpipat | Audit Committee Member |

The Audit Committee is in charge of review of the Company's financial reports to ensure that they are accurate and have adequate disclosure of information, and that the Company has appropriate and effective internal control and internal audit, and its business operations are compliant with applicable laws and regulations. The Audit Committee is also responsible for selecting and proposing for appointment of the Company's external auditor, considering the Company's disclosure of information in an accurate and complete manner, and performing duty independently with Miss Prawonwan Saipan as the Secretary of the Committee, within the scope of duties and responsibilities prescribed in the Audit Committee Charter.

In 2015, the Audit Committee held four meetings. The three Committee members attended all the meetings held. The Audit Committee discussed and shared opinions with the management, internal auditors, and external auditor on relevant issues. Salient points can be concluded here:

- 1. Review of quarterly and yearly financial statements for 2015:** The Audit Committee reviewed the quarterly and yearly financial statements, with enquiries made with and explanation sought from the management and the auditor as regards the accuracy, completeness and compliance with the generally accepted accounting standards as well as the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand as appropriate in the material aspects, and as regards disclosure of information in an adequate, complete and reliable manner, for further submission to the Board of Directors for approval.



2. **Review and assessment of the adequacy of the internal control system:** The Audit Committee reviewed the internal control system and monitored the audit result, with the audit report submitted on a quarterly basis by the internal auditors and auditor from SP Audit Co., Ltd. to assess the adequacy of the internal control system which would support and drive the Company toward its targets, in terms of both effectiveness and efficiency of the operations, and ensure the reliability of the financial reports and the compliance with the relevant regulations and policies of the Company.
3. **Review and consideration of related party transactions or transactions that may have conflict of interest, including disclosure of information thereof in conformity with the relevant laws and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission:** The Audit Committee is of the opinion that such transactions were carried out in a reasonable manner for the maximum benefit of the Company, and that disclosure of information thereof was accurate, complete and adequate in line with the good corporate governance practice.
4. **Review of work performance pursuant to the securities and exchange law, the regulations of the Office of the Securities and Exchange Commission and the criteria of the Stock Exchange of Thailand, as well as other laws relevant to the Company's business operations, including compliance with the Company's regulations and obligations with third parties:** In this regard, the Audit Committee did not find any significant issue of non-compliance with the law and regulations of the Stock Exchange of Thailand and relevant regulatory bodies.
5. **Selection and proposal for the appointment of the Company's auditor and determination of audit fee for 2015:** The Audit Committee reviewed the performance and independence of the candidate, and the appropriateness of the remuneration for the auditor, and considered it proper for the Company to appoint Mr. Prawit Viwanthananut (CPA license no. 4917), Mr. Bunjong Pichayaprasat (CPA license no. 7147), Mr. Thirddthong Thepmongkorn (CPA license no. 3787), or Mr. Kraisit Silapamongkonkul (CPA license no. 9429) from PV Audit Co., Ltd. as the Company's auditor for 2015. The proposed appointment was proposed for the endorsement by the Board of Directors for proposal to the 2015 Annual General Meeting of Shareholders for consideration and approval.



The Audit Committee is of the opinion that, in 2015, the Company maintained good corporate governance and appropriate internal control, prepared the financial statements that exhibited the factual information in material aspects adequately and accurately in compliance with the generally accepted accounting standards, disclosed information in conformity with the relevant laws and regulations, had risk management at an acceptable level, performed in adherence to the relevant laws, rules and regulations as well as obligations, and disclosed related party transactions in an accurate and complete manner. The Audit Committee and the management attached high importance on business operations in line with the good corporate governance. No material irregularities were found that might affect the Company's financial status. The Company consistently developed and rationalized its work processes to boost quality and suit the business environment, as well as to be compliant with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and other laws relevant to the business operations of the Company.

(Mr. Thakol Nunthirapakorn)
Chairman of Audit Committee



21 AUDITOR'S REPORT

To the Board of Directors and Shareholders of Fire Victor Public Company Limited

I have audited the accompanying financial statements of Fire Victor Public Company Limited which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

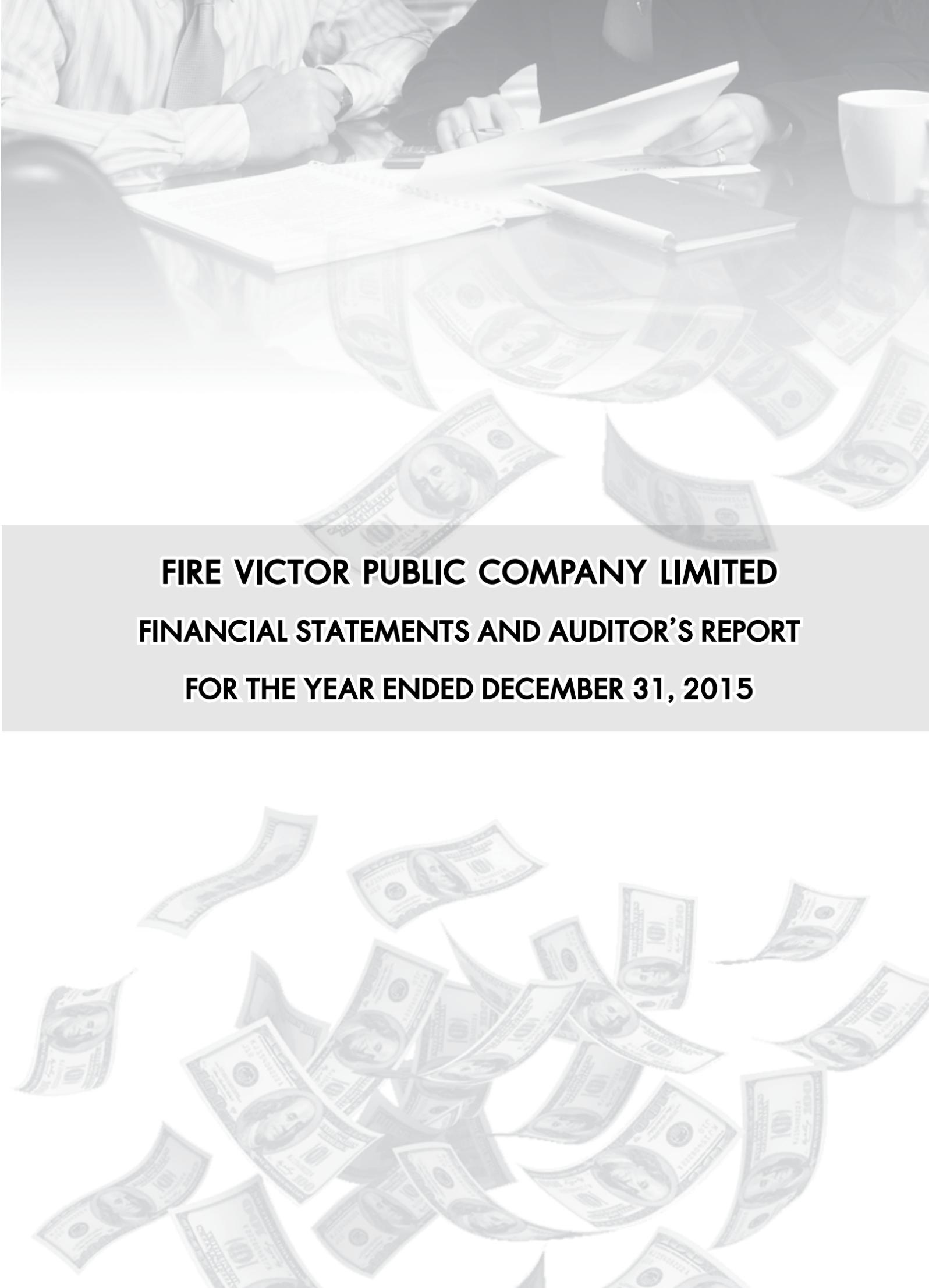


Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Fire Victor Public Company Limited as at December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Prawit Viwanthananut
Certified Public Accountant
Registration Number 4917

PV Audit Co., Ltd.
Bangkok, February 26, 2016

The background of the entire page is a grayscale image of a business meeting. Two people are seated at a table, looking at documents. A white mug is on the table. Numerous US dollar bills are shown falling from the top of the frame, creating a sense of financial activity or investment. The bills are scattered across the upper and lower portions of the page, with a higher concentration in the upper half.

FIRE VICTOR PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015



22 Financial Statements

FIRE VICTOR PUBLIC COMPANY LIMITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

		Baht	
	Note	2015	2014
ASSETS	3		
Current Assets			
Cash and cash equivalents	5	28,184,442.24	25,660,391.79
Current investments	6, 25	256,675,231.14	270,160,203.58
Trade and other receivables	4, 7	116,904,281.92	129,857,073.32
Unbilled receivables		13,042,300.96	17,634,660.62
Inventories	8	114,314,910.63	101,517,233.50
Other current assets		6,491,581.26	2,976,312.51
Total Current Assets		535,612,748.15	547,805,875.32
Non-Current Assets			
Restricted bank deposits	12	1,280,284.00	-
Equipment	4, 9	16,221,580.40	12,812,604.76
Intangible asset	4, 10	6,715,282.27	5,478,293.48
Deferred tax assets	11	3,450,283.40	1,478,614.20
Other non-current assets		5,727,006.29	4,790,629.30
Total Non-Current Assets		33,394,436.36	24,560,141.74
Total Assets		569,007,184.51	572,366,017.06

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



FIRE VICTOR PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

		Baht	
	Note	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY	3		
Current Liabilities			
Trade and other payables	4, 13	88,572,531.89	88,200,356.75
Accrued income tax		2,778,140.51	5,841,251.73
Short-term provisions		88,300.00	387,840.00
Other current liabilities	14	10,257,463.97	6,300,358.99
Total Current Liabilities		101,696,436.37	100,729,807.47
Non-Current Liabilities			
Employee benefit obligations	15	9,840,943.97	6,393,706.76
Other non-current liabilities		5,672,267.29	4,714,744.30
Total Non-Current Liabilities		15,513,211.26	11,108,451.06
Total Liabilities		117,209,647.63	111,838,258.53
SHAREHOLDERS' EQUITY			
Share capital	16		
Authorized share capital			
350,000,000,000 ordinary shares, Baht 0.50 par value		175,000,000.00	175,000,000.00
Issued and paid-up share capital			
350,000,000 ordinary shares, fully paid-up		175,000,000.00	175,000,000.00
Premium on share capital	16, 17	218,306,426.68	218,306,426.68
Retained earnings			
Appropriated to legal reserve	18	11,840,416.97	9,530,259.68
Unappropriated	19	46,650,693.23	57,691,072.17
Total Shareholders' Equity		451,797,536.88	460,527,758.53
Total Liabilities and Shareholders' Equity		569,007,184.51	572,366,017.06

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



FIRE VICTOR PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Baht	
		2015	2014
	3		
Revenue from sales and services	4	567,538,203.18	572,035,607.31
Cost of sales and services	4, 9, 21, 22	(425,789,991.16)	(422,048,346.59)
Gross profit		141,748,212.02	149,987,260.72
Other income	4	15,413,566.67	11,393,818.71
Selling expenses	4, 9, 21, 22	(34,390,535.57)	(28,662,682.09)
Administrative expenses	4, 9, 21, 22	(66,157,840.67)	(55,120,613.23)
Finance costs		(173.99)	(431,866.46)
Profit before income tax		56,613,228.46	77,165,917.65
Tax expense	23	(10,410,082.72)	(16,560,724.06)
Profit for the year		46,203,145.74	60,605,193.59
Other comprehensive income (loss)			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial loss		(3,041,709.24)	-
Income tax relating to defined benefit plan actuarial loss	23	608,341.85	-
Other comprehensive loss for the year - net of tax		(2,433,367.39)	-
Total comprehensive income		43,769,778.35	60,605,193.59
Earnings per share			
Basic earnings per share	3	0.13	0.25
Weighted average number of ordinary shares (Shares)	3	350,000,000	243,260,274

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



FIRE VICTOR PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Baht						
	Note	Issued and paid-up	Premium	Retained earnings		Total
		share capital	on share capital	Appropriated	Unappropriated	
Balance as at January 1, 2014		65,000,000.00	5,100,000.00	6,500,000.00	99,111,138.26	175,711,138.26
Changes in shareholders' equity:						
Increase in ordinary shares	16	110,000,000.00	213,206,426.68	-	-	323,206,426.68
Dividend paid	19	-	-	-	(98,995,000.00)	(98,995,000.00)
Appropriated to legal reserve	18	-	-	3,030,259.68	(3,030,259.68)	-
Profit for the year		-	-	-	60,605,193.59	60,605,193.59
Balance as at December 31, 2014		175,000,000.00	218,306,426.68	9,530,259.68	57,691,072.17	460,527,758.53
Changes in shareholders' equity:						
Dividend paid	19	-	-	-	(52,500,000.00)	(52,500,000.00)
Appropriated to legal reserve	18	-	-	2,310,157.29	(2,310,157.29)	-
Profit for the year		-	-	-	46,203,145.74	46,203,145.74
Other comprehensive loss for the year		-	-	-	(2,433,367.39)	(2,433,367.39)
Balance as at December 31, 2015		175,000,000.00	218,306,426.68	11,840,416.97	46,650,693.23	451,797,536.88

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



FIRE VICTOR PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Baht	
	2015	2014
Cash flows from operating activities:		
Profit before income tax	56,613,228.46	77,165,917.65
Adjustments to reconcile profit before income tax to net cash		
provided by (used in) operating activities		
Depreciation and amortization	4,321,889.00	2,728,428.82
Doubtful accounts	954,972.40	390,112.47
Loss on devaluation of inventories (reversal)	671,443.56	(1,401,524.72)
Gain on disposal of assets	(2,649,913.68)	(488,288.13)
Unrealized loss on exchange rate	186,982.02	403,495.00
Unrealized (gain) loss on revaluation of investments	2,488,299.19	(737,135.32)
Provision incurred from employee benefit obligations	749,527.97	2,768,383.85
Interest and dividends income	(585,367.04)	(77,257.78)
Interest expenses	173.99	431,866.46
Profit from operating activities before change in operating assets		
and liabilities	62,751,235.87	81,183,998.30
Change in operating assets (increase) decrease		
Trade and other receivables	11,997,819.00	(68,180.60)
Unbilled receivables	4,592,359.66	(11,429,651.88)
Inventories	(13,469,120.69)	2,042,372.64
Other current assets	(3,468,461.22)	(1,957,723.61)
Restricted bank deposits	(1,280,284.00)	-
Other non-current assets	(936,376.99)	(4,785,379.30)
Change in operating liabilities increase (decrease)		
Trade and other payables	138,385.59	7,614,952.35
Short-term provisions	(299,540.00)	387,840.00
Other current liabilities	3,957,104.98	3,150,730.48
Payment of employee benefit obligations	(344,000.00)	(1,417,000.00)
Other non-current liabilities	957,522.99	4,714,744.30
Cash generated from operations	64,596,645.19	79,436,702.68

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



FIRE VICTOR PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Baht	
	2015	2014
Interest and dividends received	585,367.04	77,257.78
Income tax paid	(14,836,521.29)	(16,721,758.91)
Net cash provided by operating activities	50,345,490.94	62,792,201.55
Cash flows from investing activities:		
(Increase) decrease in current investments	12,762,111.27	(240,700,000.00)
Purchases of equipment	(6,893,648.10)	(7,956,952.04)
Proceeds from sales of equipment	886,233.66	141,630.85
Purchases of intangible asset	(2,075,963.33)	(5,434,483.17)
Net cash provided by (used in) investing activities	4,678,733.50	(253,949,804.36)
Cash flows from financing activities:		
Proceeds from short-term loans from financial institutions	-	50,000,000.00
Repayment of short-term loans from financial institutions	-	(60,000,000.00)
Interest paid	(173.99)	(437,345.91)
Dividend paid	(52,500,000.00)	(98,995,000.00)
Proceeds from increase in share capital	-	323,723,166.68
Net cash provided by (used in) financing activities	(52,500,173.99)	214,290,820.77
Net increase in cash and cash equivalents	2,524,050.45	23,133,217.96
Cash and cash equivalents at the beginning of the year	25,660,391.79	2,527,173.83
Cash and cash equivalents at the end of the year	28,184,442.24	25,660,391.79

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



FIRE VICTOR PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

Fire Victor Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on May 9, 2001, and became a public company limited on May 22, 2014, and was listed in the Market for Alternative Investment (mai) on the Stock Exchange of Thailand on November 13, 2014. The Company engages in the business of wholesaling, retailing, servicing, renting, leasing, contracting and installation of fire protection system and fire suppression agent. The Company is located at 19/20-22 Soi Soonvijai, Rama 9 Road, Bangkok, Huaykwang, Bangkok.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in accordance with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.



Adoption of New Thai Financial Reporting Standards

FAP has issued Notifications, mandating the use of new and revised Conceptual Framework for Financial Reporting (revised 2015), Thai Accounting Standards (“TAS”), TFRS, Thai Standard Interpretations (“TSIC”) and Thai Financial Reporting Interpretations (“TFRIC”) as follows:

- a) Conceptual Framework for Financial Reporting (revised 2015) which is immediately effective for the year 2015.
- b) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2015 as follows:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment



TAS/TFRS/TSIC/IFRIC	Topic
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
IFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
IFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
IFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
IFRIC 12 (revised 2014)	Service Concession Arrangements
IFRIC 13 (revised 2014)	Customer Loyalty Programmes
IFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
IFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
IFRIC 18 (revised 2014)	Transfers of Assets from Customers
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine



During the year, the Company has adopted Conceptual Framework for Financial Reporting (revised 2015), new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2015. These Conceptual Framework for Financial Reporting (revised 2015) and TFRS 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 Conceptual Framework for Financial Reporting (revised 2015) and TFRS does not have any significant impact on the financial statements of the Company, except TFRS as follows:

TAS 1 (revised 2014) Presentation of financial statements

The key change is that the Company is required to group items presented in “Other Comprehensive Income” on the basis of whether they are potentially reclassifiable to profit or loss subsequently. This standard will only impact the Company presentation of other comprehensive income items in the statement of comprehensive income of the Company.

TFRS 13 Fair value measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. The Company is to apply the guidance under this standard if it is required by other TFRS to measure its assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

The Company disclosed information in accordance with this standard as described in Note 25.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2015, FAP has issued Notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), TFRS, Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) and accounting guidance (“AG”) as follows:

TAS, TFRS, TSIC, TFRIC and AG which are effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts



TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Asset
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments



TAS/TFRS/TSIC/TFRIC/AG	Topic
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners

**TAS/TFRS/TSIC/TFRIC/AG****Topic**

TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

Accounting guidance for the measurement and recognition of bearer plants

The management of the Company is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**The measurement bases used in preparing the financial statements**

Other than those disclosed in other outlines in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues**Sale of goods**

Revenue excluding value added taxes is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenues from service

Service incomes are recognized when services are rendered.

Revenue from service contract

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a service contract can be estimated reliably, contract revenue and expenses are recognised in the statement of comprehensive income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a service contract cannot be estimated reliably, revenue contract is recognized only to the extent of contract costs incurred that it is probably will be recoverable.



When it is probable that total contract costs will exceed total contract revenue, the expected loss on a contract shall be recognized in the statement of comprehensive income.

The completed part of service, which has not yet been delivered for acceptance or for billing, is recorded as unbilled receivables.

Work in progress

Work in progress is stated at cost less allowance for impairment losses (if any).

Rental income

Rental income under operating leases is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Interest income and other income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

Expenses

Expenses are recognized in the statement of comprehensive income on an accrual basis.

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

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.

The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, cash at banks and short-term investments with high liquidity net of deposits at bank on obligation and bank deposits with a maturity date over 3 months.

**Current investments**

Marketable equity securities held for trading are stated at fair value, with any resultant gain or loss recognized in the statement of comprehensive income.

Costs of investment sold during the year are calculated using the weighted average cost method.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

Allowance for doubtful accounts is an estimation of those amounts, which may prove to be uncollectible, based on historical collection experience and review of the current status of existing receivables. Bad debts are written off when incurred.

Inventories

Inventories are valued at the lower of weighted average cost or net realizable value.

Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overhead based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Equipment

Equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

	Years
Tool and equipment	5
Furniture and office equipment	5
Vehicles	7
Assets for rental and demonstration	5

Depreciation is included in determining income and no depreciation is provided for construction in progress.

Repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.



Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in operating profit.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

Intangible asset

Intangible asset is stated at cost less accumulated amortization and allowance for impairment (if any), which is computed by the straight-line method based on the useful lives of asset 5 years and 10 years.

Impairment of assets

The carrying amounts of the Company's assets are reviewed at each the reporting period date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statements of comprehensive income.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Lease

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance costs so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to the statements of comprehensive income over the lease period. The property, plant or equipment acquired under finance lease contract is depreciated over the shorter of the useful life of the asset or the lease term.



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

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Employee benefits**Short-term benefits**

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) immediately in other comprehensive income.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgements and estimates are as follows:



Estimated construction project costs

The Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on project services contract

Management applies judgement in estimating the loss they expect to be realised on each installation, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of installation materials, labour and the current situation.

Provision for penalty from delay delivery

The Company has provision incurred from delay delivery. The management applies judgement in estimating the penalty based on contract rate and the period of delay project work. The Company has recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.



Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares outstanding during the year.

For the years ended December 31, 2015 and 2014

	2015	2014
Profit for the year (Baht)	46,203,145.74	60,605,193.59
Weighted average number of ordinary shares (shares)		
Issued ordinary shares at the beginning of the year	350,000,000	6,500,000
Effect of shares issued during the year and the change in par value on September 19, 2014	-	236,760,274
Weighted average number of ordinary shares (shares)	350,000,000	243,260,274
Basic earnings per share (Baht)	0.13	0.25

On September 19, 2014, the Extraordinary General Meeting of Shareholders, a resolution was passed authorizing change the par value of share capital, which the Company recalculated basic earnings per share by adjusting the number of ordinary shares outstanding before changes in par value, as if the change in par value had occurred since January 1, 2014.



4. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities, and other transactions that occurred with those parties are shown as follows:

The significant related party transactions for the years ended December 31, 2015 and 2014 were as follows:

		Baht	
		2015	2014
Purchase of goods			
Chillmatch Co., Ltd.		7,700.00	4,900.00
Sale of goods			
Chillmatch Co., Ltd.		6,950.00	1,890.00
Q II S Co., Ltd.		800.00	-
Purchase of equipment and intangible asset			
Chillmatch Co., Ltd.		-	290.00
Harn Engineering Co., Ltd.		1,736,000.00	2,399,824.00
Sale of equipment			
Mr. Rattanaphan Mukhariwattananon		531,775.70	-
Mrs. Urairut Hanthaweeapat		353,271.03	-
Other income			
Q II S Co., Ltd.		6,628,800.00	5,700,000.00
Chillmatch Co., Ltd.		4,334,400.00	3,156,000.00
Office rental and service expenses			
Harn Engineering Co., Ltd.		5,211,480.00	5,734,710.00
Mr. Jain Charnnarong		469,050.00	26,550.00
Directors' remuneration			
Directors		495,000.00	2,495,000.00



The significant balances with related companies as at December 31, 2015 and 2014 were as follow

	Baht	
	2015	2014
Other receivables		
Harn Engineering Co., Ltd.	1,379,465.00	1,456,132.00
Q II S Co., Ltd.	856.00	-
Trade and other payables		
Chillmatch Co., Ltd.	-	2,247.00

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Short-term benefits	7,377,484.00	8,354,890.00
Post-employment benefits	58,371.44	221,724.12
Total	7,435,855.44	8,576,614.12

Company/Person Relationship

Company/Person	Country/		
	Nationality	Related	Relationship
Harn Engineering Co., Ltd.	Thailand	Related company	Director and/or common shareholders
Q II S Co., Ltd.	Thailand	Related company	Director and/or common shareholders
Chillmatch Co., Ltd.	Thailand	Related company	Director and/or common shareholders
Mr. Jain Charnnarong	Thai	Related person	Close member of the director's family and shareholder
Mr. Rattanaphan Mukhariwattananon	Thai	Related person	shareholder
Mrs. Urairut Hanthaweeapat	Thai	Related person	shareholder

Bases of measurement for intercompany revenues and expenses

	Pricing Policy
Purchase and sale of goods	Market price
Purchase and sale of equipment and intangible asset	Contractually agreed prices
Other income	Contractually agreed prices
Rental and service expenses	Contractually agreed prices



5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Cash	151,712.67	149,582.23
Cash at banks	28,032,729.57	25,510,809.56
Total	28,184,442.24	25,660,391.79

6. CURRENT INVESTMENTS

Current investments as at December 31, 2015 and 2014 consisted of:

	Baht					
	Cost		Fair value		Unrealized gain (loss)	
	2015	2014	2015	2014	2015	2014
Investment units	222,934,299.23	269,339,057.32	227,236,718.34	270,160,203.58	4,302,419.11	821,146.26
Investments in listed securities	35,408,084.84	-	29,438,512.80	-	(5,969,572.04)	-
Total	258,342,384.07	269,339,057.32	256,675,231.14	270,160,203.58	(1,667,152.93)	821,146.26

Movements of investments in listed securities for the year ended December 31, 2015 were as follows:

	Baht
As at January 1, 2015	-
Acquisition	144,961,449.95
Disposal	(108,118,535.51)
Changes in value of investments in listed securities	(7,404,401.64)
As at December 31, 2015	29,438,512.80

During the year 2015, the Company had realized loss and unrealized loss on revaluation of investments in listed securities as follows:

	Baht
Realized loss on investments	(1,434,829.60)
Unrealized loss on investments	(5,969,572.04)
Total	(7,404,401.64)

**7. TRADE AND OTHER RECEIVABLES**

Trade and other receivables as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Trade accounts receivable	113,392,501.69	127,538,610.80
Less Allowance for doubtful accounts	(2,926,473.88)	(1,971,501.48)
Trade accounts receivable - net	110,466,027.81	125,567,109.32
Other receivables	6,438,254.11	4,289,964.00
Trade and other receivables - net	116,904,281.92	129,857,073.32

As at December 31, 2015 and 2014, the Company had outstanding balances of trade accounts receivable aged by number of months as follows:

	Baht	
	2015	2014
Trade accounts receivable		
Current	75,312,196.24	94,747,483.17
Overdue		
Less than or equal to 3 months	33,599,376.14	30,033,764.65
Over 3 months up to 6 months	529,325.24	1,348,713.18
Over 6 months up to 12 months	2,210,270.43	755,069.10
Over 12 months	1,741,333.64	653,580.70
Total	113,392,501.69	127,538,610.80

Movement of allowance for doubtful accounts for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Balance as at the beginning	1,971,501.48	1,581,389.01
Add Doubtful accounts	954,972.40	404,762.91
Less Written-off bad debt	-	(14,650.44)
Balance as at the end	2,926,473.88	1,971,501.48



8. INVENTORIES

Inventories as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Finished goods	98,064,763.31	78,734,005.22
Goods in transit	22,857,938.41	28,719,575.81
Total	120,922,701.72	107,453,581.03
Less Allowance for devaluation of inventories	(6,607,791.09)	(5,936,347.53)
Inventories - net	114,314,910.63	101,517,233.50

Movements of allowance for devaluation of inventories for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Balance as at the beginning	5,936,347.53	7,337,872.25
Add (less) Loss on devaluation of inventories (reversal)	671,443.56	(1,401,524.72)
Balance as at the end	6,607,791.09	5,936,347.53

**9. EQUIPMENT**

Equipment as at December 31, 2015 and 2014 consisted of:

	Baht					
	Tool and equipment	Furniture and office equipment	Vehicles	Assets for rental and demonstration	Equipment under installation	Total
Cost						
As at January 1, 2014	1,061,214.11	2,000,417.62	8,630,888.37	3,786,559.44	268,977.50	15,748,057.04
Purchases/transfer in	101,150.41	7,239,682.00	750,098.13	135,000.00	35,099.33	8,261,029.87
Disposals/transfer out	(6,607.48)	(233,627.63)	(89,760.00)	-	(304,076.83)	(634,071.94)
As at December 31, 2014	1,155,757.04	9,006,471.99	9,291,226.50	3,921,559.44	-	23,375,014.97
Purchases/transfer in	56,597.63	1,477,615.31	5,351,371.19	8,063.97	-	6,893,648.10
Disposals/transfer out	(20,053.42)	(130,250.00)	(1,951,400.00)	(555.60)	-	(2,102,259.02)
As at December 31, 2015	1,192,301.25	10,353,837.30	12,691,197.69	3,929,067.81	-	28,166,404.05
Accumulated depreciation						
As at January 1, 2014	353,666.30	874,617.17	4,190,801.83	2,790,731.81	-	8,209,817.11
Depreciation	203,583.15	1,128,989.32	932,536.48	315,129.32	-	2,580,238.27
Disposals/transfer out	(5,500.89)	(137,583.10)	(84,561.18)	-	-	(227,645.17)
As at December 31, 2014	551,748.56	1,866,023.39	5,038,777.13	3,105,861.13	-	10,562,410.21
Depreciation	213,746.77	1,885,152.82	1,133,797.44	250,217.43	-	3,482,914.46
Disposals/transfer out	(19,545.50)	(129,003.92)	(1,951,397.00)	(554.60)	-	(2,100,501.02)
As at December 31, 2015	745,949.83	3,622,172.29	4,221,177.57	3,355,523.96	-	11,944,823.65
Net book value						
Owned assets						
As at December 31, 2014	604,008.48	7,140,448.60	4,252,449.37	815,698.31	-	12,812,604.76
As at December 31, 2015	446,351.42	6,731,665.01	8,470,020.12	573,543.85	-	16,221,580.40



	Baht	
	2015	2014
Depreciation for the years ended December 31		
was included in		
Cost of sales	42,753.55	21,736.33
Cost of services	854,898.67	864,831.58
Administrative expenses	2,585,262.24	1,693,670.36
Total	3,482,914.46	2,580,238.27

As at December 31

The carrying amount before accumulated depreciation

which have been depreciated and still in use	4,978,300.17	5,007,147.31
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The Company entered into office building rental agreement as follows:

	As at December 31, 2015		
	Lessor	Period	Rate per month
			(Baht)
Office rental agreement	Mr. Jain Charnnarong	3 years	35,400
	Harn Engineering Co., Ltd.	3 years	238,800
Warehouse rental agreement	Harn Engineering Co., Ltd.	3 years	195,490
	Phattraritta 1997 Co., Ltd.	5 years	5,250

**10. INTANGIBLE ASSET**

Intangible asset as at December 31, 2015 and 2014 consisted of:

	Baht		
	Computer program	Computer program under installation	Total
Cost			
As at January 1, 2014	572,114.98	-	572,114.98
Purchases/transfer in	837,983.17	4,596,500.00	5,434,483.17
Disposals/transfer out	-	-	-
As at December 31, 2014	1,410,098.15	4,596,500.00	6,006,598.15
Purchases/transfer in	5,839,130.00	833,333.33	6,672,463.33
Disposals/transfer out	-	(4,596,500.00)	(4,596,500.00)
As at December 31, 2015	7,249,228.15	833,333.33	8,082,561.48
Accumulated amortization			
As at January 1, 2014	380,114.12	-	380,114.12
Amortization	148,190.55	-	148,190.55
Disposals/transfer out	-	-	-
As at December 31, 2014	528,304.67	-	528,304.67
Amortization	838,974.54	-	838,974.54
Disposals/transfer out	-	-	-
As at December 31, 2015	1,367,279.21	-	1,367,279.21
Net book value			
As at December 31, 2014	881,793.48	4,596,500.00	5,478,293.48
As at December 31, 2015	5,881,948.94	833,333.33	6,715,282.27

Amortization for the years ended December 31, 2015 and 2014 in the amount of Baht 0.84 million and in the amount of Baht 0.15 million, was included in cost of services and administrative expenses.



11. DEFERRED TAX

Deferred tax as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Deferred tax assets	3,601,101.50	2,571,037.45
Deferred tax liabilities	(150,818.10)	(1,092,423.25)
Deferred tax assets - net	3,450,283.40	1,478,614.20

Movements in deferred tax assets and liabilities during the year were as follows:

	Baht			
	At January 1, 2015	Profit (loss)	Other comprehensive income	At December 31, 2015
Deferred tax assets				
Investments	1,952.70	-	-	1,952.70
Trade and other receivables	394,300.30	190,994.48	-	585,294.78
Inventories	1,187,269.50	134,288.72	-	1,321,558.22
Provisions	987,514.95	96,439.00	608,341.85	1,692,295.80
Total	2,571,037.45	421,722.20	608,341.85	3,601,101.50
Deferred tax liabilities				
Equipment	(98,343.04)	(52,475.06)	-	(150,818.10)
Unbilled receivables	(994,080.21)	994,080.21	-	-
Total	(1,092,423.25)	941,605.15	-	(150,818.10)



	Baht		
	At January 1, 2014	Profit (loss)	At December 31, 2014
Deferred tax assets			
Investments	-	1,952.70	1,952.70
Trade and other receivables	316,277.81	78,022.49	394,300.30
Inventories	1,467,574.45	(280,304.95)	1,187,269.50
Provisions	1,008,464.58	(20,949.63)	987,514.95
Provisions for goods return	11,745.16	(11,745.16)	-
Total	2,804,062.00	(233,024.55)	2,571,037.45
Deferred tax liabilities			
Equipment	(41,185.18)	(57,157.86)	(98,343.04)
Unbilled receivables	-	(994,080.21)	(994,080.21)
Total	(41,185.18)	(1,051,238.07)	(1,092,423.25)

12. THE CREDIT FACILITIES WITH FINANCIAL INSTITUTIONS

The credit facilities with financial institutions consisted of:

Type	Facilities (Million Baht)		Referred interest rate (% per annum)	
	2015	2014	2015	2014
Bank overdrafts	9.00	6.00	MOR	MOR
			Fixed deposit	Fixed deposit
Letter of credit/trust receipt	57.00	47.00	MLR	MLR
Letter of guarantee	14.00	14.00	2%	2%
Forward exchange contracts	10.39	12.00	-	-
Promissory notes	5.00	20.00	FTP	MLR
				Fixed deposit
Total	95.39	99.00		
Forward exchange contracts (Million US dollars)	0.30	0.30	-	-

The Company's bank deposit was used as collateral for Letter of guarantee of Baht 1.28 million.



13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Accounts payable	69,667,403.06	67,610,018.23
Other payables		
Accrued expenses	15,920,697.68	18,977,380.03
Other payables	2,984,431.15	1,612,958.49
Total	18,905,128.83	20,590,338.52
Grand total	88,572,531.89	88,200,356.75

14. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Deposit	8,388,372.85	3,459,035.18
Others	1,869,091.12	2,841,323.81
Total	10,257,463.97	6,300,358.99

**15. EMPLOYEE BENEFIT OBLIGATIONS**

Movements of the present value of employee benefit obligations for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Post-employment benefit plan		
Employee benefit obligations as at January 1	6,393,706.76	5,042,322.91
included in profit or loss:		
Current service cost	469,366.67	2,493,194.00
Interest cost	280,161.30	275,189.85
included in other comprehensive income :		
Actuarial loss arising from		
Demographic assumptions changes	851,587.00	-
Financial assumptions changes	1,027,269.00	-
Experience adjustments	1,162,853.24	-
Benefits paid during the year	(344,000.00)	(1,417,000.00)
Employee benefit obligations as at December 31	<u>9,840,943.97</u>	<u>6,393,706.76</u>

As at December 31, 2015, the Company expected to pay Baht 0.33 million of post-employment benefits during the next year.

As at December 31, 2015 and 2014, the weighted average duration of the liabilities for post-employment benefits is 22 years.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2015 are summarised below:

	Baht	
	Increase	Decrease
Discount rate (0.5% movement)	(7,596,639.00)	8,728,722.00
Salary increase rate (0.5% movement)	8,711,270.00	(7,606,530.00)
Turnover rate (0.5% movement)	(7,561,210.00)	8,354,712.00



Employee benefit obligations in the statements of financial position as at December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Post-employment benefit plan		
Present value of obligations	9,840,943.97	6,393,706.76
Employee benefit obligations - recognised in statements of financial position	9,840,943.97	6,393,706.76

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

The principal assumptions used in determining provision for retirement benefit on an actuarial basis as at December 31, 2015 and 2014 (expressed as weighted averages) are shown below:

	Percent	
	2015	2014
Discount rate	3.78	4.78
Future salary increases	6.30	6.30
Turnover rate	0 - 24	6.67
Disability rate	Thai Mortality Ordinary Table 2008	

16. SHARE CAPITAL

The Ordinary General Meeting of Shareholders held on March 19, 2014, a resolution was passed authorizing increase in authorized share capital from Baht 65 million to Baht 130 million by issuing new 6.5 million ordinary shares with the par value of Baht 10 each. The Company registered the increase of its share capital with the Ministry of Commerce on March 28, 2014.

The Extraordinary General Meeting of Shareholders held on May 15, 2014, resolutions were passed authorizing as follows:

- Convert the Company's status to a public company, purpose to list on the Stock Exchange of Thailand in "Market for Alternative Investment".
- Change the par value of share capital from Baht 10 each to Baht 1 each.
- Increase in authorized share capital from Baht 130 million to Baht 175 million by issuing new 45 million ordinary shares with the par value of Baht 1 each for the Initial Public Offering.

The Company registered convert the Company's status to public company, change the par value of share capital and increase in authorized share capital with the Ministry of Commerce on May 22, 2014.



The Extraordinary General Meeting of Shareholders held on September 19, 2014, resolutions were passed authorizing as follows:

- Change the par value of share capital from Baht 1 each to Baht 0.50 each.
- Change the numbers of ordinary shares from 175 million shares to 350 million shares.
- Change the issuing of new ordinary shares from 45 million ordinary shares with the par value of Baht 1 each to 90 million ordinary shares with the par value of Baht 0.50 each for the Initial Public Offering.

The Company registered the change of the par value and the numbers of ordinary shares with the Ministry of Commerce on September 22, 2014.

During November 5 to 7, 2014 the Company offered the share capital in the amount of 90 million shares to the public for subscription shares at the offering price of Baht 3 per share and the Company registered the change in its paid-up share capital from share subscriptions received from Baht 130 million to Baht 175 million with the Ministry of Commerce on November 10, 2014, The Company recorded expenses for selling share capital in the amount of Baht 11.79 million deducted from share premium account.

17. SHARE PREMIUM

The share premium account is set up under the provision of section 51 of the Public Limited Companies Act B.E. 2535, which requires companies to set aside share subscription received in excess of the par value of the shares issued to a reserve account ("share premium"). The account is not available for dividend distribution.

18. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of 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 share capital. The statutory reserve could not be used for dividend payment.

19. DIVIDEND

The Ordinary General Meeting of Shareholders held on April 24, 2015, a resolution was passed authorizing the payment of dividend at the rate of Baht 0.15 per share, in the total amount of Baht 52.50 million.

The Ordinary General Meeting of Shareholders held on March 19, 2014, a resolution was passed authorizing the payment of dividend at the rate of Baht 15.23 per share, in the total amount of Baht 99 million.

20. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by UOB Asset Management (Thailand) Company Limited. This Fund is registered under the conditions of Ministry of Finance and the Fund is managed by the approved fund manager.



21. THE EMPLOYEE JOINT INVESTMENT PROGRAM (EJIP)

On May 22, 2015, the Securities and Exchange Commission approved the Employee Joint Investment Program (EJIP). The details of the program are as follows:

The period of EJIP	May 1, 2015 to April 30, 2020, with a total duration of 5 years.
Eligible employees under EJIP	The employees has over one year working experience or employees at director on the voluntary basis.
EJIP arrangement	The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate 5% of each month and director at the rate 5-25% of each month. The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 1st year - 2st year, cannot sell any shares After the 2nd year, can sell 25% of accumulated shares After the 3rd year, can sell 50% of accumulated shares After the 4th year, can sell 75% of accumulated shares After the 5th year, can sell all shares
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

During the year 2015, the Company contributed Baht 1.36 million to the program.

22. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Purchases of finished goods	395,731,034.63	388,056,420.13
Other changes in finished goods	(13,469,120.69)	2,042,372.64
Employees expenses	68,662,962.88	58,457,537.71
Office rental and service expenses	6,015,885.00	6,260,338.17

23. INCOME TAX

Corporate income tax for the years ended December 31, 2015 and 2014 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.



Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

Income tax expense for the years ended December 31, 2015 and 2014 consisted of:

	Baht	
	2015	2014
Current tax expense		
Current year	11,773,410.07	15,276,461.44
Deferred tax expense		
Movement in temporary differences	(1,363,327.35)	1,284,262.62
Income tax expense	10,410,082.72	16,560,724.06

Income tax recognised in other comprehensive income for the years ended December 31, 2015 and 2014 were as follows:

	Baht	
	2015	2014
Provisions	608,341.85	-

Reconciliation of effective tax rate

	2015		2014	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax		56,613,228.46		77,165,917.65
Income tax using the corporate tax rate	20	11,322,645.69	20	15,433,183.53
Expenses not deductible for tax purposes		549,367.46		(139,566.71)
Addition expenses deductible for tax purposes		(98,603.08)		(17,155.38)
Current tax	21	11,773,410.07	20	15,276,461.44
Movement in temporary differences		(1,363,327.35)		1,284,262.62
Income tax expense	18	10,410,082.72	21	16,560,724.06



24. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company operates in a single line of business, wholesaling, retailing, servicing, renting, leasing, contracting and installation of fire protection system and fire suppression agent and has therefore only one business segment and the Company operates in a single geographic area.

25. FAIR VALUE HIERARCHY

As at December 31, 2015, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Baht			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in investment units	-	227,236,718.34	-	227,236,718.34
Investments in listed securities	29,438,512.80	-	-	29,438,512.80
Foreign currency forward contracts	-	46,807.53	-	46,807.53

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the year, there was no transfers within the fair value hierarchy.

26. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company does not speculate or engage in the trading of any derivative financial instruments.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

**Credit risk**

Credit risk is the risk arising from failure of customers or counter parties to meet their contractual obligations. Credit risk occurs when the party fails to fulfill the contractual agreement, which may eventually cause financial losses. The Company has determined a risk protection policy through analysis of the customer and counter parties' financial status, and also defines the policy for credit approval and debt collection period.

Credit of the Company is the credit for construction services and trade provided to the customers that is the general customary trading practice.

Interest rate risk

Interest rate risk is the uncertainty in value of financial assets and liabilities or net interest income as a result of the fluctuation of the market interest rate.

Most of the interest rates of financial assets and liabilities of the Company are floating rates, which are based on market rates such as the interest rate for the prime clients of a commercial bank, savings interest rate or other benchmark floating rates.

Foreign currency risk

The Company's exchange rate risk primarily involves the purchases of goods in foreign currencies. As at December 31, 2015 and 2014, the Company had liabilities in foreign currencies as follows:

	Foreign Currencies	
	2015	2014
Non-Hedging		
US Dollars	754,497.69	1,381,285.14
Singapore Dollars	99,115.00	56,989.20
Euro	15,092.95	1,086.64

Fair value

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 applied 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 measured fair value using valuation techniques 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 determined 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.

Most of the financial assets are cash and cash equivalents, trade and other receivables and restricted bank deposits. Most of the financial liabilities are trade and other payables with its interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2015, the Company had commitments and contingent liabilities as follows:

27.1 Letters of guarantee issued by banks for goods and under installation of system service agreement in the amount of Baht 17.87 million.

27.2 Payment under office and warehouse rental agreement with other company and related parties as follows: (see Note 9)

Period	Rental and service (Millions Baht)
1 year	5.48
2 - 5 years	0.52

27.3 Payment under consultant agreement in the amount of Baht 3.60 million.

27.4 Payment under service agreement in the amount of Baht 11.09 million.

28. EVENT AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 26, 2016, a resolution was passed authorizing the payment of dividend at the rate of Baht 0.10 per share, in the total amount of Baht 35 million; in addition another resolution was passed authorizing the investment in a joint venture company which will be established in Phnom Penh, Cambodia with registered capital of Baht 3.60 million, representing 40 percent shareholding.



29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 26, 2016.



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