

Report of Audit Committee

The Audit Committee consists of 3 independent directors possessing the required qualifications specified by the Stock Exchange of Thailand and the Securities and Exchange Commission, namely Mrs. Pismai Boonyakiat as the Chairman, Mr. Jane Wong-isariyakul and Ms. Thipawan Uthaisang as members of the Audit Committee.

During 2016, the Audit Committee fully discharged its duties and responsibilities as assigned by the Board of Directors, through holding 4 committee meetings, with the management team, the external auditor, in order to discuss various significant importance, which are summarized below;



Mrs. Pismai Boonyakiat
Chairman of Audit Committee

- *Review the financial statement* for the company and subsidiary companies for every quarter and the 2016 financial year, whereby the Audit Committee's opinion agreed that the financial statements of the company and subsidiary companies are correct and accurate, complete and credible as well as have been prepared in accordance with the required accounting standards and standards for financial disclosures.
- *Review the adequate of internal control system* together with effective anti-corruption measures and good corporate governance practices, also monitored other associated internal systems. As such, the Audit Committee's opinion agreed that the established internal controls system are both adequate and appropriate, and also ensured that the Internal Audit has acquired various working experiences, relevant knowledge appropriately sufficient to undertaking the required duties and responsibilities in an effective manner.
- *Proposed appointment of the external auditor* together with the audit fee, by considered the relevant knowledge, capabilities, experiences, and degree of independence in undertaking the assigned duties. As such, it was proposed to the Board of Directors then submit for approval by the Annual General Shareholders Meeting, to appointed Ms. Thanyaporn Tangthanopajai, or Mr. Thanawuth Piboonsawad or Ms. Wannisa Ngambuathong from Dharmniti Auditing Co., Ltd., to be the authorized external auditor of the company for the 2016 financial year with total audit fee of 0.78 million baht
- *Review of connected transactions* together with any transactions that involved a conflict of interests, whereby the Audit Committee's opinion agreed that the various transactions are normal business transactions, fully transparent, equitable and of maximum benefit for the company, as well as that relevant accurate information have been disclosed in a complete and adequate manner.
- *Review of risk management* that the company has in place systematic risk management procedures that are comprehensive and adequate for the company's business operations.

In summary, the Audit Committee has discharged its assigned duties and responsibilities in a comprehensive manner and with full independence, there are in place good corporate governance practices, together with an adequate internal controls system and appropriate risk management procedures. The Financial Statements have been prepared in a correct manner and in accordance with the required standards of financial disclosures. As such, the Audit Committee has not found any operational deficiencies or irregularities of any significant importance.

Audit Committee

The Board of Director appointed the Independence Directors to be Audit Committee. The purpose of Audit Committee appointment is to be responsible to operation of internal control system whereas the scope of duties and responsibilities follows requirements of SET. Meeting of Audit Committee will be held at least every quarter and, if emergency, an extra meeting will be arranged. Audit Committee has a duty to report to Board of Directors. The term of Audit Committee is 2 years.

The Board of Directors' meeting No.1/2017 dated February 22, 2017 appointed 3 Independence Directors to resume their position as the Audit Committee. All of them are qualified as required by security law and the Stock Exchange of Thailand, the Audit Committee consisted as follows;

No.	Name	Position
1.	Mrs. Pismai Boonyakiat	Chairman of Audit Committee / Independent Director
2.	Mr. Jane Wongissariyakul	Audit Committee / Independent Director
3.	Miss Thipawan Uthaisang	Audit Committee / Independent Director

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Authority of Audit Committee

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
4. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of the Audit Committee.

Scope of duties and responsibilities of Audit Committee

The scope of duties and responsibilities of Audit Committee is assigned by Board of Directors. Audit Committee is responsible to perform the following work and to report to Board of Directors.

1. To check/verify that the company prepares financial documents and statements correctly and the statement contains adequate information needed for public's acknowledgement. To work in cooperation with external auditors and executives who are directly responsible to prepare quarterly and annual financial statement. During audit period, Audit directors may suggest external auditors to check/review particular transactions which Audit Directors think is necessary and important.
2. To check/verify that the company's financial/accounting operations comply with the law concerning securities and SET, SET requirements and other laws applicable to the company's business
3. To consider connected transaction or other transactions which may have conflict of interest and disclose information to comply with the law concerning securities and SET to ensure that transaction is reasonable and obtain most advantage to the company.
4. To check/verify by means of working with external auditors and internal auditors to assure that the financial control mechanism and internal audit system is carried on properly and efficiently.
5. To propose the directors an appropriate choice of auditing company for approval, appraise, appoint, including the proposed audit fee. Audit directors needs to consider the following factors when selecting an audit company, audit company's reliability, Company's resources, the amount of work of audit company, and an experience of the external auditors assigned to work with the company. Also attend the meeting with auditor without management at least once a year.
6. To propose the directors an appropriate choice of internal audit for approval, appraise, appoint, including consideration internal audit fee, factors when selecting an internal audit, company's resources, the amount of work of internal audit, and experience of internal audit, also join the meeting with the audit committee at least once a quarter.
7. To perform other duties as assigned by Board of Directors and also agreed upon by Audit Committee, for example reviewing policies associated with financial management and risk management, reviewing business ethics as practiced by the executives, reviewing with the executives the information disclosure to the public as required by the law ie. Company's report and analysis performed by the executives.
8. To prepare a report describing activities performed by Audit Committee, which will be re-stated in the company's annual report. This report is acknowledged and signed by the president of Audit Committee and including the information as follows:

- Opinion toward the company's procedure and practices of disclosing information of financial statement whether it is reliable and prepared properly.
 - Opinion as whether the company's existing internal control serves its purpose sufficiently.
 - Opinion as whether the appointed audit company should be re-appointed to audit the company next year.
 - Opinion concerning the company's practices whether they comply with the law governing securities and securities market, requirements of SET, or the law associated with the company's business.
 - Report of information, as within the scope of duties as assigned by Board of Directors, which shareholders and general investors should be informed.
9. To report work progress and findings to Board of Directors once a year minimally.
 10. Have an authorization to examine and investigate into any suspicious transactions or activities, including seeking second opinion or consultancy of external parties, if necessary, by using the company's fund for a purpose of fulfilling responsibility and duties of Audit Committee.

In carrying out its above duties, the Audit Committee is directly responsible to the Board of Directors, who in turn is responsible to the shareholders and general investors.

The Audit Committee regularly held its meeting once a quarter, whereby the meeting dates had been decided in advance throughout the year. The Audit Committee regularly reported its finding to the Board of Directors, and also attended joint meeting with the company's auditor and the CFO each quarter, to review the company's quarterly financial statement.

Qualification of Independent Director/Audit Committee

1. Having a stake in the company, subsidiaries, joint-venture companies, or other related companies not exceeding 1% of the paid-up shares, whereas including shares hold by other persons related to the Audit Directors.
2. Not participating in management of the company, subsidiaries, joint-venture companies, or other related companies and not being one of the majority of the company's shareholders.
3. Not being the company's, subsidiaries', joint-venture companies', other related companies', or the majority of shareholders' employee, staff, or a consultant who is on a regular payroll. For instance, the company's Chief Executive Officer cannot be an Audit Director since Chief Executive Officer is directly responsible to manage and administrate the company

4. Do not get any direct or indirect benefits from the operation of the company, subsidiaries, joint-venture companies, other related companies, or majority of the company's shareholders.
5. Do not get any direct / indirect benefits as mentioned above within 1 year prior to being appointed to be an Audit Director. However, there is one exception when, upon Board of Director's consideration, the above circumstance does not affect the ability to perform the duties of Audit Director.
6. Not related to or being the next of kin of the company's executives or any person in a majority of the company's shareholders.
7. Not being the representative to safeguard benefits of Board of Directors, a person in, or any related person to a majority of the company's shareholders.
8. Be able to perform duties, to express opinion, or to report work progress or findings as assigned by the Board of Directors whereas not being under the influence of the company's executives or the majority of shareholders, including any persons related to or being the next of kin to those aforementioned executives or shareholders.