

## Message from the Chairman

**Assoc. Prof. Dr. Prakrit Tangtisanon**



According to the Office of Industrial Economics, it is clear that Thailand's electrical appliance industry in 2017 was slowdown. The production of electrical appliance e.g. air conditioners, compressors, fans and etc. had decreased 3.06% compared to 2016 due to declining in the growth of domestic demand. Especially in cooling business, the industry was affected by climate change in 2017 was not too hot when compared to climate in 2016.

The performance of Masterkool International Public Company Limited during the year 2017 among limited market demand, therefore, we had faced a severe price competition situation throughout the year. As a result, the consolidated financial statement showed a net loss of 84.24 Million Baht.

For Masterkool, the future market looks attractive; when combining with our expertise in field technology, we strongly commit to develop our products with cooling efficiency and emotional connection design to enhance our competitive advantages for our sustainable growth under principles of good corporate governance.

On behalf of the Board of Directors, we would like to express our appreciation to our shareholders, customers, business partners, executives, and employees as well as all stakeholders for all your continued support and for the confidence that you have placed in Masterkool.

(Assoc. Prof. Dr. Prakrit Tangtisanon)  
Chairman

## Message from the CEO

**Mr. Noppachai Veeraman**



For the performance of the Company shown in the financial statements for 2017, Masterkool has analyzed and regularly reported to the shareholders of important information through the electronic company information disclosure of the Stock Exchange of Thailand. The factors that affect business in 2016 were demand factors affecting the demand of customers. For supply side, the impact was from new-coming competitors increased by 300-400% compared to 2016; penetrating market by low price strategy.

Management has analyzed all of the key factors that affect our operations in the year 2017, planned and prepared for next year's business operations by creating our competitive advantage, which is to develop our products to meet the needs of our customers, retail channel management improvement and promotion through online channels to support changes in market conditions and consumer buying behavior.

On behalf of the management and all employees, we would like to express our sincere thank you to the Board of Directors, dealers, suppliers and related parties for continued support.

(Mr. Noppachai Veeraman)  
Chief Executive Officer

### Mr. Sanpat Sapon



The Auditing Committee of Masterkool International PLC consists of 3 independent directors with qualifications and experience from various branches, as follows:

1. Mr.Sanpat Sapon
2. Assoc.Prof.Dr. Prakit Tangtisanon
3. Mr.Mongkol Kasaemsun Na Ayudthaya

The Committee has performed its duties as stipulated in the charter of the Auditing Committee as assigned by the Board of Directors. In the year 2017, the Committee had 4 meetings, which discussed the key business matters with management, internal auditors, and other auditors regularly, and was reviewed by the Committee. The summary is following:

**1. Financial Report Review:** The Audit Committee meets only with the financial auditors and internal auditors quarterly without management attended the meetings. If there are any items where the Audit Committee has to rely on the details for consideration, the Committee may invite relevant executives to clarify, before commenting and presenting to the Board of Directors.

For financial report of the year 2017, the Audit Committee considered that the company's financial report was prepared in accordance with generally accepted auditing standards, with sufficient disclosure of material information in the notes to the financial statements.

**2. Reviewing Transactions that May Lead to Conflict of Interests:** The Audit Committee has reviewed the disclosure of information from transactions that may lead to conflict of interests, and they have been deemed to be adequate and in compliance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

**3. Management Review and Risk Management:** The Audit Committee has considered risk policies and programs, as well as the risk performance report, by meeting with the Risk Management Task Force to provide better guidelines and suggestions for improvement.

**4. Review of Good Corporate Governance:** The Audit Committee has directed and reviewed the operations in accordance with the Corporate Governance Policy, as well as business ethics requirements and defined work practices, to ensure compliance with good corporate governance principles to ensure that all stakeholders are respected.

**5. Review of Internal Control System and Internal Auditing Oversight:** The Audit Committee employed ACC-PLUS Consultant Co., Ltd., the third-party internal auditor, to be the company's internal auditor for the independence of the inspection work. Internal audit results were reported directly to the Audit Committee, and therefore continuous monitoring of internal auditing results is required

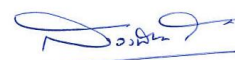
In the year 2017, the Audit Committee found no significant internal control deficiencies within the year.

**6. Considering on Auditor and Audit Fee:** The Audit Committee has considered SP Auditing Co., Ltd by expertise, based on knowledge, ability, qualifications, and experience, by the standard auditing of listed companies in the Stock Exchange of Thailand. Moreover, the auditing fee is in line with the size of the company's budget. It has proposed to the Board of Directors to consider the appointment of the auditor and the remuneration of the auditor at this Annual General Meeting of Shareholders.

### Summary of Audit Committee Report

The Audit Committee has performed its duties and responsibilities as its charter approved by the Board of Directors with full knowledge, ability, prudence, caution, and sufficient independence to equally benefit all stakeholders.

The Auditing Committee is of the opinion that the company's financial report is accurate and consistent with generally accepted accounting standards. The company also manages the risk from internal control and proper internal auditing with compliance to the law, good corporate governance principles and to the requirements in business.

A handwritten signature in blue ink, appearing to read 'Sanpat Sapon', with a horizontal line underneath.

(Mr.Sanpat Sapon)

Chairman of the Audit Committee

### Mr. Mongkol Kasaemsun Na Ayudthaya



The Nomination and Remuneration Committee has performed the duties assigned by the Board of Directors in the charter of the Nomination and Remuneration Committee.

In 2017, the Nomination and Remuneration Committee has one meeting to consider the importance in various topics, include the progress of the work in accordance with the scope of duties, and follow up on assigned responsibilities as follows:

#### 1. Nomination of Persons to be Independent Directors

**and Company's Directors:** The Nomination and Remuneration Committee is responsible for recruiting qualified persons according to the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. There are to be no prohibited characteristics as required by law, qualifications, experience, and knowledge that are beneficial to the business. The Committee then presents them at the Board of Directors and the shareholders' meeting for approval. The interested directors will not participate in the consideration and abstain from such issues.

To present persons to become the Company's Directors in the year 2018, the Nomination and Remuneration Committee assigned the Company Secretary to publish an announcement on the Company's website to invite the shareholders to nominate candidates to be elected as Directors. The offer period was from 2 October 2017 to 15 January 2018, in accordance with the principles of good corporate governance in respect to the rights of shareholders.

#### 2. Review of Committee and Su-Committee

**Remuneration:** The NRC considers remuneration packages for directors and sub-committees by reducing these remunerations to meet the the Company's performance. The Board of Directors has resolved as approval for proposing to the shareholders.

#### 3. Review of Remuneration Structure for Executives and

**Employees:** The NRC considered remuneration structure, together with top management and HR, to be consistent with the company's performance and motivational an essential in maintaining talented employees.

**4. Organizational Structuring:** The NRC has reviewed the organizational structure with senior executives and HR to achieve better management efficiency and business performance. The organization structure has found suitable for the business; therefore the Committee resolved the structure as effective structure for the further year.

#### 5. Formation of the Company's and its Subsidiaries'

**Succession Plan:** The Nomination and Remuneration Committee determined that the direction of the Board of Directors, the criteria for evaluation / assessment, and the main objective plan in collaboration with senior management and HR, prepared the organization's readiness in advance and ensured that there would be continuous business conduct.

#### 6. Designing Guidelines for Personnel Development Plan:

The Nomination and Remuneration Committee reviewed the employee development plan with the Human Resources Department. In addition to the development of knowledge and skills, The company has planned to develop health personnel to drive the organization to sustainable growth.

In addition, the focus on the implementation of the happy workplace project aimed to propel the company towards a more sustainable growth.

#### Summary Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties as approved by the Board of Directors with careful transparency and impartiality, taking into account the maximum benefit of the Company and all relevant stakeholders.

In addition, the Nomination and Remuneration Committee encourages all directors to attend training or activities to increase their knowledge of the self-assessment of the Board of Directors and sub-committees which has been provided for both the group and individual. The reports are regularly made to the Board of Directors to further improve the operations.

A handwritten signature in black ink, appearing to be 'Mongkol Kasaemsun Na Ayudthaya'.

(Mr. Mongkol Kasaemsun Na Ayudthaya)  
Chairman of the NRC

## Vision and Mission

We are an authentic leader of modern cooling products and solutions for air-cooling, energy saving, environment care to meet all needs of customers and to gain recognition on international standards; aiming to contribute to our core sustainability mission by driving well-being for our employees with positive impact on their families, customers, and stakeholders.



MASTERKOOL, an innovative organization who creates quality;  
for the happiness organization of Masterkool

## Standards and Awards



ISO THAILAND



BEST PRODUCT 2002



BEST THAILAND  
OWNED BRAND 2008



BAI PO BUSINESS AWARD 2009  
SCB and SASIN Graduate Institute



Good Logistics Practice  
Development Award 2013  
Ministry of Industry



Thailand Trusted Quality 2014  
Department of International  
Trade Promotion



Innovation Awards 2015  
Innovation and Technology  
Assistance Program: ITAP



Total Innovation Management  
Award 2016  
National Innovation Agency

## Board of Directors



**Assoc. Prof. Dr. Prakrit Tangtisanon**

**Age: 75**

**Appointed on 8 November 2013**

- Chairman of the Board
- Independent Director
- Audit Committee Member
- Nomination and Remuneration Committee Member

### **Educational Qualification :**

- Honorary Doctorate Degree, Tokai University, Japan
- Master of Communication Engineering, Faculty of Engineering  
The University of Electro-Communications, Japan
- Bachelor of Communication Engineering Program, Faculty of Engineering Tokai University, Japan

### **Director Training :**

- Certificate Course for Directors Certification Program (DCP 185/2014)  
Thai Institute of Directors (IOD)
- Certificate Course for Advanced Audit Committee Program (AACP 25/2017)  
Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** None

### **Last 5 Years of Experience:**

- 2013-Present Chairman of the Board, Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member  
Masterkool International Public Company Limited
- 2017-Present Chairman of the Board Independent Director  
Nova Organic Company Limited
- 2016-Present Director Bangkokthonburi University Council
- 2016-Present Vice President, Old Japan Student's Association,  
Kindom of Thailand
- 2008 – 2012 Executive Director, Japan International Corporation Agency: JICA



**Mr. Sanpat Sopon**

**Age: 64**

**Appointed on 8 November 2013**

- Director
- Independent Director
- Chairman of the Audit Committee
- Nomination and Remuneration Committee Member

### **Educational Qualification :**

- Master of Business and Administration, Western Michigan University, USA
- Bachelor of Law, Ramkhamhaeng University

### **Director Training :**

- Certificate Course for Role of the Chairman Program (RCP 30/2013)  
Thai Institute of Directors (IOD)
- Certificate Course for The Executive Director Course (EDC 1/2012)  
Thai Institute of Directors (IOD)
- Certificate Course for Directors Certification Program (DCP 49/2004)  
Thai Institute of Directors (IOD)
- Certificate Course for Advanced Audit Committee Program (AACP 23/2016)  
Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** None

### **Last 5 Years of Experience:**

- 2013-Present Director, Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Committee Member, Masterkool International Public Company Limited
- 2017-Present Independent Director, Chairman of the Audit Committee  
Vintcom Technology Public Company Limited
- 2013 - 2017 Chairman of the Board, Independent Director  
Planet Communication Asia Public Company Limited
- 2010 – 2014 Expert Director, Software Industry Promotion Agency  
(Public Organization) (SIPA)

## Board of Directors



**Mr. Mongkol Kasaemsun**

**Na Ayudthaya**

**Age: 57**

**Appointed on 8 November 2013**

- Director
- Independent Director
- Audit Committee Member
- Chairman of Nomination and Remuneration Committee

### **Educational Qualification :**

- Master of General Management (Administrative Studies), Southeastern Oklahoma State University, USA
- Bachelor of Agricultural Engineering Program, Kasetsart University **Director**

### **Training :**

- Certificate Course for Directors Accreditation Program (DAP 70/2008) Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** None

### **Last 5 Years of Experience:**

- 2013-Present Director, Independent Director, Audit Committee Member Chairman of Nomination and Remuneration Committee Masterkool International Public Company Limited
- 2017-Present Chairman of the Board, Independent Director Innov Green Solutions Company Limited
- 2017-Present Independent Director, Chairman of the Audit Committee Nova Organic Company Limited
- 2017-Present Director, PPM Advisory Company Limited
- 2017-Present Director, Digital Focus Company Limited
- 2014 - Present Director of Private Teacher Aid Fund, Private Teacher Aid Fund, Ministry of Education
- 2012 – 2014 Advisor and Subcommittee Member, National Innovation Agency
- 2012 – 2012 President, Thai Social Enterprise Office



**Mr. Kritsana Thaidumrong**

**Age: 55**

**Appointed on 8 November 2013**

Director

### **Educational Qualification :**

- Master of Business Administration Program, Thammasat University
- Bachelor of Engineering, Electric Power Engineering Program, King Mongkut's Institute of Technology Ladkrabang

### **Director Training :**

- Certificate Course for Directors Certification Program (DCP 191/2014) Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** None

### **Last 5 Years of Experience:**

- 2013-Present Director, Masterkool International Public Company Limited
- 2016-Present Director, Sitem Holding Company Limited
- 2015-Present Director, Carboncor (Thailand) Company Limited
- 2011-Present Director, Bangkok Tire Trading Company Limited
- 2008-Present Director, Bangkok Tire Refinery Company Limited
- 2007-Present Director, Folding Gate Company Limited
- 2006-Present Director, Metis Air Corporation Company Limited
- 1994-Present Director and Chairman of Executive Committee Site Preparation Management Company Limited

## Board of Directors



**Mr. Fung Meng Hoi**

**Age: 57**

**Appointed: 3 June 2002**

Director

**Educational Qualification :**

- Bachelor of Business Administration Program, Ottawa University, USA

**Director Training :**

- Certificate Course for Director Certification Program (DCP 189/2014)  
Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** 70,372,200 Shares, 14.66%

**Last 5 Years of Experience:**

- 2002-Present Director, Masterkool International Public Company Limited
- 2016-Present Director, Dionysus Asia Sdn Bhd, Malaysia
- 2016-Present Director, The Wine Poetry Sdn Bhd, Malaysia
- 2016-Present Director, Sensetech Properties Sdn Bhd, Malaysia
- 2003-Present Director, SenseTech Sdn Bhd, Malaysia



**Mr. Noppachai Veeraman**

**Age: 54**

**Appointed: 3 June 2002**

- Director
- Chairman of Executive Committee
- Managing Director

**Educational Qualification :**

- Bachelor of Electronics and Electrical Engineering Program  
King Mongkut's Institute of Technology Ladkrabang

**Director Training :**

- Certificate Course for Directors Certification Program (DCP 185/2014)  
Thai Institute of Directors (IOD)
- Certificate Course for Director Accreditation Program (DAP 82/2010)  
Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** 122,956,259 Shares, 25.62%

**Last 5 Years of Experience:**

- 2002–Present Director, Chairman of Executive Committee and Managing Director, Masterkool International Public Company Limited
- 2011–Present Director, Managing Director  
Innov Green Solutions Company Limited





**Ms. Benjarat Hattacharnchai**

**Age: 44**

**Appointed: 12 May 2016**

- Director
- Executive Director
- Assistant Managing Director of Finance & Accounting

**Educational Qualification :**

- Master of Business Administration, Executive Program  
Kasetsart University
- Bachelor of Education, Business Education Program, Kasetsart University

**Director Training :**

- Certificate Course for Director Accreditation Program (DAP 84/2010)  
Thai Institute of Directors (IOD)
- Certificate Course for Company Secretary Program (CSP 50/2013)  
Thai Institute of Directors (IOD)
- Certificate Course for Effective Minute Taking (EMT 25/2013)  
Thai Institute of Directors (IOD)
- Executive Financial Management Certificate Program Class 1  
Chulalongkorn University

**Proportion of Shareholding in the Company :** 31,800 Shares, 0.01

**Last 5 Years of Experience:**

- 2016-Present Director, Executive Director  
Assistant Managing Director of Finance & Accounting  
Masterkool International Public Company Limited
- 2016-Present Director, Innov Green Solutions Company Limited
- 2009 - 2016 Vice President Finance & Supply Chain  
Zemasch Corporation Company Limited



**Miss Sunanta Wanwat**

**Age: 43**

**Appointed on 8 November 2013**

- Director
- Assistant Managing Director, Innov Green Solutions Company Limited

**Educational Qualification :**

- Master of Electronic Commerce Program, Faculty of Business Administration, Sripratum University
- Bachelor's Degree, Marketing Program, Faculty of Business Administration, Payap University

**Director Training :**

- Certificate Course for Director Accreditation Program (DAP105/2013)  
Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** 5,171,124 Shares, 1.08

**Last 5 Years of Experience:**

- 2013-Present Director, Masterkool International Public Company Limited
- 2017-Present Assistant Managing Director, Innov Green Solutions Company Limited
- 2011-Present Director and Executive Director, Innov Green Solutions Company Limited
- 2013-2016 Assistant Managing Director of Customer Service and Business, Masterkool International Public Company



## Company Secretary



**Miss Mallika Trakoolthai**

**Age: 50**

**Appointed on 8 November 2013**

- Executive Director
- Company Secretary

### Educational Qualification :

- Bachelor in English Program, Faculty of Humanities, Srinakharinwirot University

### Training

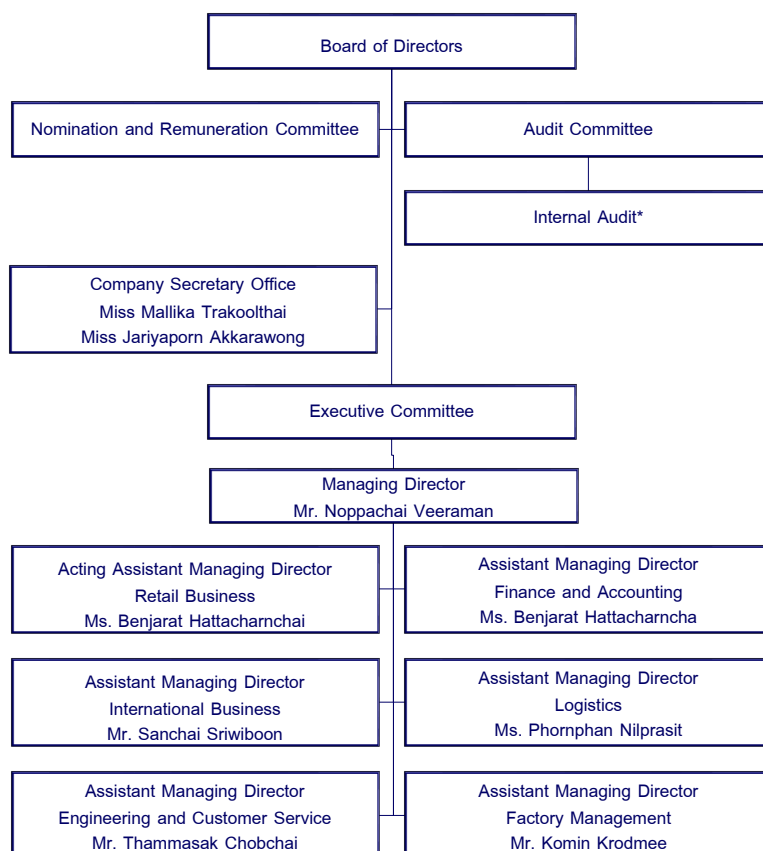
- Fundamental Practice for Corporate Secretaries Class 28, Thailand Listed Companies Association (TLCA)
- Fundamentals of Law for Corporate Secretaries Class 10, Thailand Listed Companies Association (TLCA)
- Management Development Program, Thailand Management Association
- Advances for Corporate Secretaries Class 1/2016, Thailand Listed Companies Association (TLCA)
- How to Develop a Risk Management Plan HRP, Class 12/2017 Thai Institute of Directors (IOD)

**Proportion of Shareholding in the Company :** 990,522 Shares, 0.21

### Last 5 Years of Experience:

- 2013-Present Executive Director and Company Secretary  
Masterkool International Public Company Limited
- 2010-2013 Director and Assistant MD of Organization Development  
Masterkool International Public Company Limited

## Organization Structure



**Note:** \* The Company hires ACC-PLUS Consultant Company Limited to perform internal audit of the Company and its subsidiary.  
Miss Wanna Maluengnont (Managing Director of ACC-PLUS Consultant Company Limited) is a leader of internal audit team.