



The Journey of Colours

ANNUAL REPORT

2014

EASON PAINT PUBLIC COMPANY LIMITED

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Mr. Sanan Eksangkul
Chairman

Message from Chairman

In the past year Thailand has slowly recovered from the political turmoil that had shaded our country; the economy and investment have slowed considerably. However, there are signs of improvement ahead, domestic consumption remains stable and the government and the private sector are taking initiatives to stimulate and add vigour to the country.

The slowdown of the global economy has had an impact on the Company's operating result for 2014, our customers have been more cautious in terms of projections for inventory and sales which has influenced our production output. The Company is however optimistic for 2015, manufacturing is expected to commence in the first quarter at our newly built plant in Indonesia. The Company is expecting that the Vietnamese subsidiary Eason Urai Paint and our Malaysian operation Eason Far East Sdn Bhd which was started in the last quarter of 2014 to show positive growth, capture market share and enhance the overall revenue of the Company.

This year marks Eason's 50th year anniversary as Thailand's premier industrial coatings manufacturer. The Company's management and staff are more determined than ever to continue our pursuit of excellence and be one of the leading paints producers in ASEAN. We understand that there will be obstacles to overcome but we are will prevail by exercising our utmost capabilities and cautiousness to facilitate the business and provide continuous support to our partners and customers for the benefit of our shareholders.

On behalf of the Company, my sincere gratitude to our staff, partners and shareholders for your kind support, we would not be the success we are without you all. I would like to take this opportunity to wish every single one of you and your families with all the best for the coming year, may it be filled with prosperity, peace and happiness.

Report of Sub-committee

- **Audit Committee**

The committee performed total of 4 meeting joint with the management, the external auditor and the corporate audit, as summarized such as review of quarterly, annual, and consolidated financial statement, to ensure that the prepared financial statements complied with legal and accounting standard requirements. The committee proposed the appointment of Dharmniti Auditing Co., Ltd. as the external auditor for the company for year 2015 to the Board, which would in turn submit it for shareholder's approval at the AGM 2015.



Mrs. Pismai Boonyakiat
Chairman of Audit Committee
Chairman of The Nomination and
Remuneration Committee

The committee reviewed internal control, and monitored the quarterly internal audit report. The committee also provided reasonable assurance that the internal control system is sufficient and appropriate as well as encouraging the independence of internal audit department. The committee also reviewed the *disclosure of information* on related party transactions between the Company and its affiliates, or any transactions that could possibly entailing a potential conflict of interest. The committee provided opinions on the risk management report and audit results in order to ensure that the overall risks are exposed at a low level, and that any high risk transaction is controlled and managed properly with ensure that the business operation complied with good corporate governance principles.

- **The Nomination and Remuneration Committee**

The committee performed its duties as assignment by the Board of Director. It held the joint meeting with the company's management team in order to review the selection of qualified person to fill the vacant director seat, and studied and proposed the structure and composition of the company's board of Director. Reviewed the structure of the Director's remuneration, set out guideline for director's bonus determination, formulated criteria and procedure for evaluation of management, and evaluated performance and considered remuneration for management team.

For the year 2014, the committee performed its assigned duties fully and properly with competence, dedication and independence complied with good corporate governance principles, and also took course "Role of Nomination and Governance Committee" and "Role of The Compensation Committee", which has brought the knowledge applied to the best practice for the best interest of the company and its shareholders.

50 YEARS EASON PAINT

1965

- The Establishment Eason Paint Products Co. Ltd. with registered capital of THB 2.5 million to engage in the business of paint products for building.



1971

- Started producing paint with lacquer technology for Crown Coatings, a production technology developed by the company, and was the company's first industrial coating product category.

1984 - 1986

- Acquired technological know-how for motorcycle coatings from Nippon Oil & Fats Co., Ltd. ("NOF") which afterwards is being known as BASF Coatings Japan.
- Set up a subsidiary company in corporation with BASF Coatings Japan and Miki & Co. Japan through the establishment of NOF (Thailand) Co., Ltd (NTL) to engage in the business of distributing motorcycle paints

1989

- The company changed its Thai name, while English name was continuing with Eason Paint Products Co., Ltd.



1990 - 1995

- Acquired technological know-how for plastic coating for parts of appliance, communication gadget and interior plastic parts for automotive.
- Relocate production base to a new factory in Panthong District Chonburi Province.



2000 - 2004



- Established a joint venture company in corporation with Origin Electric Japan and Miki (Thailand) through the establishment of Origin Miki (Thailand) Co., Ltd. (OMT) to engage in the business of production and distribution of plastic coatings.

- Collaborated with INX International to engage in the business of printing ink for soft drinks cans beer and beverage cans as part of product line expansion.



THE JOURNEY OF COLOURS



2005

EASON

- The company registered to change its name from Eason Paint Products Co., Ltd. to Eason Paint PCL with the registered capital Baht 200 million, and became listed company on the Stock Exchange of Thailand.

2006 - 2008

- Increased proportion of shareholding in Origin Miki (Thailand) Co., Ltd., then changed its name to Origin Eason Paint Co., Ltd.
- Established a subsidiary company, Eason Urai Paint Company Limited ("EUP"), located in Noi Bai Industrial Zone, Hanoi, Vietnam, to be the manufacturer and distributor of motorcycle coatings and others industrial paints.



EUP
EASON URAI PAINT



2009 - 2011

- Established a subsidiary company, Bright Blue Water Cooperation Limited ("BBW"), to distribute and provide service of water and air filtering machine.
- Entered a business cooperation agreements with BASF (Thai) Ltd. ("BTL") for having rights in motorcycle paint manufacturing and serving coating market in ASEAN with distribution of BTL.
- Eason Urai Paints Company Limited "EUP"; has entered into business cooperation agreement with BASF (Vietnam) Ltd. ("BVL") for having rights in motorcycle paint manufacturing in Vietnam.



EASON
PT EASON INDONESIA



2012 - Current

- Established a subsidiary company, PT Eason Indonesia, with aim to be the manufacturer and distributor of motorcycle paint and others industrial paints in Indonesia
- Established a subsidiary company in Malaysia, Eason Far East Sdn. Bhd, with aim to be the distributor of inks, packaging coatings and industrial paints.

EASON Pemborong Percetakan Dakwat
EASON FAR EAST SDN. BHD.
(1077299-V)

Board of Directors





1. Mr. Sanan Eksangkul
Chairman of Board of Directors
2. Ms. Petcharat Eksangkul
Director
3. Mr. Sanit Eksangkul
Director
4. Mr. Wichai Eksangkul
Director
5. Ms. Sirinun Eksangkul
Director
6. Mrs. Pismai Boonyakiat
Independent Director / Chairman of Audit Committee
7. Mr. Vitiem Nildum
Independent Director / Audit Committee
8. Mr. Jane Wong-isariyakul
Independent Director / Audit Committee
9. Ms. Thipawan Uthaisang
Independent Director / Audit Committee

Management Team



1. Mr. Sanan Eksangkul
Chief Executive Officer

2. Ms. Petcharat Eksangkul
Managing Director

3. Mr. Sanit Eksangkul
Deputy Managing Director

4. Mr. Wichai Eksangkul
Deputy Managing Director

5. Mr. Mum Annoppong
Deputy Managing Director

6. Ms. Sirinun Eksangkul
Assistant Managing Director

7. Mr. Nathapol Eksangkul
Assistant Managing Director

8. Mr. Piti Eksangkul
Assistant Deputy Managing Director

9. Mrs. Wilaivan Mitrapanon
Supply Chain Manager

10. Ms. Siriporn Choochird
Marketing Manager

11. Ms. Phanphimon Boonyapinyo
Financial Manager

12. Mr. Chayuth Sereerak
Accounting Manager

13. Mr. Jitti Eksangkul
Production Manager

EASON 50th



CSR-DIW Awards 2012 – 2014



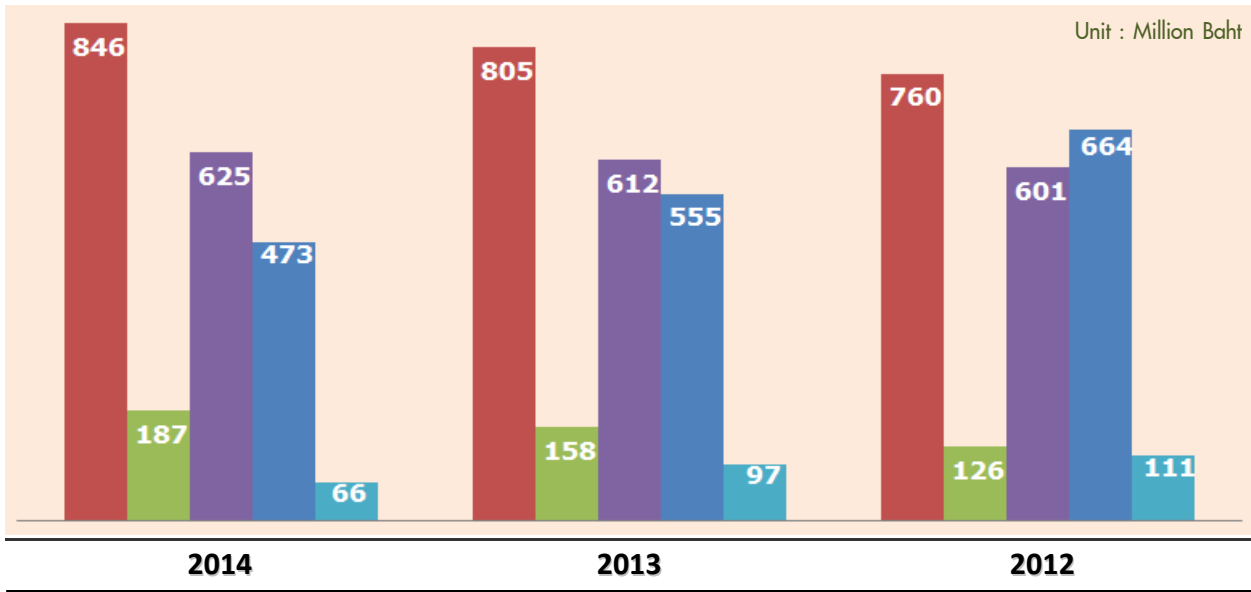
Outstanding Company Performance Awards

Outstanding CEO Awardst

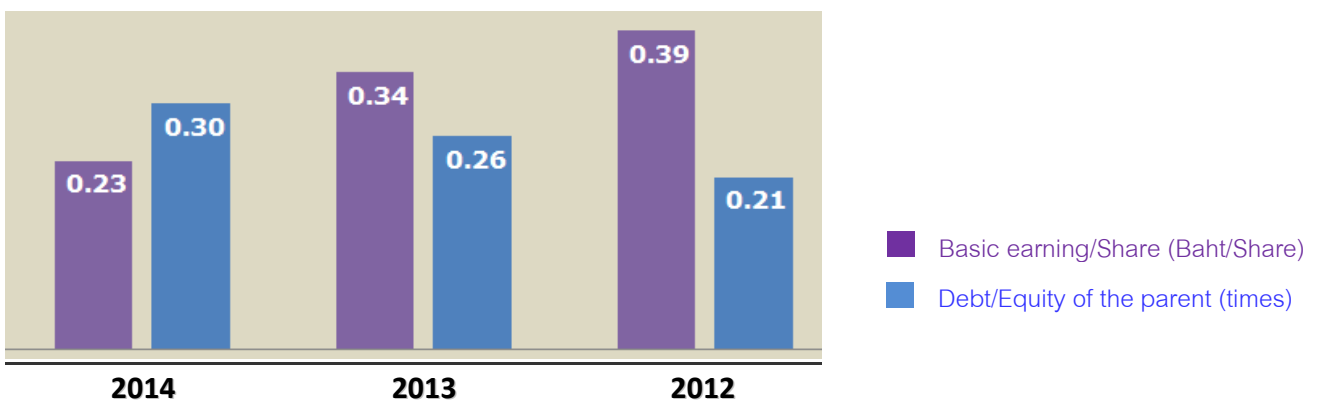
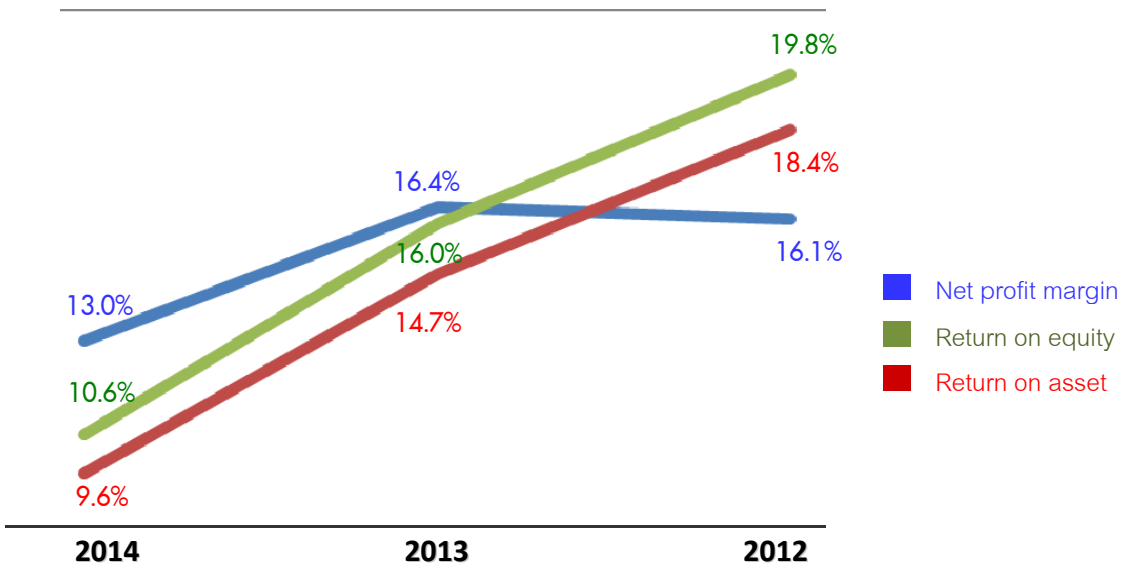


Ms. Petcharat Eksangkul, Managing Director, received 2 SET Awards from Mr. Charamporn Jotikasthira, President, the Stock Exchange of Thailand, at "SET Awards 2013", November 20, 2013

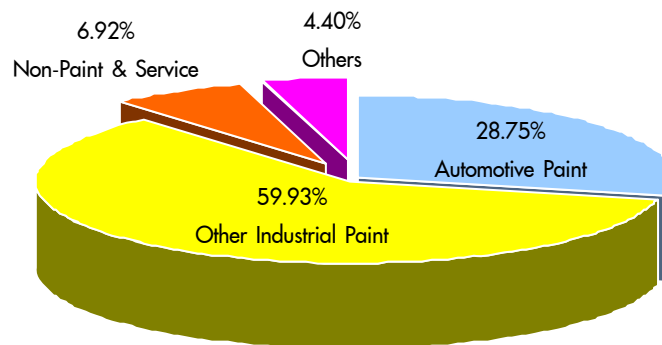
■ Total assets
 ■ Total debt
 ■ Total shareholder's equity on the parent
 ■ Total revenue*
 ■ Parent shareholder's profit



Remark: Total revenue not include share of profit of associated company



Executive Summary



In 2014, the company recorded a consolidated income of 472.96 million baht and net profit of 65.66 million baht. Income was decreased in amount of 81.80 million baht or 14.74% and net profit was decreased in amount of 30.86 million baht or 31.97% from former year as a result of the slowdown in Thailand industry both investment and private consumption, also continuing with the political issue in the end of 2013 until the 2nd quarter of 2014 which made household spending shrank.

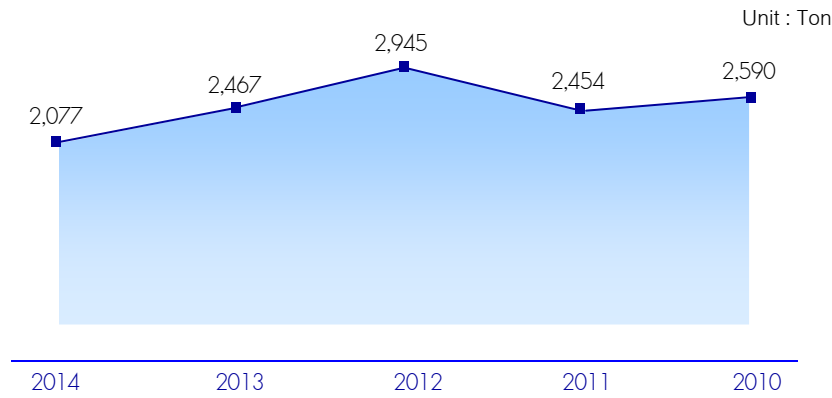
The subsidiary company in Vietnam has underperformed from former year due to economic downturn in Vietnam as well. Machines and equipments installation at subsidiary company in Indonesia have been done in 2014, and they are now under conducting trial process with expectation to run daily operation within the first quarter 2015. The subsidiary company in Thailand has lower loss from former year, and the company recognized gains on investment in joint venture company.

Although the positive sign of industrial sector will be appeared in 2015, but Thailand's economic growth rate likely being in risk such as the political issue, investment project of infrastructure from government, energy and electricity price, and cost of living, which could effected to sectors of production, consumer, investment and importer. However, domestic industry could be slowdown, but export market still being viewed positively. At the same time, the downturn of economy will be opportunity to the company to improve its operation and technical skills for more efficiently.

Automotive Paints

Eason is toll manufacturer of automotive paint under licence of BASF Germany, where the products are beneficial to customers as the substituted source to import. In 2014, revenue from tolling of automotive paint was amount of 135.96 million baht, which was decreased by 93.33 million baht from the former year, which was a result of slowdown in domestic automotive industry. However, the company has developed efficiently technology of production together with quick response to production lines at customer's site for beyond satisfaction.

Automotive Paint Production

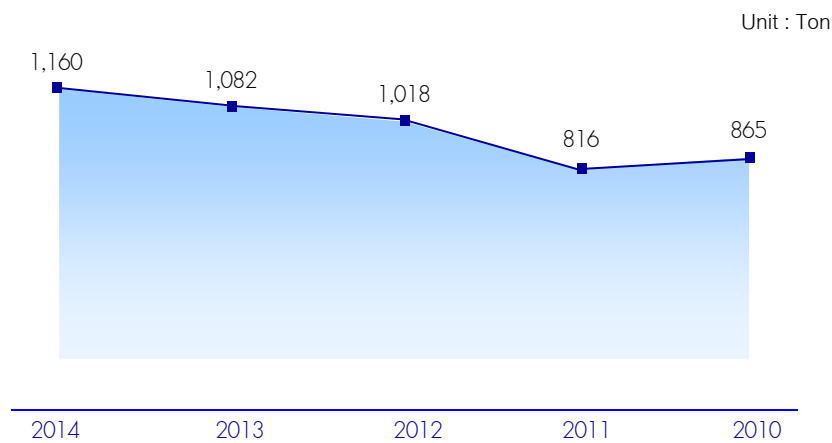


The subsidiary company in Indonesia named PT. Eason Indonesia has been established with register capital of 3 million USD. The company holds 99.97% of proportion with aim to be the manufacturer and distributor automotive paints and others industrial paints in ASEAN. Presently, building, machines and equipments installation have been completed, and they are now under conducting trial process with expectation to run daily operation within the first quarter 2015.

In November 2014, the Board of Directors has passed the resolution to approve the increasing registered capital from 3 million USD to 5 million USD within the year 2015, in accordance with PT. Mitra Anugerah Surya, partner in Indonesia. The company will invest 0.75 million USD and the rest of 1.25 million USD from PT. Mitra Anugerah Surya, which will be 2 million USD in total and divided to 2 phases with 1 million USD each. The first phase has been done in 2014, and the second phase will be completed in 2015. After the increasing registered capital, the company will hold 74.98%, and PT. Mitra Anugerah Surya will hold 25% of the total shares.

Origin Eason Paint Co. Ltd. ("OEP"), the joint venture company who is manufacturer of plastic coatings for automobile, car accessories, and electronic appliances, has net profit in amount of 74.56 million baht in 2014, which was decreased by 8.22 million baht from former year.

Other industry paints production



Offset Inks for Metal Packaging

The company is only manufacturer of UV inks for 3-piece can in ASEAN under the technology from INX international ink Co, USA, and also is INX special offset ink importer for 2-piece can, which will various build value added to the customer's products.

An operating result of 2014 shows the significant growth by 11% especially customers in ASEAN from former year, including the expansion of production line of customers. Together with the consequences of knowledge sharing to customers regarding the benefits and applications of UV ink technology therefore, the company's products are well accepted from customers.

In part of research and development, the company has continuously improved ink's quality which supports customer's technology, speed of printing machine and bill of materials comply the consumer safety rules. The company also provides advance accessories and tools for using in research process. This allows company to have product which meet with the needs of customers.

In January 2014, Eason Far East Sdn. Bhd. ("EFE") was established in Malaysia with aim to be distributor of packaging coatings, inks, and other Industrial paints. EFE has registered capital in amount of 400,000 RM (about 4 million baht), which the company holds 60%, and Singaporean shareholder holds the rest of 40%. EFE started deliver goods to customer in Malaysia since September 2014.

Packaging Coatings

Packaging coatings in 2014 still remained as former year with only 1% growth. The company aim to expand particularly ASEAN market by high quality of product, reasonable price and environment friendly product. The company has target to continuously develop product and their applications in order to serve customer, together with more advanced technology and equipments for more active responds and troubles shooting.

Food and beverage industry is major industry which generates revenue with continuous growth rate, especially during economic crisis period. Food and beverage industry has recorded a steady growth as a result of the high demand in consumption since it is an essential fundamental for human being. Since ASEAN has around 600 million people or 8% of the world population, so can makers plan to set up and expand their production lines both domestic and foreign country in AEC.



Summary of the Company's products

Products		License	Brand
Packaging coatings	Company	Company's Know-how	Eason
Offset ink for metal	Company	Company's Know-how	Eason
Special offset ink for metal	INX	Manufacturer and distributor UV ink of INX	INX

Other Business

Beside paints business, there is a subsidiary entity which is engaging in the water and air purifiers named Bright Blue Water Corporation Co., Ltd. ("BBW"). Despite the dissatisfy performance of BBW recently, but today's customers society have more concern for healthy and safety of drinking water, so it could be opportunity of business. BBW has decreased the registered capital for minimize the deficit by reducing par value from 1,000 baht per share to 5 baht per share, which its registered capital was decreased from 35 million baht to 175,000 baht. In September 2014, the company invested 16 million baht in whole new 3.2 million ordinary shares as resolved resolution of the Board of Directors. Now, BBW's registered capital is in amount of 16,175,000 baht, and the company holds 99.57% of proportion.

Report on the Responsibilities for Community and Environment

Currently, almost of business is more challenge due to changing of consumer' behavior. It takes much more concern towards environment friendly product, and taking part in social responsibility. Therefore, all industry sectors should emphasize on every process of business chain, from product design until delivery to customers, including reducing effects on environment in disposal and destruction.

The company is aware of importance of its role and determines to build up confidence and trust for all sectors of stakeholder. The business operation under social and environment responsibility is an important strategy, which help Eason to manage organization towards enduring business. The company also supported its CSR program such as cooperation with Thai Red Cross for blood donation, the accounting record for saving for students, and continued education support with equipment and scholarship.

The company chose to apply the concept and practice of Social Responsibility Standard to its business operation, which brought the company received accreditation for its compliance with the Corporate Responsibility Standard toward the Society (CSR-DIW), Beginner Awards in 2012, Flagship Project in 2013, and Continuous Project in 2014 from Industrial Works Department. The company believes that its commitments and dedication to pursue above approach towards the society and environments, shall serve as a significant threshold leading the organization towards sustainable developments in the future.



Ms. Petcharat Eksangkul
Chairman of The Safety, Hygiene and
Environment in Working Committee

Corporate Social Responsibility



Business Operation with Morality

The company has made Good Corporate Governance and Ethics Handbook for business operation, so as to comply with Principle of Good Corporate Governance for Registered Companies of Stock Exchange of Thailand. The Handbook has been distributed in order to implant good conscience and apply the principle by management and all level of employees.

- Respect Rights of Other's Assets
 1. Respect the ownership right of stockholders, look after their interests, support and provide opportunities for all groups of shareholder fairly and equally such as access to information, attend the meeting to determine business operation direction, and make decision on issues which affect the company significantly.
 2. Produce and distribute product which are safe. Determine product price according to cost of goods and stay competitive, keep promise and agreement in product distribution, take care of customer's demand and complaint, also customer satisfaction.
 3. Manage work so that debtors fell confident about financial status and ability to pay debt. Strictly carry out as state in contract or other conditions.
 4. Treat employees and respect their existence as basic human right in working. Promote equality in employment, opportunity in professional development. Encourage participation to determine direction of business operation and development of the company.

- Resistance to Corruption

Resistance to corruption is an important policy of the company besides implanting attitude and ethics as basic for performance for management and all level of employees. The company has drawn up audit process and internal control system to check and balance appropriately.

Moreover, the company has made implementation to create confidence in accordance to Resistance to Corruption Policy as follow;

1. Review rules and regulations about purchase, employment, determine requirement for authorized signatures for expense and purchase document to control and prevent corruption within the company
2. Board of Directors, management and employees are forbidden to engage in any action to claim or accept or offer to give assets, other benefits to induce to carry out or refrain from performing duty which is wrongful.
3. Organize training to give knowledge to the management and employees about risk management frame and internal control in order to manage risk
4. Determine communication channels, receive complaints or information about corruption, the informers will be protected in strict confidence and will not be disclosed. The issue informed will be examined by the Board fairly

In 2014, no issue found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics.



Respect Human Rights

The company emphasizes on building good relationship and happy co-existence with related group from employees, partner, communities and society by human right of every person. This is the principle which the company adheres to while carrying out activities in business operation.

- Respect Human Rights
 1. Determine respect human rights issue as social responsibility policy. This is communicated to management and every level of employees, including related persons.
 2. Organize meetings to review, and improve procedure which may be against human rights. The Safety, Hygiene and Environment in Working Committee will propose to management to proceed in accordance to International Human Rights Principle
 3. Encourage and give chance to employees, community and society to participate and express their opinion. Organize discussion platform about human rights violation issue to determine appropriate corrective measure.
 4. Give every employees equal opportunity in job employment, occupational development, sufficient and appropriate safety measures, environment and quality of working life.
 5. Encourage employees to exercise their voting rights to select representatives on required occasions.



- Fair Competition
 1. Focus on building business allies with trading partner for long term growth and joint development. Compete fairly, do not take advantage or claim benefit not included trading agreement. Adhere to satisfaction on both sides in business negotiation.
 2. Respect fair competition rules. Do not destroy competitor fame, and not copy or use other intellectual property in business without approval.

Benefit of Stakeholders

The company emphasizes on happy working environment, stresses on building good understanding among employees – employees, and employees – the company which are the basic of good labor relation. The management will also create balance between working life and living.

- Promote Social Responsibility Awareness
 1. Build up good relationship between the company and community. Responsible for effect which may occur from business operation.
 2. Social and Environmental Responsibilities by improving and developing process in accordance to efficient environment. Selective about trading partners who operate business with social and environment responsibilities.
 3. Cooperate with government sectors to abide to the law and change regulations to conform to laws, with varieties information correctly in labor information, regular billing disclosure to government sectors.

- Treat Employees Fairly, Hygiene and Safety in Working Environment
 1. Employ employees legally. Give remuneration and determine working day, holiday, rights to take leave, health care, safety standard as required by law to create balance between working life and living.
 2. Organize training for all level of employees to improve their skills and receive sufficient training to perform their job. Provide occupational development based on ability.
 3. Determine the Safety, Hygiene and Environment in Working Policy. The committee will be responsible to draw up training plan for every level of employees, prepare equipment to prevent danger in working and campaign to encourage employees to be aware on safe working environment. In 2014, the company's statistic accident showed 14 times without injured staff absent work.
 4. Look after employee' health by preventive measures, treatment and health care. Organize annual health check-up as well as medical care benefits in case of sickness. Moreover, the company also organizes training to provide knowledge and give documents so that all employees are informed and can prevent themselves from various diseases.

- Equal Opportunity
 1. Provide opportunity for employee' participation to express their opinion to improve the organization.
 2. Employment opportunity after retirement for employees with knowledge, skills. Ability and good health, so that they can work with the company for another appropriate period of time.
 3. Treat all level of employee equally when wrong doing is found. The discipline investigation committee is appointed to give fair trial to employee. Give employee the chance to explain, change and improve, so that they become good member of the organization. Nevertheless, the wrong doing in working regulation will lead to disciplinary measure and consider punishment according to rank

Responsibility for Product Quality to Customers

The company produces products with quality, safety standard and concern about the environment. The company has been certified for quality management system ISO9001:2008, ISO14001:2004 and TS16949:2009.

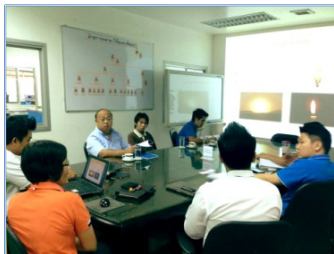


- Responsible for Customer and Partner

The company responsible and aware for importance of customers and partners with the guideline are as follow;

1. Provide correct, sufficient and up to date information to customers and partners, so that they know about the products and services without overstatement from reality, which may cause misunderstanding.
2. Contact customers and partners with good manners and trust. Provide channels for them to file in complaints about quality and safety or product.
3. Retain customers and partners' secret and do not use for personal or related person's interests wrongfully.
4. The company also give recommendations about usage methods for products and services efficiently and most beneficial for customers and partners.

Knowledge sharing to customers regarding the benefits and applications of UV ink technology



- Community and Social Joint Development

“Corporate Social Responsibility” (CSR) is being committed and treated as an integral part of the strategic sustainability business plan as a result, both internal and external affairs cover on an environment awareness, safety concern from the starting of the operational system, logistic process throughout the chain of supply also communication with the community in order to enhance its confidence towards company. Moreover, it is being realised that the contribution for the society is one part of our commitment especially an education support for both students in the neighbourhood and distanced.



- Support paints for futsal court under campaign of Sport Day for Drug Resistance for Panthong, Chonburi Province
- Education support for Non-formal Education and Informal Education Center of Mahasarakarm Province
- Support paint for building of Panthong Police Station, Chonburi Province
- Donate and support consumable products to Home for Children with Disabilities Nontapum, Nonthaburi Province

An education support for both students in Panthong, Chonburi Province and distance on National Children’s Day 2014



Financial planning activity “Accounting Recording for Saving” for student of Panthong School, Chonburi Province



Shareholding and Management Structure

As of December 31, 2014, the Company has registered capital at the value of 286,817,400 baht; dividend into ordinary shares amount 286,817,400 shares at par value of 1 baht; paid-up capital as the amount of 285,894,029 baht, and the reserved share remained amount 923,371 shares from exercising of ESOP and Right Offering warrants.

Top Ten major shareholders as of December 31, 2014

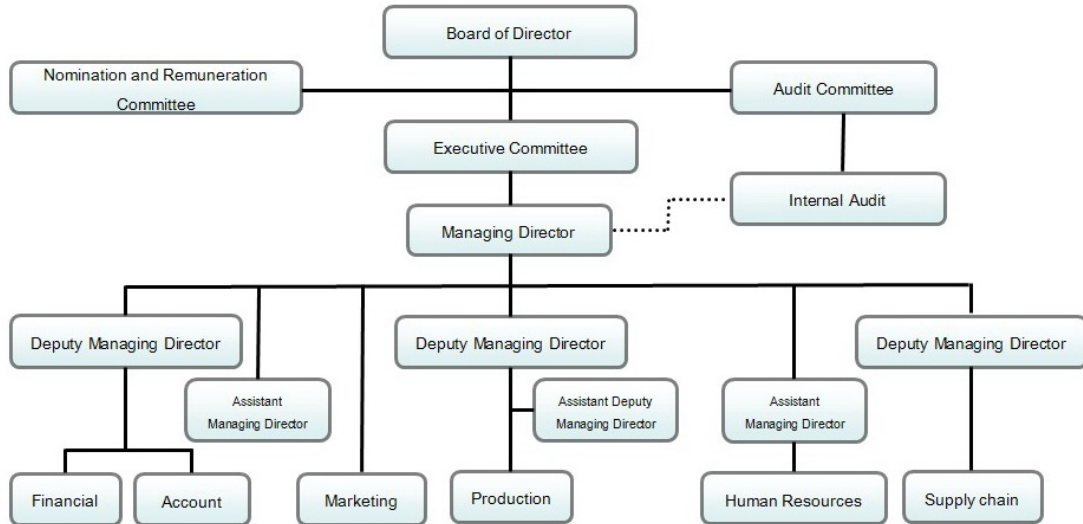
Item	Shareholder's name	The number of shares	Percentage
1	Eksang Holding Co., Ltd. and Eksangkul Group	150,887,279	52.78
2	Maybank Kim Eng Securities PTE. Ltd.	18,915,700	6.62
3	Thai NVDR Co. Ltd.	18,455,100	6.46
4	Dej-amornthan Group	14,429,200	5.05
5	Miki & Co. Ltd. (Japan)	7,500,000	2.62
6	Luengwattanakij Group	5,047,000	1.77
7	Lohprakrong Group	4,115,000	1.44
8	Prugsananond Group	2,764,400	0.97
9	Ms. Anchana Pinijkusoljit	2,670,000	0.93
10	Mr. Thawat Tantimate	2,460,000	0.86

Dividend Policy

The dividend of the company will be paid at the rate of 40%, or higher, of the net profit after tax deduction and after a certain amount of fund is reserved in accordance with the law. The dividend will be paid regularly unless it is considered that paying the dividend might affect the operation of the Company and the subsidiaries significantly, and the necessity to use fund occurs.

However, the dividend rate might not follow as mentioned with regarding a decision concerning paying dividend, which the company would take the following factors into consideration, such as the company's performance, cash flow status, business expansion, and other factors related to management of the Company and subsidiaries. The decision of paying dividend has to be approved by shareholders and/or Board of Directors.

Structure of management as of December 31, 2014



Remark: The company hires Well Planning Solution Co., Ltd. as the Internal Audit

Company’s Directors group

The Company has 4 directorate groups; Board of Directors, Executive Committee, Audit Committee and Nomination and Remuneration Committee. Names of directors of each group, including scope of duties and authorization are as follows:

- **Board of Directors** As of December 31, 2014, 9 directors in the Board of Directors are listed as follows,

Item	Name	Position
1	Mr. Sanan Eksangkul	Chairman of the Board of Directors
2	Ms. Petcharat Eksangkul	Director
3	Mr. Sanit Eksangkul	Director
4	Mr. Wichai Eksangkul	Director
5	Ms. Sirinun Eksangkul	Director
6	Mrs. Pismai Boonyakiat	Independent Director
7	Mr. Vitien Nildum	Independent Director
8	Mr. Jane Wongissariyakul	Independent Director
9	Ms. Thipawan Uthaisang	Independent Director

The Board of Directors' information as of December 31, 2014

Name/Position	Age (year)	Education	Shareholding Ordinary shares	Experience		
				Period	Position	Company
1. Mr. Sanan Eksangkul <i>Chairman of Board of Directors</i> <i>Chairman of Executive Committee</i> <i>Chief Executive Officer</i>	59	<ul style="list-style-type: none"> • Bachelor of Arts (Literature) Fujen University, Taiwan • Mini MBA Thammasat University • Director Accreditation Program 31st 	10,000	2009 - Present	Chairman	Bright Blue Water Corp.
				2007 - Present	Chairman	Eason Urai Paint Co., Ltd.
				2002 - 2005	Advisor to Chairman	The House of Representatives
2. Ms. Petcharat Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Managing Director</i>	57	<ul style="list-style-type: none"> • XMBA Thammasat University • Bachelor of Science Chulalongkorn University • Director Accreditation Program 31st • Director Certificate Program 154th • National Defense College (NDC) Program 49th • Top Executive Program in Commerce and Trade (TEPCoT) Program 6th • Capital Market Academy Program 18th 	6,044,000	2014 - Present	Director	Eason Far East Sdn. Bhd.
				2007 - Present	Director	Eason Urai Paint Co., Ltd.
				1996 - Present	Director	N.O.F.(Thailand) Co., Ltd.
				2004 - Present	Director	Eksang Holding Co., Ltd.
				2008 - Present	Honorable Chairman	Chemical Industry Club
						The Federation of Thai Industries
				2014 - Present	President	Chulalongkorn University
						Science Alumni
				2006 - Present	Academic Advisor	Association
						Faculty of Science, Chulalongkorn University
		2008 - 2011	President	Thai Paint Manufacturer		
3. Mr. Sanit Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Deputy Managing Director</i>	56	<ul style="list-style-type: none"> • BA, Ramkhamhaeng University • Mini MBA Kasetsart University • Director Accreditation Program 31st 	1,670,000	2009 - Present	Managing Director	Bright Blue Water Corp.
				2007 - Present	Director	Origin Eason Paint Co., Ltd.
				2008 - Present	Director	Eason Urai Paint Co., Ltd.
				2004 - Present	Director	Eksang Holding Co., Ltd.

Name/Position	Age (year)	Education	Shareholding Ordinary shares	Experience		
				Period	Position	Company
4. Mr. Wichai Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Deputy Managing Director</i>	51	• Master of Science Kasetsart University	5,620,000	2013 - Present	President	PT. Eason Indonesia
				2009 - Present	Director	Bright Blue Water Corp.
		• Bachelor of Science Kasetsart University		1996 - Present	Director	N.O.F.(Thailand) Co., Ltd.
				2004 - Present	Director	Eksang Holding Co., Ltd.
Spouse's share holding			54,678			
5. Ms. Sirinun Eksangkul <i>Director</i> <i>Executive Committee</i> <i>Assistant Managing Director</i>	50	• BA, Ramkhamhaeng University	5,395,000	1996 - Present	Director	N.O.F.(Thailand) Co., Ltd.
				2004 - Present	Director	Eksang Holding Co., Ltd.
		• Mini MBA Kasetsart University				
		• Director Accreditation Program 31 st				
6. Mrs. Pismai Boonyakiat <i>Independent Director</i> <i>Chairman of Audit Committee</i> <i>Chairman of the Nomination and Remuneration Committee</i>	69	• Master of Commerce Thammasat University	-	2005 - Present	Chairman of Audit Committee	D-Con Public Company Limited
				2000 - Present	Associated Judge	Nonthaburee Juvenile and Family Court
		• Bachelor of Accountancy Chulalongkorn University		2000 - Present	Chairman	New Wave Institute and Consultant
				1999 - 2000	Director of Internal audit office	Bio File Co., Ltd.
7. Mr. Vitien Nildum <i>Independent Director</i> <i>Audit Committee</i> <i>Director of the Nomination and Remuneration Committee</i>	72	• Bachelor of Science Chulalongkorn University	200,000	2009 - Present	Director	The Council of Science and Technology professional
				2010 - Present	Advisor	The Council of Scientist and Technology of Thailand
		• Mini MBA Thammasat University		2010 - Present	Advisor	The Thai Packaging Association
		• Certificate of Chemical Practice				
		• Director Accreditation Program 32 th				

Name/Position	Age (year)	Education	Shareholding Ordinary shares	Experience		
				Period	Position	Company
		<ul style="list-style-type: none"> • Role of Nomination and Governance Committee (RNG 5/2013) 				
8. Mr. Jane Wong-isariyakul <i>Independent Director</i> <i>Audit Committee</i> <i>Director of the Nomination and Remuneration Committee</i>	61	<ul style="list-style-type: none"> • XMBA Thammasat University • Bachelor of Science Chulalongkorn University • Bachelor of Business Beijing Language and Culture University • Director Accreditation Program 31st • Role of Nomination and Governance Committee (RNG 5/2013) 	-	1983 - Present 2008 - Present 2010 - Present	Director/ Managing Director Director President	Winner Group Enterprise PCL. Jamjuree Innovation Products Co., Ltd. CU Science Alumni Association
9. Ms. Thipawan Uthaisang <i>Independent Director</i> <i>Audit Committee</i> <i>Director of the Nomination and Remuneration Committee</i>	56	<ul style="list-style-type: none"> • XMBA Thammasat University • Bachelor of Accountancy Thammasat University • Director Certification Program 29th • The College of Politics and Governance, The King Prajadhipok's Institute 9th • Capital Market Academy 8th • National Defense College (NDC) Program 53rd • Roll of the Compensation Committee (RCC 17/2013) 	70,000	2013 - Present 2013 - Present 2009 - Present 2009 - Present 2001 - Present 2012 - Present 2005	Chairman of Audit Committee Audit Committee, Chairman of Remuneration Committee Audit Committee Audit Committee Managing Director Chairman Executive CEO	Prodigy Public Company Limited Winner Group Enterprise PCL. Ladprao General Hospital Pailin Booknet PCL. Papermate (Thailand) Co., Ltd. P.A.E. (Thailand) Public Company Limited International Engineering PCL.

Authorized Directors

Two out of the following five authorized directors; Miss Petcharat Eksangkul, Mr. Sanit Eksangkul, Mr. Sanan Eksangkul, Mr. Wichai Eksangkul, and Miss Sirinan Eksangkul are approved to co-sign any documents with a company seal.

Scope of duties and authorization of Board of Directors

The directors have duties, authorization, and responsibility to manage the Company in accordance with the law, Company's objectives and regulations, and the resolution agreed upon in the meeting of shareholders, whereas all actions have to be taken with honesty, integrity, and vigilance toward shareholders' benefits. Parts of important duties, authorization, and responsibility of the directors are itemized as follows;

1. To ensure an annual ordinary meeting of shareholders is held within 4 months after the end of an accounting period
2. To ensure a Board of Directors meeting is held every 3 months at least.
3. To ensure that the Company's financial statements including a balance sheet, and profit/loss statement are generated at the end of accounting period. The auditors have checked and approved statement which will, later, be submitted in the meeting of shareholders for further consideration and approval.
4. Board of Directors can authorize one or more directors or other person to perform certain duties for and under a control of the Board of Directors in such a way that this person will complete the assigned duties within a period of time agreed upon by the Board of Directors. Board of Directors may change the authorized person or revoke the authorization if appropriate. Board of Directors may authorize Executive Committee to perform duties whereas details of scope of duties, responsibility and authorization have to be specified and such authorization must not allow Executive Committee to have a right to approve any activities where there is a conflict of interest between the Company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, Thailand (SEC)) and Executive Committee, with the exception when such activities follow the policy and a decision of a meeting of shareholders, or when such activities are approved by Board of Directors, or when such activities are the regular business operation with a predetermined scope.
5. To establish a goal, guidelines, policies, work plan, and a budget of the Company, including to control and to oversee the management of Executive Committee to ensure all works are accomplished according to the assigned policy. Board of Directors needs to get approval from shareholders' meeting to perform the following activities: the activities enforced by the law to obtain a

resolution from shareholders' meeting i.e. increasing/decreasing capital, issuing bonds, and amending requirement or any parts in memorandum of association.

In addition the Board of Directors has other duties as follows;

1. To ensure that all Company's operation and activities abided by the law concerning securities and public trading and the regulation of securities market. For instance, any related-party transactions, buying or selling significant assets of the Company as specified in the rules of SET or the law governing the Company's business.
2. To consider the Company's management structure and to appoint an Executive Committee, a president of Executive Committee, and other committee as appropriate.
3. To follow up the operation to make sure that it complies with the work plan and a budget.
4. Directors shall not own, engage or involve with the following businesses and activities: the business entities with the same business nature as and being a competitor to the Company, being a business partner with or without obligation in the partnerships entities, or being a director of other companies having the same business nature as and being a competitor to the Company, no matter if the business interest is for the directors or for other parties. There is an exception if the resolution of shareholders' meeting approves such actions before appointment
5. The directors shall inform the Company without hesitation in the situation where the directors have conflict of interest with any contracts the Company engaging in, or when the directors own more or few shares or bonds of the Company or of the subsidiaries,

The directors' action concerning assigning duties, responsibility and authorization must not be in a way that allows directors or the appointee to have a right to approve any activities where there is a conflict of interest between the Company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, Thailand (SEC)) and the directors or the appointee, with the exception when such activities follow a policy or a decision of shareholders' meeting, or when such activities are approved by Board of Directors, or when such activities are the regular business operation with a predetermined scope i.e. characteristic of transaction, ceiling of approvable fund.

[Selection of Board of Directors and Committee of Independent Director](#)

The Nomination and Remuneration Committee will responsible for the criterion for selection of directors and executive are based on the qualification, education background, experience, and the availability to attend Board of Directors meeting. In the meeting of shareholders, the qualified persons will be voted to become a director based on the majority vote and other requirements as follows:

1. Based on the principle of one share/one vote.
 2. In selection of Board of Directors, the practice of casting a vote can be either voting one candidate at one time or many candidates at one time, which is up to discretion of shareholders and each shareholder is entitled to the vote principle as mentioned in 1. and the numbers of shares or votes cannot be split up to more than one candidate.
 3. In selection of Board of Directors, the appointment of the director is based on the majority of vote. If the candidates receive equal votes, the chairman of the meeting will be the last vote to decide who will be the appointee
- **Executive Committee** As of December 31, 2014, the Executive Committee of the Company consisted of 5 persons as follows:

No.	Name	Position
1	Mr. Sanan Eksangkul	Chairman of Executive Committee
2	Miss Petcharat Eksangkul	Executive Committee
3	Mr. Sanit Eksangkul	Executive Committee
4	Mr. Wichai Eksangkul	Executive Committee
5	Miss Sirinun Eksangkul	Executive Committee

Scope of duties and authorization of Executive Committee

Executive Committee has duties, authorization, and responsibility to manage the regular business operation of and to administrate the Company. Executive Committee has to establish policies, business plans, a budget, structure and authorization of management, business procedure and guidelines to operate the business in line with the current economic situation. After completion, this information will be presented to Board of Directors for approval and, later, Executive Committee has a duty to implement and follow up to assure the Company's policies and plans are followed. To summarize, duties and responsibilities of the Executive Committee are listed as follows:

1. To operate and manage the Company's business in accordance with Company's objectives, regulation, policies, standards, requirements, instruction and the resolution of the Board of Directors meeting and/or the shareholders' meeting in every other way.
2. To formulate and to execute policies, direction and strategy of the Company, budget planning, human resources management, investment in information technology, business expansion, public relation, including to control and to oversee that the working teams/committee accomplish the goal as assigned.

3. To review an annual budget allocation as proposed by management departments before submitting to Board of Directors meeting for approval. To make any necessary changes of annual expense budget when the immediate Board of Directors meeting is not possible. These changes have to be reported in the next meeting for the directors' acknowledgement.
4. To authorize expenditures incurring from regular business operation ie. purchase of assets, raw materials, vehicles, and etc. with the ceiling of approvable amount of 30 million baht per item.
5. Be able to authorize expenditures of significant investment as specified in the annual expense budget which was approved earlier by Board of Directors.
6. Be able to authorize borrowing fund, applying for a loan, issuing debt instruments, giving warranty and guarantee for a loan, whereas the ceiling of such funds must not exceed 50 million baht.
7. To act as a consultant to the management departments in the areas of finance, marketing, human resource, and other operations.
8. To designate a structure of organization, administrative power and authorization, including overseeing such activities as appointing, recruiting, rotating employees, determining salary, compensation, and a bonus of employee in management level, and terminating employment.
9. Be able to authorize one or more directors or other persons to perform a particular assignment under a control of Executive Committee, or to assign the person as mentioned to have a certain authorization for a period of time which Executive Committee considers as appropriate. Executive Committee may terminate, make any necessary changes upon appointment of that person(s)
10. Apart from the aforementioned duties, responsibility and authorization, Executive Committee may perform other actions or operations as assigned by Board of Directors.

The Executive Committee's action concerning assigning duties, responsibility and authorization must not be in a way that allows the Executive Committee or the appointee to have a right to approve any activities where there is a conflict of interest between the Company or subsidiaries (as defined in the announcement of Securities and Exchange Commission, Thailand (SEC)) and the Executive Committee or the appointee. Such activities which may cause a conflict of interest have to be presented to Board of Directors' meeting or shareholders' meeting (up to discretion) for consideration and approval in accordance with the regulation of the Company, subsidiaries, or the applicable law. However, there is an exception when such activities are the regular business operation with a predetermined scope i.e. characteristic of transaction, ceiling of approvable fund.

- **Independent Director/Audit Committee** As of December 31, 2014, Audit Committee consisted of 4 persons as follows:

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

The Board of Director appointed 4 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 which the current committee is scheduled to complete term in 2015, and the Board of Directors will consider appointing the Audit Committee afterward

Scope of duties and authorization 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 to the directors an appropriate choice of auditing company for approval, 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 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.
 7. 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.
 8. To report work progress and findings to Board of Directors once a year minimally.
 9. Have an authorization to examine and investigate into any suspicious transactions or activities, including to seek 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.

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.

Independence

1. Independent opinion means the ability to give opinion or report work progress or findings freely without consideration of personal benefits in terms of money and a position in the Company, and the ability to perform work without any influence from any person or a group of persons, whereas such freedom of opinion expression shall not be limited in any circumstances.
2. The example of performing work with a limited independence include such circumstances where Audit Committee is influenced by Board of Directors, executives, other personnel, and etc. due to friendship, respect, or other reasons, and resulting the following incidents:
 - Purposefully not to perform a particular work as assigned.
 - Accept an offer to perform wrong actions which adversely affect the Company and shareholders.
 - Not giving opinions or not reporting to the directors or shareholders straightforward.
 - Refuse to work cooperatively or to discuss with the directors, executives, or other personnel with whom Audit Directors are performing work.
3. Any transactions/ activities which are considered not affect Audit Directors' ability to perform work and to report findings.
4. Any transactions/ activities between Audit Directors or the related persons and the Company, subsidiaries, joint-venture companies, or the majority of the Company's shareholders concerning selling or acquiring products or services with the following conditions:

- When selling or acquiring activities are done on a basis of a normal business operation with commercial conditions as generally accepted in the business and without intention of concealment.
 - Prices of Products or services should be comparative to those offered to other clients.
5. Any remuneration which Audit Directors or the related persons received from the Company, subsidiaries, joint-venture companies, or the majority of the Company's shareholders is evidently a normal service fee paid to any financial institutions providing auditing service.
 6. Any transaction, as being classified a related-party transaction, is performed in accordance with the related requirements of SET, and other requirement as specified by SET.
- **The Nomination and Remuneration Committee** The Board of Directors has approved the appointment of the Nomination and Remuneration Committee, to comply the principle of good governance with 4 members are as follows;

No.	Name	Position
1	Mrs. Pismai Boonyakiat	Chairman of the Nomination and Remuneration Committee
2	Mr. Vitien Nildum	The Nomination and Remuneration Committee
3	Mr. Jane Wongissariyakul	The Nomination and Remuneration Committee
4	Miss Thipawan Uthaisang	The Nomination and Remuneration Committee

Scope of duties of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Director with 3 years each term. The scope of duties and responsibilities of the Nomination and Remuneration Committee is assigned by Board of Directors. The Nomination and Remuneration Committee is responsible to perform the following work and to report to Board of Directors.

1. Setting guidelines and policies in nominating Board of Directors by considering what would be the appropriate structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders Meeting as appropriate.
2. Setting guidelines and policies in determining the Board of Directors and other committees' remuneration, and proposing it to the Board of Directors and/or Shareholders Meeting for approval as appropriate.

3. Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired or became vacant, including newly appointed director.
4. Determining necessary and appropriate monetary and non-monetary remuneration of the Board of Directors each year, by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
5. To ensure the meeting of Nomination and Remuneration Committee once a year minimally
6. Report work progress and findings to Board of Directors once a year minimally.

Qualification of the Nomination and Remuneration 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 related persons
2. The Chairman of the Nomination and Remuneration Committee must be independent director for independence in performance truly
3. Not participating in management of the Company, subsidiaries, joint-venture companies, or other related companies and not being one of the majorities of the Company's shareholders, or the director who is a member of management should be minimal part of the Committee, and the Chairman of the Board of Directors must not be a member of the Nomination and Remuneration Committee.
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 or indirect benefits as mentioned above within 1 year prior to being appointed to be the Committee. Upon Board of Director's consideration, the above circumstance does not affect the ability to perform the duties of the Nomination and Remuneration Committee.
6. 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.

- **Management Team** As of December 31, 2014 Management Team consisted of 13 persons as follows:

No.	Name	Position
1	Mr. Sanan Eksangkul	Chief Executive Officer
2	Ms. Petcharat Eksangkul	Managing Director
3	Mr. Sanit Eksangkul	Deputy Managing Director
4	Mr. Wichai Eksangkul	Deputy Managing Director
5	Mr. Mum Annoppong	Deputy Managing Director
6	Ms. Sirinun Eksangkul	Assistant Managing Director
7	Mr. Nathapol Eksangkul	Assistant Managing Director Act. Human Resource Manager
8	Mr. Piti Eksangkul	Assistant Deputy Managing Director
9	Ms. Siriporn Choochird	Marketing Manager
10	Mrs. Wilaivan Mitrapanon	Supply Chain Manager
11	Mr. Chayuth Sereerak	Accounting Manager
12	Ms. Phanphimon Boonyapinyo	Financial Manager
13	Mr. Jitti Eksangkul	Production Manager

Scope of duties and authorization of Managing Director

Managing Director has duties, authorization, and responsibility to manage the regular business operation of the Company. To summarize, duties and responsibilities of Managing Director are listed as follows:

1. Be responsible to daily business operation and management of the Company.
2. To assure that the operation is practiced in accordance with the policies, work plans, and a budget as approved by the directors and/or Board of Directors.
3. Having authorization to administrate, to manage the Company's operation to be in line with Company's objectives, regulation, policies, standards, requirements, instruction and the resolution of the directors' meeting and/or the shareholders' meeting in every other way.
4. Be able to authorize and/or to assign other persons to perform a particular assignment whereas this authorization has to be within the scope as specified in this copy of document or has to follow regulation, requirements or instruction of Board of Directors and to follow the Company's requirement
5. Follow-up business operation in order to evaluate Company's performance on regular basis so that a proper action will be taken to prevent or minimize risks associated with external and internal factors.

6. To get involved in any contracts associated with the Company's business or being beneficial to the Company, including to oversee the process of making a contract, to further submit to Executive Committee and/or Board of Directors
7. Be able to authorize expenditure incurring from normal business operation ie. contact with a bank about saving account, purchase of raw materials not exceeding 10 million baht/item.
8. To get involve in allocation for pension fund, awards, and compensations to employees or the persons who work for the Company, as previously been approved by Board of Directors.
9. Be able to authorize employment, including transferring, rotating across departments/lines/sections, or terminating employment. Be responsible to determine rate of salary, compensation, bonus, and fringe benefits of every employees except those in executive level.
10. To authorize, issue regulation, announcement, memorandum to assure that the Company's policy are followed, to safeguard Company's benefits, and to promote work discipline within the organization
11. To perform other duties as assigned by Board of Directors.

Managing Director' action concerning assigning duties, responsibility and authorization must not be in a way that allows Managing Director or the appointee to have a right to approve any activities where there is a conflict of interest between the Company or subsidiaries (as defined in the announcement of SEC) and the Managing Director or the appointee. Such activities which may cause a conflict of interest have to be presented to Board of Directors meeting or shareholders' meeting (up to discretion) for consideration and approval in accordance with the regulation of the Company, subsidiaries, or the applicable law. However, there is an exception when such activities are the regular business operation with a predetermined scope ie. Characteristic of transaction or ceiling of approvable fund.

Remuneration of directors and executives

Total remuneration of Directors

Unit : Baht

Directors	2014	2013	2012
Meeting allowance	560,000	565,000	430,000
Bonus	1,370,000	1,370,000	920,000
Total	1,930,000	1,935,000	1,350,000

Remunerations to Directors as of 2014

Unit : Baht

No.	Name	Position	Amount
1	Mr. Sanan Eksangkul	Chairman of Executive Committees	230,000
2	Ms. Petcharat Eksangkul	Director	190,000
3	Mr. Sanit Eksangkul	Director	190,000
4	Mr. Wichai Eksangkul	Director	190,000
5	Ms. Sirinun Eksangkul	Director	190,000
6	Mrs.Pismai Boonyakiat	Chairman of Audit Committee/ Independent Director	250,000
7	Mr.Vitien Nildum	Audit Director/ Independent Director	230,000
8	Mr.Jane Wong-issariyakul	Audit Director/ Independent Director	230,000
9	Ms.Thipawan Uthaisang	Audit Director/ Independent Director	230,000

Remark According to the Annual General Meeting 2014 dated on April 3, 2014, the resolution of the meeting on the issue of remuneration of Company's directors in 2014 would total up no greater than 2.2 million baht.

Remuneration for Company's Executives

Unit : Baht

Remuneration	2014	2013	2012
Salary, Bonus and Provident Fund	25,895,876	25,348,832	28,186,033

Control of business operation

The Company has developed a strategic policy and a code of best practices for directors of the Company in accordance with Code of Best Practices for Directors of List Company as set up by SET, whereas the Company assures that these policies and a code of best practices are practical. In addition, the Company has applied 15 items of Good Corporate Governance to formulate the Company's policy used in administration, and business operation of the Company to achieve high efficiency and transparency for a purpose of protecting benefits and promoting confidence of shareholders, investors, employees, and other stakeholders. Guidelines developed from Good Corporate Governance and submitted to the committee for further consideration are described as follows:

1. *Policy of management and administration* Guidelines of this policy are detailed as follows:
 - Manage with care and perform duties as efficiently as possible for the purpose of the highest benefits of shareholders.

- Perform duties with transparency and disclosure to the public, shareholders, and other stakeholders.
 - Give importance to control and internal audit system. Beware of the Company's risk exposure and manage the risks diligently.
 - Assure of no conflict of interest in business operation and take full responsibility for one's own decision and actions.
 - Treat shareholders and stakeholders equally. Assure of fairness among business partners, shareholders, and other stakeholders.
2. *Rights of shareholders* The Company gives importance to equal rights among all shareholders.
- Right to obtain the Company's information.
 - Right to cast a vote
 - Right to obtain fair treatment whereas every shareholder shall be assured of the equal right as deserved by all shareholders
3. *Rights of stakeholders* The Company gives importance to right of every group of stakeholders as described below
- *Shareholders:* The Company is committed to representing the best of shareholders in the business transparently. Taking into account of the growth of its value in the long term and good returns
 - *Employees:* Employees are an important factor for company to achieve goal thus the Company shall treat all employees equally and fairly in accordance with the law, including fair compensation and fringe benefits.
 - *Business partners:* the Company's purchase and sales of goods and service follows the acceptable commercial practices. And the Company shall strictly follow all terms and conditions as agreed in the business contract.
 - *Creditors:* The Company will maintain compliance with the terms strictly creditors.
 - *Customers:* The Company's responsibility and concern for the customers are toward the effort in providing quality and standard service, including having measure of keeping confidential customer information and having customer complaint procedure.
 - *Competitors:* the Company competes within the acceptable rules and the boundary. Avoid unethical actions which cause unfairness of competitive advantages over the competitors.
 - *Community:* the Company has responsibility in maintaining good environment for the surrounding communities and the society as a whole. The Company has established a measure of assuring pollution-free environment ie. good maintenance of equipment and tools.

4. *Shareholders' Meeting* In the meeting, shareholders are able to ask questions and to give opinions or suggestion to the Company. In addition, after the Company is listed in the securities market, the Company will invite the president of directors, representative of Audit Committee, external auditors, and a legal officer to attend the meeting in order to answer shareholders' questions as appropriately as possible.

5. *Leadership and Vision* The Board of Directors takes parts (or approve) in establishing vision, mission statement, strategy, objectives, business plans, and a budget. Also, the committee controls and oversees the executives to assure that business and budget plan is executed efficiently and proficiently. All actions taken reflect the effort to increase economic value of the Company, resulting greatest security for shareholders. Audit Committee is established to take charge of preparing proper financial statements, running internal control, disclosing information of the Company when there are any related-party transactions occurred, and correcting any transactions suspicious of being conflict of interests.

6. *Conflict of interests* Whenever there are transactions which are probably the conflict of interest, Board of Directors and the executives will carefully review such transactions with the Company's interest as a priority. Measure used for approving related-party transactions, including policy and guideline of doing related-party transactions in the future has been agreed and approved in the meeting of Audit Committee no. 1/2006 on 29 March 2006, and Board of Directors meeting no. 2/2006 on 29 March 2006.

7. *Business ethics* The Company has developed and issued Code of Ethics for directors, management, and employees to serve as guidelines for proper actions in performing duties

8. *Balances of non- Executive Committees* In order to prevent the possibility of a person's or a group of persons' having an absolute decision power, the Company has appointed 4 Independent Directors to sit in the committee, which is accountable for more than one third of the whole committee. Balance of power and authorities will promote efficiency of management and overall internal control system.

9. *Position aggregation or segregation* Executive President does not hold a position of Managing Director concurrently in order to separate the duties of policy making, supervision, and routine work management. Scope of duties and authority of Board of Directors and Managing Director is clearly stated, resulting that neither the president nor Managing Director has an absolute power whereas approval from Board of Directors and majority of shareholders is required for execution of significant deals or plans. In addition, Managing Director or Board of Directors cannot approve any transactions or proposals in which there is a conflict of interest between such person(s) and the Company.

10. *Remuneration of directors and the Management officers* Remuneration of directors is considered upon the assigned duties and responsibilities, and be approved in the meeting of shareholders, whereas those of the management officers is upon the policies as established by Board of Directors, which associated with the assigned duties and responsibilities of the management officers. Apart from the policies of Board of Directors, remuneration of the management officers is evaluated from performance of the individual management officer and of the Company

Measure of preventing misuse of insider information by the management officers

1. To prevent misuse of insider information, each department/section shall not disclose any information of one's own department/section to any other departments/sections or to other parties not entitled to that information.
2. The management officers who are entitled to the Company's financial reports/information shall not seek any benefits from that information prior to public disclosure. One of the rules to prevent misuse of information is that the management officers shall not engage in security trading for one month before public disclosure of the Company's financial statements.
3. When the Company is listed in SET, all directors and management officers are required to report on the Company's shares hold by them as specified in Section 59 and in accordance with Announcement of Securities Exchange Commission no. Sor.Jor.14/2540 about report and disclosure of shareholding as dated 12 May 1997, and the requirements of SET. The penalty for not following the rules and requirements is described in Act of Securities and Securities Exchange B.E. 2535. Besides, any directors and management officers who break the rules are subjected to penalization according to the Company's Regulation ie. receiving verbal warning, written warning, suspension, or terminating employment, as the case may be.

Meeting of Board of Directors

Meeting of Board of Directors shall be held at least every 3 months and, if necessary, an extra meeting can be arranged. The directors may submit any proposal for approval in the meeting, including presenting ideas or suggestion openly and straightforward. The Company will prepare a minute of meeting for every meeting.

Meeting of Board of Directors

Directors name	Board of Directors		Audit committee	
	2014	2013	2014	2013
Mr. Sanan Eksangkul	4/4	5/5	-	-
Ms. Petcharat Eksangkul	4/4	5/5	-	-
Mr. Sanit Eksangkul	4/4	5/5	-	-
Mr. Wichai Eksangkul	4/4	5/5	-	-
Ms. Sirinun Eksangkul	4/4	5/5	-	-
Mrs. Pismai Boonyakiat	4/4	5/5	4/4	4/4
Mr. Vitien Nildum	4/4	5/5	4/4	4/4
Mr. Jane Wongissariyakul	4/4	5/5	4/4	4/4
Ms. Thipawan Uthaisang	4/4	5/5	4/4	4/4

Remark X/X = No. of attending the meeting/ No. of meeting held

Internal audit and control system

Internal audit and control system has been set up to monitor both management and operation level. The Company has defined duties, responsibilities, and authorization of operation officers and the executives clearly, having control system over the usage of Company's assets, clearly separating positions of the persons who operate work and those examine or audit work so as to balance power and to promote efficient internal control. In addition, the Company appoints Internal Audit Company which report directly to Audit Committee. External auditors are required to evaluate and review the Company's internal control system when they are on duties to audit the Company's financial statements annually. Furthermore, the Company has made a handbook of internal control to be used within the organization.

Board of Directors report

Board of Directors is responsible for the Company's overall operations, financial statements, and other financial information as shown in the Company's annual report and annual business operations reports.

Relationship with investors

According to the Company's policy, management has a duty to disclose information to investors on the basis of reliability and accuracy, whereas the information may have an impact on the Company as specified in the regulation of Securities Exchange Committee and SET. Investors are able to contact Mr. Nathapol Eksangkul directly at Tel. 02-941-6931 or access to www.easonpaint.co.th to get Company's information.



Labor dispute -None-

Safety, Occupational Health and Environment

The company has focused on environmental, safety and social responsibility. After the company has been certified in ISO 14001 in 2011, the company has participated in programs of CSR-DIW for beginner with Department of Industrial Work ("DIW"). From participation with DIW, the company was awarded the CSR-DIW beginner level in 2012, Flagship project award in 2013, and Continuous Project in 2014. In order to build the confidence of the community, the company has built good relationship by collaboration with government agencies, and private organization in its area on Fire prevention and training e.g.

The company is being committed and treated as an integral part of the strategic sustainability business plan for as a result, both internal and external affairs cover on an environment awareness, safety concern from the starting of the operational system, logistic process throughout the chain of supply also communication with the community in order to enhance its confidence towards company.

Anti-corruption and Internal Control

Resistance to corruption is an important policy of the company besides implanting attitude and ethics as basic for performance for management and all level of employees. The company has drawn up audit process and internal control system to check and balance appropriately.

Moreover, the company has made implementation to create confidence in accordance to Resistance to Corruption Policy as follow;

1. Review rules and regulations about purchase, employment, determine requirement for authorized signatures for expense and purchase document to control and prevent corruption within the company
2. Board of Directors, management and employees are forbidden to engage in any action to claim or accept or offer to give assets, other benefits to induce to carry out or refrain from performing duty which is wrongful.
3. Organize training to give knowledge to the management and employees about risk management frame and internal control in order to manage risk
4. Determine communication channels, receive complaints or information about corruption, the informers will be protected in strict confidence and will not be disclosed. The issue informed will be examined by the Board fairly

In 2014, no issue found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics.

Internal Control Policy

Company aims to establish and maintain the confidence of all stakeholders and adherence to operate as a good citizenship. All employees have a reputation to protect and preserve the dignity of the company. By maintaining the highest standards of professional and ethical conduct as follows;

1. Conflict of Interest Policy

- Employees should avoid any action that might be conflicted to the company interest whether contact with relevant companies such as customers, suppliers, competitors or take advantage or information from being employee for their own benefit and doing business to compete with company.
- Employees shall avoid the shareholding in the company's competitors. In cases the stocks have been obtained before being an employee or before the company went into business, or by way of inheritance. Employees must report to their superiors.
- The company will enforce by intellectual property laws or other laws if there is the violation of confidentiality of business.

2. Corporate Assets Policy

- Employees have duty and responsibility for the corporate assets by ensure that it will not be damaged, lost also utilized corporate assets for highest benefit and do not take for personal use.
- The assets means tangible and intangible property such as chattel, property, technology, knowhow, certificate of ownership, patents, copyright also the confidential information that not disclosed to the public, such as business plans, financial projections. Information of Human Resources.
- All employees should avoid disclosing or using the confidential information strictly.

3. Gifts and Entertainment Policy

- Employees shall not request, receive or accept money, materials, or other benefits from the relevant with the corporate.
- Employees may accept gift as conventional. By accepting the gift shall not affect any business decisions of the recipient.
- The gift should not be much valuable and shall not be cash or equivalent as cash.
- If employees receive valuable gift than usual from the relevant with the corporate, employees should report to theirs superiors.
- Giving or accepting gift can be made if made by transparent or in open location.

4. Securities Trading and Inside Information Policy

- Employee shall avoid using internal information or disclosing internal information to others for trading corporate stock.
- Insiders should not buy or sell shares before the publication of financial statements. Or publishing company status as well as other important information and should wait at least 24-48 hours after the disclosure to the public prior to purchase or sell shares of the company.

5. Internet Controls and Audits, Financial Reporting

- The management has responsibility to prepare the financial report to be accurate, complete and in timely manner both annual report and quarterly report in accordance with acceptable accounting standard.
- Establish efficient control system and internal audit to ensure that the Corporate has complied with the standards and related laws and under monitoring of internal audit and reviewed of the audit committee.
- Perform duties with honesty and take any action to all shareholders with equitable.

6. Shareholders Policy

- Inform status of the Corporate to Shareholder regularly and completely.
- Report to the shareholders of the future prospects of the organization, both positive and negative with sufficient rationale.

7. Customer Relations and Product Quality Policy

- Deliver product with equivalent or higher quality than customer expectation under fair condition.
- Provide correct and sufficient Product and Service information in timely manner which will support customer to make decision without exaggerating on advertisement or other communication channel that may cause misleading about the quality, quantity, or any other condition of Products and Services.
- Maintain customer confidentiality and do not use for own benefit or related person.
- Response to customer request by rapidly and provide procedure and channel for customer's complaint about Product and Service efficiently.

8. Suppliers/Creditors Policy

- Treat all creditors equally and fairly on the basis of obtaining a fair return on both sides.
- Strictly comply with terms or conditions agreed upon by the business partners, in case failure to comply, must inform to Suppliers and/ or Creditors in advance to find solutions mutually.
- To negotiate business must exempt any request, accept or give any unlawful benefits which in dealing with business Partners and / or Creditors.
- If corruption was found must inform to Partners and /or Creditors to explore the solution fairly and rapidly.
- Financial report must be regularly provide to creditor with accuracy, completely and timely

9. Employees Policy

- Offer fair remunerations to the employees
- Ensure working environment that secures life and property of employees
- Ensure that promotion and transfer employee including reward and punishment must be trustworthy and based on appropriate and capability of employee.
- Give priorities to the development of employee's capabilities and knowledge by providing the opportunity thoroughly and regularly.
- Strictly adhere to rules and regulations relating to the employees;

10. Rivals Policy

- Comply with the rule of fair competition
- Do not make any unlawful exercise or inappropriate in seeking information of competitors such as give bribe to competitor's employees.
- Do not defame or slander against the competitor's reputation.

11. Employees Practice Policy

- Perform duties with endeavor, integrity and transparent and shall refrain from giving to superior or receiving from subordinates.
- Respect employee's right including management
- Superiors should practice themselves as respectful person and employees should not disrespect Superiors.
- Comply with rules, regulations and traditional whether provided in written or not.
- Maintain and create the unity among the employees and avoid any action which is affect to company reputation and image or cause problem later

12. Environment and Community Policy

- Responsible and commit for the environmental preservation also including custom and local tradition where the corporate is located.
- Carry out activities to develop the society, the community and the environment to enabling the good quality of life for the community where the corporate is located by own operate and cooperate with government and community.
- Prevent accident and control waste emission to be lower than standard level.
- Response immediately and efficiency to the situation that effect to the environment and the community from the company operation also cooperate with government and related agencies.

The Board of Director' opinion

The company has recognized the importance of internal control system. The Board of Director has appointed the Audit Committee to review the assessment of the company's internal control to ensure that it is a sufficient and appropriate system, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurred from error and corruption, along with effective compliance with relevant laws and regulations.

At the Board of Directors' meeting No.1/2014 on February 26, 2014, the Board of Directors including member of the Audit Committee evaluated the company's internal control system for 2014. According to the internal audit and inquiring for information from the management, the Board of Directors did not find any significant deficiency regarding internal control system. Therefore, they agreed that the company had sufficient and appropriate internal control system which was compatible with the current operation. These can be summarized as follows;

1. Control Environment

The company has assigned explicit policies and objectives of business with concrete evaluation by considering fairness to employee, customer, trading partner, and responsibility for shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

The company has established organizational structure in order to separate duties and responsibilities of the management team, thus allowing effective operation. There were policy on corporate governance, business ethics, which were acknowledged by executive and employee as guideline for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company, including not corrupting which causes damage to the organization.

2. Risk Assessment

The company has assigned the Executive Board Committee in order to take care of risk management in a systematic and effective manner. There was risk analysis that revealed probable risks from internal and external factors which could affect business conduct of the organization. It has also decided clear working plan and working procedures, as well as constantly followed up on risk management result to ensure that it is at acceptable level. This included all executives to engage in risk management and communicated to all employees to comply with as a part of organization culture

Moreover, the company complied with generally accepted accounting principle and suitable for business, by revealing financial report that is fully accurate and reflects the operating activities of the company

3. Control Activities

The company has clearly specified the limitation of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the concise regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond the authority assigned by the company.

Additionally, the company also had monitoring measures allowing the company operation to correspond with related laws. In the case of transaction with the major shareholder, directors, executives, or those who are involved with such person. The company has followed related procedures and regulations with regard to the best interest of the company.

4. Information & Communication

The company has presented sufficient information and documents to the Board of Directors in advance as relevant references for their decision-making. The company also stored accounting documents and other related accounts in an orderly and classified manner, kept in the safe place according to the duration of time required by law.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company.

5. Monitoring Activities

The company has set its targets and compared operating results to meet its goals. If there are differences to consider, the company would review and adjust its business operations in accordance with the situations. Monitoring process and operating results assessment are assigned based on the principles of good corporate governance to ensure that internal control is carried out fully and appropriately. In this regard, Well Planning Solution Co., Ltd., internal audit, will be responsible for the checking, analysis and assessment of various internal control systems, together with the regular follow-up on their implementation. The results of the audit were reported directly to the Audit Committee, who holds their joint meetings quarterly, provided that significant deficiency is detected. The Audit Committee will report the matter to the Board of Directors, suggesting improving the situation and monitoring progress in improving deficiencies regularly.

The Audit Committee' opinion

The Audit Committee agreed with the opinion from the Board of Directors, including auditors who had no observations on internal control

Internal Audit

Company Name	Well Planning Solution Co., Ltd.
Head of Internal Audit	Ms. Woraluck Limsookprasert Managing Director
Education	Bachelor of Accounting 2 nd Honor University of Thai Chamber of Commerce Master of Accounting, Thammasat University Certified Public Accountant
Working Experience	
1995 – 2002	SGV-Na Thalang Co., Ltd.
2003 – 2004	KPMG Phoomchai Audit Co., Ltd.
2005 – Present	Well Planning Solution Co., Ltd.



General Information

Company's name:	Eason Paint Public Company Limited
Business:	Manufacturing and distributing industrial paints such as Motorcycle coatings, Printing ink, Packaging coatings, and other industrial paints
HO and factory addresses:	7/1-2 Moo 1, Panthong, Panthong, Chonburi 20160 Telephone 0-3845-1833 Fax 0-3845-1825
Branch office address:	312, 402/3-6 Soi Phaholyothin 32, Phaholyothin Road Chankasem, Chatuchak, Bangkok 10900 Telephone 0-2941-6931 Fax 0-2941-2930
Company's registration number:	0107548000111
Website :	www.easonpaint.co.th

Subsidiary Companies

Eason Urai Paint Company Limited ("EUP")

Business:	Manufacturing and distributing motorcycle paint and other Industrial paints
Address:	Lot 76, 77 Noi Bai Industrial Zone, Mai Dinh Soc Son, Hanoi, Vietnam Tel. +84-4-3582-4480 Fax +84-4-3582-4483

PT. Eason Indonesia ("EI")

Business:	Manufacturing and distributing motorcycle paint and other Industrial paints
Address:	JL.Tekno Boulevard Block A3 No.3A-6, Pasirgombong-Cikarang Utara, Bekasi-Jawa Barat, Indonesia Tel. +62-813-1051-6965

Bright Blue Water Corporation Limited ("BBW")

Business:	Distributor and service provider for water and air filtering system.
Address:	240/44, 46 Ayothaya Tower, 21 st Floor, Ratchadapisek Rd. Huaykwang, Bangkok 10310 Tel. 0-2692-9777 Fax 0-2692-7130

Eason Far East Sdn. Bhd. (Malaysia)

Business : Distributing packaging coatings, inks and other Industrial paints
Address : 32, Jalan Prima Selayang-3, Prima Selayang
KM-15 Jalan Rawang Selayang,
68100 Batu Caves, Selangor, Malaysia
Tel. +60-03-612-83255 Fax +60-03-612-03458

N.O.F. (Thailand) Limited (“NTL”)

Business : Distributing motorcycle coatings
(NTL is now under discussion with other partners for new business opportunity)
Address: 312 Soi Phaholyothin 32, Chankasem, Chatuchak, Bangkok 10900
Tel. 0-2579-7118 Fax. 0-2579-7108

Joint Venture Company

Origin Eason Paint Company Limited (“OEP”)

Business: Manufacturing and distributing plastic paint and raw material
Address: 312 Soi Phaholyothin 32, Chankasem, Chatuchak Bangkok 10900
Telephone 0-2941-7567 – 8 Fax 0-2579-8043

References

Thailand Securities Depository Company Limited - Registrar

No. 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110
Tel. 0-2229-2800, 0-2654-5599 Fax 0-2359-1262-3

Thamniti Auditing Company Limited - Auditing Company

267/1 Pracharat No.1st, Bangsue, Bangkok 10800
Tel. 0-2587-8080 Fax 0-2586-0301

Nature of Business

Eason Paint Public Company Limited has been established on 1965 in the name “Eason Paint Products Co., Ltd” by the founder of the Company, Mr. Ko Eksangkul whose experiences and vision in paint industry.

- In the year 1982, the Company increased authorized capital to 7.5 million baht to expand business and became a manufacturer and distributor of industrial paints, and engaging in hire-production of other related products from current Know-How ie. packaging coatings, offset ink, and etc
- In the year 1989, the Company was renamed to Eason Paint Products Company Limited and renamed again in 2005 to Eason Paint Public Company Limited which was registered with 200 million baht as a public company, listed in SET on October in the same year.
- In 2006, the company has increased registered capital by issuing 107 million new ordinary shares. All warrants now have expired, and the reserved share remained amount 923,371 shares, Current paid-up capital as the amount of 285,894,029 baht.
- In 2007, Eason Urai Paint Co., Ltd. was established with aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Vietnam,
- In 2008, increased the proportion of shareholding in Origin Miki Thailand Co.Ltd. from 10% to 40%, and change its name to Origin Eason Paint Co., Ltd.
- In 2009, Bright Blue Water Corporation Co., Ltd. was established with aim to be service provider and distributor of water filter and air filtering machine.
- In 2013, PT. Eason Indonesia was established with aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Indonesia.
- In January 2014, Eason Far East Sdn. Bhd. was established in Malaysia for expansion market base in the future, with aim to be distributor of packaging coatings, inks, and other Industrial paints.

Subsidiaries Companies and Related Companies

- Eason Urai Paint Co., Ltd. (“EUP”)

EUP, registered capital amount of USD 4 million in 2007, and increased to USD 4.5 million in 2012, aim to be the manufacturer and distributor motorcycle paint and others industrial paints in Vietnam, which locate in Noi Bai Industrial park, Hanoi. The Company is holding 62% of total shares, and Urai Panich Co.,Ltd, holding 30%, who has long experience in manufacturer and distributor architecture paint in Thailand, and under Urai Panich group in Vietnam, Lao, Cambodia and Myanmar, and other Thai shareholder is holding 8 % of total shareholders.

EUP has been entered into business agreement with BASF (Vietnam) Ltd. (“BVL”) for having rights to manufacture motorcycle coating product. BVL will then response for product distribution to client’s base in motorcycle industry in Vietnam since the 3rd quarter of 2010.

- **PT. Eason Indonesia (“EI”)**

PT. Eason Indonesia or EI was established in April 2013 in Indonesia with registered capital amount of USD 3 million. The Company is holding 99.97% of total shares, and aims to be the manufacturer and distributor motorcycle paint and others industrial paints in Indonesia. At current stage, factory building and machinery installation have been completed. EI is now on pre-production with expectation to deliver goods to customer within the 1st quarter of 2015.

In November 2014, the Board of Directors has passed the resolution to approve the increasing registered capital from 3 million USD to 5 million USD within the year 2015, in accordance with PT. Mitra Anugerah Surya, partner in Indonesia. The company will invest 0.75 million USD and the rest of 1.25 million USD from PT. Mitra Anugerah Surya, which will be 2 million USD in total and divided to 2 phases with 1 million USD each. The first phase has been done in 2014, and the second phase will be completed in 2015. After the increasing registered capital, the company will hold 74.98%, and PT. Mitra Anugerah Surya will hold 25% of the total shares.

- **Bright Blue Water Cooperation Limited (“BBW”)**

Bright Blue Water Cooperation Limited (“BBW”) was established On June 2009 to distribute and provide service of water filter and air filtering machine. Despite the dissatisfy performance of BBW recently, but today’s customers society have more concern for healthy and safety of drinking water, so it could be opportunity of business. BBW has decreased the authorized capital for minimize the deficit by reducing par value from 1,000 baht per share to 5 baht per share, which authorized capital was decreased from 35,000,000 baht to 175,000 baht. In September 2014, the company invested 16 million baht in whole new 3.2 million ordinary shares as the Board of Directors of the company resolved resolution. Now, BBW’s authorized capital is in amount of 16,175,000 baht, and the company holds 99.57% of proportion.

- **Eason Far East Sdn. Bhd. (“EFE”)**

EFE was established in January 2014 in Malaysia with aim to be distributor of packaging coatings, inks, and other Industrial paints for expansion market base in the future. EFE has registered capital in amount of 400,000 RM (about 4 million baht), which the company holds 60%, and Singaporean shareholder holds the rest of 40%. EFE started deliver goods to customer since September 2014.



- **N.O.F. (Thailand) Limited or (“NTL”)**

NTL was established in March 1986, to distribute motorcycle paint to the industrial end users by the Company totally holds 99.98% of NTL’s paid up capital.

After entered cooperation with BASF Thailand Ltd. (“BTL”), the Company sold NTL’s asset to BTL (customer database and marketing) for the right to manufacture motorcycle paint and opportunity to manufacture other industrial paints for ASEAN customers. NTL is now on the process of business policy arrangement.

- **Origin Eason Paint Co., Ltd. (“OEP”)**

The Company is holding only 40% of total shares, while Origin (Japan) Co., Ltd. (“Origin”), the leaders in research and development of plastic coatings for automobile parts, electrical appliances, and telecommunication devices is holding 45% of total shares and Miki (Thailand) Ltd. (“Miki”), a distributor of chemical products with large client base in Thailand and Japan for many years is holding 15%. OEP manufactures industrial paint under Origin’s Know-How by raw material supplied from Miki, who will deliver all goods to customers after that.

Risk Factor

Risk from the operation under Toll Manufacturing Agreement

The Company operates Motorcycle coating business under the Toll Manufacturing Agreement by manufacture according to purchase order from BASF (Thailand) Ltd. ("BTL") and BTL will distribute to OEM manufacturing in motorcycle industry both local and other countries in ASEAN

Under the Toll Manufacturing Agreement, the company will earn in form of Toll fee that fluctuate based on production quantities for this reason the company may have risk from BTL whose marketing planner may be unable to expand customer base in this regional also company may have risk if BTL hire other manufacturers instead

The company realize that branding may get revenue better than toll manufacturing but motorcycle coating business has a relatively high competitive therefore manufacturing, distributing and branding as their own must have publicity and promotion which requires an investment as well as a risk of the sales opportunity to compete with other manufacturers. While toll manufacturing can help company to reduce purchasing and management of raw material which may have risk related in price of raw materials which are varied by economic. In addition, BASF is a famous brand and is recognized internationally and aims to Thailand as a manufacturing hub for the expansion of the coatings business (Coatings) in the motorcycle industry and other industries in the region. Making sure that BTL is committed to the marketing plan and expands its customer base to achieve this goal as well.

Moreover the company assumes that generally product has price and quality as importance key as well as the company has very long experience as an industrial paint manufacturer and has been trusted from customer over long, the company focus on quality of products along with appropriate toll fee therefore ensures that the company is trusted and been hired by the customers afterward

Risk from ASEAN Economic Community (AEC)

An approaching of ASEAN Economic Community (AEC) in the end of 2015 is another big challenging task for all Thai industries as it would encourage more competition among member countries; in the pursuit of drawing fund and investment. The country with competitive edge in terms of cost and production efficiency would be fascinated by various manufacturers; as a result the production of automotive, food and beverage cans might relocate their plants to the place where they could enjoy such benefits which directly effects the consumption of paints and coatings. In order to cope up with this foreseeing risk, the company has already expanded its

production facility in Vietnam as well as setting up a new plant in Indonesia and services centre and distribution office in Malaysia in the year to come. Such moves would enable Eason to lower the exposure towards aforementioned risk since the company together with its partners will be able to response to customers' requirements in each area specifically with continuity of supports as expected by both automotive manufacturers and can maker counterparts.

[Risk concurring from dependency toward know-how of the business partners](#)

The Company produces motorcycle coatings by purchase order from BASF (Thailand) limited ("BTL") with know-how of BASF. Furthermore, raw materials for production based on such know-how can only be obtained through particular chemicals suppliers accepted by know-how owner. Thus, BASF is interested to invest in paint industrial, the Company's operation and business performance will be significantly affected.

However, even the company produces paint with know-how of world famous companies and deliver to distributors for local end users, but some adjustment with regard to formula or application of the know-how is needed due to environmental differences of the countries. As a result, the Company has to further invest in research, development and staff to come up with the exact formula suitable for Thailand. Thai personnel are needed for technical support, after-sale service and marketing activities since they have a better understanding of clients' demand and equip with years of experience in paint industry such the Company is able to recommend for paint application under higher humidity than Japan besides, The Company expand its customer base in coatings and printing ink business which will make revenue proportion from selling other industrial paint increase.

[Risk related to price fluctuation of raw materials](#)

Chemicals are the major raw materials of paint production, such as pigments, resin, and solvent. Most raw materials, particularly pigments and resin, have to be imported or purchased through the chemicals distributors. Consequently, the Company's purchase of raw materials involves foreign currency. In the year 2013 and 2014, the Company's percentage of raw material purchases through importer or distributors are 95.30% and 82.70% of the total raw material purchases respectively and the percentage of raw materials imported by the Company are 4.70 and 17.30% of the total purchases respectively. This practice makes the Company vulnerable to the foreign currency exchange fluctuation

However, financial institution has approved credit line for the Company to apply with Forward Contract which is sufficient to the value of raw material for each order. Besides the Company also has production plan which consistence with customer's production plan for ordering the major raw material from supplier to ensure that raw material will be efficient to manufacture for each purchase order by place raw material order in advance 1 – 3 months and reserved for 3 month. The Company has policy to adjust selling price upon the fluctuation of the cost even the Company is unable to adjust price immediately but most of products have life-cycle in short period therefore the Company is able to adjust or decide new price base on actual cost to maintain profit also monitoring global market price situation to manage overhead cost and reduce risk from the fluctuation of raw material cost, so that the Company can manage gross margin.

[Risk related to the limited numbers of raw material supplier](#)

To produce motorcycle coating, packaging coating and printing ink, the Company is supplied the related raw materials by 65 Thailand-based distributors. As mentioned earlier, these raw materials are specifically and strongly recommended by know-how owners which this license is important to industrial paint business. As a result, it makes the Company vulnerable to the suppliers' decision if they stop to delivery raw material or unable to deliver as schedule.

However, the Company has made the agreement with the supplier of chemicals used for a production of motorcycle coatings and established business relationship with this supplier for a long period of time. This can ensure consistency of raw material supplied at some degree. In the worse case of their inability to supply at all or to supply on time, the Company can order and import the chemicals from business partner or know-how owner to manufacture and punctually distribute to the customer which unfortunately, will drive up the cost of production.

[Risk related to a growth of automotive industry](#)

Majority of the Company's revenue is from tolling fee of automotive paint. In the year 2013 and 2014, the Company's revenue accounted for 41.51% and 28.75% of the total revenue respectively. The mentioned revenue was decrease as the same direction of automotive industry. In 2014, the world economic was depress, and unstable of Thailand's political situation in the end of year 2013 together with year 2014 brought the household sector spending to deflation.



However, automotive industry has been promoted by the government ongoing, and almost parts manufacturing base in Thailand. The motorcycle consumption was increased due to consumer reduce their daily cost by using motorcycle rather than higher cost of car which are supported factors to company's business. At the same time, customers are reluctant to change brand of paints, they currently use due to high cost of switching brand. Cost of paints is very low if compared with cost of a car. Thus, despite of the lower price of a new brand, the customers are willing to stick with BASF brand

Besides the Company has focus more on manufacture and distribute other industrial paint apart from automotive industry such packaging coating and printing ink, also develop own brand and know-how which R&D department has studied and developed for many years to enlarge company's customer base.

Risk related to a change of technology

Majority of the Company's customers are manufacturers and engage in an on-going industry. The Company always keeps product quality to match with the standards or requirements set by the customers. For instance, if a customer gives importance to providing environmental-friendly product, the Company's product sold to that customer has to be environmentally safe as well. Thus if customer changes production lines or technology in a large scale ie. changing from metal to paper, reduction of thinner content, changing to water-based formula, the Company has to either adjust its technology to go with the customer's or loses business.

However, the customers' nature of business cannot allow frequent changes of production line or technology in a large scale due to high cost. In addition, the Company usually joins in production planning with most customers in order to best meet their demand. The advantage of joint planning is that the Company is able to monitor and evaluate if there will be any major change at the customers' production line, in particular the technology in the future. This can lower the risk of technology that the Company bears for a certain extent.

Risk related to having major shareholders who own more than 50% of issued shares

At December 31, 2014, Eksangkul group who are presently in control of management of the Company is holding 52.78% of the total paid-up capital of the Company, meaning that this group of shareholders can take control of the resolution of shareholders' meeting regarding the important issues such as an appointment of directors, and any other issues which require majority vote of shareholders, with one exception where, according to the applicable law and the Company's regulation, the resolution requires at least three-fourth of all shareholders who attend the meeting. Thus, other shareholders are not able to cast enough vote to request such actions as checking and monitoring, and not able to veto any proposal of major shareholders at all

Connected Transactions

Connected transaction which occurred between Eason Paint Public Company Limited and the related parties in accordance with notes to the financial statements as of 31 December 2014 and 2013 are listed in the table below:

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
Eksang Holdings Co., Ltd.	<ul style="list-style-type: none"> ▪ Related company (holding Eason Paint Public Company Limited shares 44.88% of total suffrage) ▪ 100% of paid-up shares were hold by Eksangkul Group. ▪ Having the same group of directors. 	Short-term property rental <ul style="list-style-type: none"> ▪ Rental expenses 	<ul style="list-style-type: none"> ▪ Rented office space for Bangkok branch office, R&D department. Rental contract commenced on March 1, 2011 and expired on February 28, 2014. The contract term is 3 years. Rental rate of Baht 298,760 per month. The Company had extended the agreement for 3 year which was effective on March 1, 2014 and expired on February 28, 2017 Rental rate of Baht 313,698 per month. ▪ Rented office space additional rental for Bangkok branch office. 	5.88	5.71	<ul style="list-style-type: none"> ▪ The company rented office space for Bangkok branch office and R&D department ▪ <u>Audit Committee's Opinion</u>: The Company has necessity to rent the space for operating activities which is for Bangkok branch office and R&D department. ▪ The first contract has a period of 3 years. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on March 22, 2010. ▪ The second contract has a period of 3 years. The Company hired the independent appraisers to appraise the rental fee G.P.V. Global

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
			<p>Rental contract commenced on May 1, 2010 and expired on April 30, 2013. Contract has a period a 3 years. Rental fee was Baht 107,000 per month. It will be renewed on May 01, 2013 expired on April 30, 2016. Contract has a period of 3 years. Rental fee was Baht 111,600 per month.</p> <ul style="list-style-type: none"> Rent space and its improvement for warehouse and car park, the rental fee which was effective from December 1, 2012 and expired on December 31, 2013. The monthly rental fee was Baht 67,410. The Company had extended the contract and revised the rental fee which was effective from January 1, 2014 and expired on 			<p>Property Valuation Co., Ltd. appraised on March 22, 2010</p> <ul style="list-style-type: none"> For renewal of both contracts for next 3 years, the company has to declare the intention in written with in one month before the contract ends. The rental fee is negotiable. The third contract has a period of one year. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on March 22, 2010 and G.P.V. Global Property Valuation Co., Ltd. appraised on November 11, 2013. The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business transactions.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
			December 31, 2016. The monthly rental fee was Baht 66,990 due to space decreased.			
Origin Eason Paint Co., Ltd. ("OEP")	<ul style="list-style-type: none"> ▪ 40% of holding and co - shareholders / directors ▪ Associated company 	<ul style="list-style-type: none"> ▪ Revenue from selling raw material. 	<ul style="list-style-type: none"> ▪ Some plastic coatings formulas are used same raw material as the Company. This is an aggregated order. The price is charged at market price plus agreed profit margin. 	0.04	0.14	<ul style="list-style-type: none"> ▪ OEP is the joint venture, acting as a manufacturer and distributor of plastic coatings. It has the same credit term of payment as the Company's other customers <u>Audit Committee's Opinion:</u> The company joined with OEP for flexibility to expand plastic coating market.
		<ul style="list-style-type: none"> ▪ Accounts receivable and notes receivable - Beginning balance - Ending balance 	<ul style="list-style-type: none"> ▪ Normal business transactions associated with selling activities. 	0.000	0.120	<ul style="list-style-type: none"> ▪ <u>Audit Committee's Opinion:</u> Being normal business transactions.
		<ul style="list-style-type: none"> ▪ Purchase goods 	<ul style="list-style-type: none"> ▪ Currently the Company still purchases some raw material for manufacturing motorcycle coating at reasonable price in market. The Company purchased raw material for using in 	0.05	0.11	<ul style="list-style-type: none"> ▪ If the Company imports this raw material directly from suppliers, it has to purchase at the determined minimum quantity. Ordering through OEP who normally orders large quantity of raw material will help the Company to cut down an excess

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
			plastic coatings which was in normal business transactions. The reference prices were not available due to specialized raw material; therefore selling price is agreed by both parties.			stock of raw material.
		<ul style="list-style-type: none"> ▪ Accounts payable - Beginning balance - Ending balance 	<ul style="list-style-type: none"> ▪ Normal business transactions associated with purchase activities 	0.004	0.068	<ul style="list-style-type: none"> ▪ <u>Audit Committee's Opinion:</u> Being normal business transactions.
		Short-term property <ul style="list-style-type: none"> ▪ Rental fee ▪ Service fee 	<ul style="list-style-type: none"> ▪ The Company entered into factory building and warehouse on January 1, 2011 and expired on December 31, 2014. Contract has a period of 3 years. Rental fee is Baht 432,640 and service fee is Baht 97,344 per month. . ▪ From March 1, 2011, The Company has subleased the space of Bangkok 	7.60	6.84	<ul style="list-style-type: none"> ▪ This lease is for renting factory building and warehouse in order to produce and keep plastic coatings total area of 2,704 square meters and ▪ The Company has leased the space of Bangkok branch in order to be office building and R&D department total area of 939 square meters. ▪ <u>Audit Committee's Opinion:</u> ▪ The first contract has a period of 3 years. The Company hired the

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
			<p>branch in order to be office building and R&D department of OEP. It will be renewed on March 1, 2011 and expired on February 28, 2014. Contract has a period of 3 years. Rental fee is Baht 114,750 and service fee is Baht 31,050 per month. The Company had entered an amendment of contract on May 23, 2012 to revise the monthly rental fee to be Baht 130,390 and the monthly service fee to be Baht 35,282 due to space increasing 92 sqm.</p> <ul style="list-style-type: none"> ▪ The Company had entered an amendment of contract on Sep. 30, 2013 to revise the monthly rental fee to be Baht 159,630 and the monthly service fee to be Baht 93,900 due to space 			<p>independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on August 26, 2010. Rental rate is Baht 160 and service rate is Baht 36 per square meters. Revise rental rate is Baht 166.40 and service rate is Baht 37.44 per square meters.</p> <ul style="list-style-type: none"> ▪ The second contract has a period of 3 years. The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on March 22, 2010. Rental rate is Baht 170 and service rate is Baht 46 per square meters. The Company has entered an amendment of contract service rate is Baht 46 to Baht 100. And revise rental rate is Baht 170 to Baht 178.50 and service rate is Baht 100 to Baht 105 per square meters. G.P.V. Global Property Valuation Co., Ltd. appraised on November

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
		<ul style="list-style-type: none"> ▪ Service charges 	<p>increase 172 sqm. The Company had extended the agreement for 3 year which was effective on March 1, 2014 and expired on February 28, 2017 Rental fee is Baht 167,611.50 and service fee is Baht 98,595 per month. .</p> <ul style="list-style-type: none"> ▪ The Company provides other service such as property tax, electrical charge, tent rental and information service systems etc. in order to maximize asset utility. The price is charged at cost plus marginal charge. 	2.80	2.87	<p>19, 2013.</p> <ul style="list-style-type: none"> ▪ The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business. ▪ <u>Audit Committee's Opinion:</u> Being normal business transactions.

The company/subsidiaries and related parties	Relationship	Type of transactions	Term and condition of transaction	Transaction value (Million Baht)		Necessities and reasons of executing transactions
				2014	2013	
Miki (Thailand) Co., Ltd.	<ul style="list-style-type: none"> ▪ 15% of holding in associated company ▪ Related company 	Short-term property <ul style="list-style-type: none"> ▪ Rental fee ▪ Service fee 	<ul style="list-style-type: none"> ▪ The Company entered into office building sublease contract agreement for 1 year which was effective on March 1, 2012 and expired on February 28, 2013. The monthly rental fee was Baht 12,240 and the monthly service fee was Baht 3,312. The Company had entered an amendment of contract on July 16, 2013 to revise the monthly rental fee to be Baht 24,990 and the monthly service fee to be Baht 6,762 which is due to space increase 75 sqm. 	0.30	0.22	<ul style="list-style-type: none"> ▪ Rental building for office building. ▪ <u>Audit Committee's Opinion:</u> ▪ The Company hired the independent appraisers to appraise the rental fee. G.P.V. Global Property Valuation Co., Ltd. appraised on March 22, 2010 and September 11, 2013. Rental rate is Baht 170 and service rate is Baht 46 per square meters. ▪ The rental fee rates which are appraised by the independent appraisers are close to market rates and representing normal business.
		<ul style="list-style-type: none"> ▪ Service charges 	<ul style="list-style-type: none"> ▪ The Company provides other service such as property tax, electric charge and training and seminar, and etc. The price is charged at cost plus marginal charge. 	0.09	0.08	

Measure or procedure used to approve connected transactions

Audit Committee and Board of Directors reviewed all related-party transactions, and Audit Committee's opinion was explained as shown in the above table. The Company will report to Audit Committee quarterly if any transactions of the same nature occur again in the future. The Company will assign the department/section to be responsible to collect all data and information associated with related-party transactions and submitting to Audit Committee to further consider if those transactions are of normal business operation and traded at its market value. In Audit Committee, there shall not be any directors who could be suspicious of engaging in conflict of interest occurred from related-party transactions.

Policy or possibility of related-party transactions in the future

Related-party transactions in the future both of the continuous transactions which is consisted of Normal business transaction such as selling raw materials and products, purchasing raw materials and products, service provider and rent and leasing property in short period. Audit Committee and/or Board of Directors will be the party considering whether the related-party transactions are reasonable, be of normal business operation, occurred at agreed price and conditions whereas any persons who could be exposed to conflict of interest shall not be in the position to approve those transactions. The Company strictly follows all applicable regulations and requirement such as Act of Securities and Securities Exchange, announcements, requirements of SET, requirements of disclosing information of transactions occurred between related parties and information about acquisition or disposal of the Company's and subsidiaries' significant assets, and accounting standards as defined by Accountant and CPA Association of Thailand

If there is a case where the person who is exposed to conflict of interest unavoidably involves with the related-party transaction, Audit Committee will consider and evaluate if that transaction is normal and its price has to be compared with others' in the market. If Audit Committee does not have adequate experience in the nature of that transaction, the Company may appoint the external specialized person or the Company's appointed external auditor to review and to evaluate the transaction. The evaluation and opinion will be presented to Board of Directors or shareholders, as the case may be. Related-party transactions will be illustrated in the remark of financial statements which are audited by the Company's external auditors.

Management Discussion & Analysis

Overview of the Company's performance

Eason Paint Public Company Limited and its subsidiaries ("the Company") engage in 3 major operating sectors 1) Automotive Paints Sector 2) Other industrial Paints sector such as metal decorating inks and can coatings and 3) Other operating sector such as distributor and service provider for water and air filtering system.

Revenue

In year 2014 and year 2013, Total revenue was 472.96 million and 554.76 million baht respectively. Major revenue is from and other industrial paint sale and automotive paints sale. The company has accounted for other industrial paint sale to total revenue equal to 59.93% and 48.41% respectively, automotive industrial paint sale to total revenue equal to 28.75% and 41.51% respectively.

Revenues (Unit : MB, %)	Year 2014	Year 2013	% 2014	% 2013
Sales and Services	452.11	528.83	95.60%	95.33%
Automotive	135.96	230.29	28.75%	41.51%
Other industrial paints	283.43	268.50	59.93%	48.41%
Other	32.72	30.04	6.92%	5.41%
Other income	20.85	25.93	4.40%	4.67%
Total revenues	472.96	554.76	100.00%	100.00%

Total revenue contains:

- 1) Sale and service revenue can be categorized into 3 major sectors as below.
 - Automotive paint e.g. Motorcycle paint use for spray on motorcycle's body and parts. This revenue would vary with automotive industry.
 - Other industrial paints sale and service revenue which was came from sale to printing industry and packaging industry and industrial glue toll fee. This revenue would vary with food industry and packaging industry.
 - Other sale and service revenue e.g. revenue from sale and rental water filtering and air filtering, and administrative service fee.
- 2) Other income is from gain on assets sale, gain on exchange rate, other fees, interest and dividend.

Revenue from automotive paint amount of 135.96 million baht was decreased comparing to former year as a result of the slowdown in automotive industry. Tolling fee was turned down, together with due to term of toll manufacturing agreement, which partner has self purchase raw material instead of serving by company.

Therefore, income from selling and services in former year was combined with raw materials selling in total. As for 2014, the most of raw materials were purchased by customer. Revenue from other industrial paints was increased by adopter of customer order both domestic and international. (Unit in ton was decreased). Other income in 2014 amount of 20.85 million baht was decreased, since the company had gained on available for sale securities in former year.

Expenses

The cost of goods sold and service revenue in 2014 and 2013 was in the range of 56.57% and 58.75 to total revenue respectively. The cost of goods sold and service in 2014 was decreased due to term of Toll manufacturing agreement which partner has self purchase automotive raw materials.

However, for the past few years, the price of raw materials has fluctuated with the change of oil price. The company regularly keeps stock of raw materials for 1 – 3 months. In addition, the company always monitors changes of demand/supply trend in the global market of chemicals for the purpose of proper planning and management of production cost and minimizing a risk of chemical price fluctuation.

In 2014 and 2013, selling and administrative expenses were 168.57 million baht and 162.52 million baht respectively, where as the ratio of selling and administrative expenses to total revenue in 2014 and 2013 was 35.63% and 29.30% respectively. In 2014, major expenses came from human resources expenses. The company remains human resource development policy to achieve more knowledge and ability which is important factors sustainable growth, plus with building renovation cost and aboard traveling cost from investment project in ASEAN.

Financial Cost and Corporate Tax

In 2014 and 2013, the Company had financial cost of 4.77 million baht and 3.56 million baht respectively. The ratio of interest payment to total revenue was 1.00% and 0.64% respectively. The interest payment was from financial institution and leasing contracts.

At the end of 2014, the company has loan from financial institution amount of 98.87 million baht for project in Indonesia. As for corporate tax in 2014 and 2013 were amount of 11.34 million baht and 14.97 million baht respectively. The decreasing of corporate tax is a result of the decreasing of profit before income tax expenses from former year.

Consolidated Financial Performance

In 2014 and 2013, the company's gross profit to revenue from sale and service for 43.43%, and 41.24%. The operating profits to total revenue are 15.75% and 19.50% respectively. Also the Company earned net profit to total revenue of 13.04% and 16.42% respectively.

Net profit attributable to shareholder in 2014 and 2013 were 65.66 million baht and 96.52 million baht respectively. Net profit was decreased due to revenue from tolling agreement of automotive paints has decline as per the slowdown in automotive industries. At the same time, expenses were increased due to an investment project in Indonesia and Vietnam such as cost of personal and travelling. The company also has interest expense increased from former year, therefore, net profit was decreased in same direction, and rate of return on equity was decreased as well.

Assets Management Ratio

As of December 31, 2014, the Company had total assets of 845.73 million baht, increased from former year 40.83 million baht. Current assets of 371.23 million baht (account receivable, cash on hand, cash in bank and inventory). Non-current assets 474.51 million baht (buildings, machine and equipment for paint production).

Account Receivable

In 2014, the company had net accounts and bills receivables in amount of 133.80 million baht or accounted for 15.83% of total assets with decrease by 1.27 million baht from former year. Most of the trade receivables were in current according to the credit terms. The details of the account receivables are classified as follows:

Trade account (Unit : million baht, %)	2014	2013	%2014	%2013
Current	92.34	76.88	69.01%	56.92%
Overdue 0 day to 90 days	26.66	40.20	19.93%	29.76%
Overdue from 91 days onwards	1.73	2.28	1.29%	1.69%
Total	120.73	119.36	90.23%	88.37%
<u>Less allowance for doubtful accounts</u>	<u>(0.29)</u>	<u>(0.30)</u>	<u>-0.22%</u>	<u>-0.22%</u>
Net trade account	120.44	119.06	90.01%	88.15%
Other trade account	13.36	16.00	9.99%	11.85%
Total	133.80	135.06	100.00%	100.00%

The policy for allowance for doubtful debt from the account receivable in 2013 was 0.29 million baht

Inventory

The company manufactures industrial paints by order, which each order would have different properties and characteristics of paint according each authorized paints. Thus, the Company would plan its production correspond with each customer's annual production plan. The Company therefore produces paint products in quantity according to each purchase order from the customers; and there may be the manufacture of partial reserve paint products. The company had no allowance for the diminishing.

Liquidity

As of December 31, 2014, the company had net cash flow increase of 37.93 million baht. The company had net cash flow include cash at beginning of period of 142.13 million baht in total.

Cash from operating was increased comparing to former year since almost of raw materials were purchased by the partner so that bring company less raw materials and account payable. At the same time, income tax expense was decreased due to the decreasing of revenue. The cash from investing activities was increased comparing to former year from fix assets investment in Indonesia. The cash provided by (used in) financing activities was used for dividend, increment of long term loan and interest expense from financial institution which used for Indonesia project.

Resource of capital

In 2014 and 2013, the company had debt to equity ratio of 0.30 times and 0.26 times respectively. The company had increased debt to equity ratio from former year 40.15 million baht since long term loan from financial institution which was used for Indonesia project in 2014. However, the company has been offered the short term loan from financial institution such as overdraft, amount of promissory note, guarantee the amount of L/C, T/R and forward contract.

Liabilities

At the end of 2014 and 2013, the company had liability 186.81 million baht and 158.32 million baht respectively, separated into short term loan 90.49 million baht and 81.94 million baht, mostly account payable and long term loan due in one year. Account payable was decreased from the partner has self purchased raw materials.

As for long term loan total of 96.32 million baht and 76.38 million baht respectively, mostly long term loan from financial institution for Indonesia project, and employee benefits obligations.

Factors that might have impacts on financial status or future operating results

1. The company has established PT. Eason Indonesia (“EI”) with aims to be the manufacturer and distributor motorcycle paint and others industrial paints in Indonesia. The project invested for plant, office building, warehouse, machinery, equipment and inventory, which will bring an asset of the company’s overall growth. The result in a depreciation of buildings and equipment might affect the profit of the company

In 2014, EI has increased registered capital from 3 million USD to 4 million USD, with collaboration of PT. Mitra Anugerah Surya, partner in Indonesia. Its registered capital will be increased to 5 million USD within the year 2015.

2. Bright Blue Water Corporation Co. Ltd. (“BBW”), the subsidiary company, was established to distribute and provide service of water filter and air filtering machine. BBW has decreased the authorized capital for minimize the deficit by reducing par value from 1,000 baht per share to 5 baht per share, which authorized capital was decreased from 35,000,000 baht to 175,000 baht. In 2014, the company invested 16 million baht in whole new 3.2 million ordinary shares. Now, BBW’s authorized capital is in amount of 16,175,000 baht, and the company holds 99.57% of proportion. The dissatisfy performance of BBW could significantly effect to consolidated financial statement of the company.
3. Eason Far East Sdn. Bhd. (“EFE”) was established in January 2014 in Malaysia with aim to be distributor of packaging coatings, inks, and other Industrial paints for expansion market base in the future. EFE has registration capital in amount of 400,000 RM (about 4 million baht), which the company holds 60%, and Singaporean shareholder holds the rest of 40%. The performance of EFE could significantly effect to consolidated financial statement of the company.

Summary consolidated balance sheets as at December 31, 2012 – 2014

Consolidated Balance Sheet (Unit : Million Baht)	2014	2013	2012	2014%	2013%	2012%
Current Assets						
Cash and cash equivalents	142.13	104.19	98.70	16.80%	12.93%	12.99%
Short term investment	19.15	15.74	53.86	2.26%	1.95%	7.09%
Trade account and note receivables, net	133.80	135.06	136.76	15.83%	16.76%	18.00%
Inventories, net	66.05	75.06	57.42	7.80%	9.31%	7.55%
Advance payment - deposit for factory building	-	-	12.84	0.00%	0.00%	1.69%
Other current assets	10.09	8.05	0.62	1.20%	1.00%	0.08%
Total current assets	371.23	338.11	360.15	43.89%	41.95%	47.41%
Non-current assets						
Investment in associated company	78.24	72.41	79.30	9.26%	8.99%	10.44%
Other long term investment	-	-	10.00	0.00%	0.00%	1.32%
Property, plant and equipment, net	364.43	349.06	268.08	43.09%	43.31%	35.29%
Intangible assets, net	4.53	4.69	5.65	0.53%	0.58%	0.74%
Leasehold right, net	17.20	17.81	17.27	2.03%	2.21%	2.27%
Deferred Tax Assets	4.95	11.75	8.96	0.59%	1.59%	1.18%
Other non-current assets	5.16	11.06	10.30	0.61%	1.37%	1.36%
Total non-current assets	474.51	466.79	399.57	56.11%	58.05%	52.59%
Total assets	845.73	804.90	759.72	100.00%	100.0%	100.0%
Current liabilities						
Trade account and note payables	59.29	62.87	92.72	7.01%	7.80%	12.20%
Short-term loan from director	0.30	0.70	-	0.03%	0.09%	0.00%
Long-term loan due within one year	21.08	7.95	-	2.49%	0.99%	0.00%
Current portion of long term loans from financial institution	0.30	2.40	0.34	0.03%	0.30%	0.04%
Accrued income tax	5.54	4.23	10.01	0.65%	0.53%	1.32%
Account payable for purchase assets	4.29	3.79	5.35	0.50%	0.47%	0.70%
Total current liabilities	90.49	81.94	108.42	10.68%	10.17%	14.27%
Non-current liabilities						
Long term loans from financial institution, net	77.79	61.90	-	9.19%	7.68%	0.00%
Liabilities under-hire purchase agreement, net	-	0.30	0.24	0.00%	0.04%	0.03%
Deferred tax liabilities	-	1.04	2.24	0.00%	0.13%	0.30%
Employee benefits	18.53	14.19	15.08	2.19%	1.76%	1.99%
Total non-current liabilities	96.32	76.38	17.56	11.38%	9.61%	2.31%
Total liabilities	186.81	158.32	125.98	22.06%	19.77%	16.58%
Shareholders' equity						
Issued and paid-up capital : Ordinary shares	285.89	285.89	285.89	33.80%	35.47%	37.63%
Premium on share capital	92.02	92.02	92.02	10.88%	11.42%	12.11%
Appropriated regal reserve	28.68	28.68	24.50	3.39%	3.56%	3.22%
Treasury shares reserve	-	-	-	0.0%	0.0%	0.00%
Unappropriated	256.51	238.60	209.16	30.33%	29.61%	27.53%
Other components of shareholder's equity	(38.12)	(33.14)	(10.66)	-4.5%	-4.11%	-1.40%
<u>Less</u> treasury shares	-	-	-	0.0%	0.0%	0.0%
Shareholder's equity of the parent, net	624.97	612.05	600.91	73.89%	75.94%	79.10%
Minority interest in subsidiaries	33.93	34.52	32.83	4.01%	4.28%	4.32%
Total shareholder's equity	658.92	646.58	633.74	77.91%	80.23%	83.42%
Total liabilities and shareholder's equity	845.73	804.90	759.72	100.0%	100.0%	100.0%

Summary statements of income for the year ended December 31, 2012 – 2014

Consolidated statement of income (Unit : Million Baht)	2014	2013	2012	2014%	2013%	2012%
Revenues						
Sales and services	452.11	528.82	639.43	95.59%	95.32%	96.31%
Dividends income	0.69	0.44	0.03	0.14%	0.08%	0.00%
Other income	20.16	25.50	24.47	4.27%	4.60%	3.69%
Total income	472.96	554.76	663.94	100.00%	100.00%	100.00%
Expenses						
Cost of sales and services	255.78	310.73	402.87	54.08%	56.01%	60.68%
Gross profit	217.2	244.03	261.07	45.92%	43.99%	39.32%
Selling and administrative expenses	168.55	162.52	154.54	35.63%	29.30%	23.28%
Selling expenses	9.17	9.42	7.75	1.94%	1.70%	1.17%
Administrative expenses	159.38	153.10	146.79	33.69%	27.60%	22.11%
Financial cost	4.77	3.56	0.72	1.00%	0.64%	0.11%
Total expenses	429.11	476.80	558.13	90.72%	85.95%	84.06%
Share of profit associated company	30.69	33.11	28.40	6.48%	5.97%	4.28%
Profit before financial cost and income tax	74.54	111.06	134.21	15.76%	20.02%	20.21%
Income tax	11.34	14.97	25.32	2.39%	2.70%	3.81%
Net profit	63.20	96.10	108.89	13.36%	17.32%	16.40%

Profit (loss) attributable to:						
Shareholders of the parent	65.66	96.52	110.69	13.88%	17.40%	16.67%
Non-controlling interests	(2.46)	(0.43)	(1.79)	-0.52%	-0.08%	-0.27%

Summary statements of cash flows for the year ended December 31, 2012 – 2014

Statement of cash flows (Unit : Million Baht)	2014	2013	2012
Net cash provident by operating activities	70.18	34.58	58.79
Net cash used in investing activities	(21.76)	(20.05)	(-72.56)
Net cash provident by (used in) financing activities	(14.10)	1.58	(49.14)
Net increase (decrease) statement of foreign entity	3.61	(10.61)	(0.10)
Net increase (decrease) in cash and cash equivalents	34.32	16.11	(62.90)
Cash and cash equivalents, at beginning of year	104.19	98.70	161.70
Cash and cash equivalents, at end of year	142.13	104.19	98.70

Financial ratio as at December 31, 2012 - 2014

Financial ratio	Unit	2014	2013	2012
<u>Liquidity ratio</u>				
Current ratio	(times)	4.10	4.13	3.35
Quick ratio	(times)	3.26	3.11	2.81
Cash ratio	(times)	0.78	0.42	0.66
Collection period	(days)	108.53	99.20	75.04
Holding period	(days)	100.68	77.81	55.84
Payment period	(days)	87.16	91.57	92.52
Cash Cycle	(days)	122.05	85.44	38.35
<u>Profitability ratio</u>				
Gross profit margin	(%)	43.43%	41.24%	37.00%
Operating profit margin	(%)	15.75%	19.50%	19.49%
Net profit margin *	(%)	13.04%	16.42%	16.05%
Cash to net profit	(times)	1.11	0.36	0.53
Return on equity	(%)	10.62%	15.98%	19.84%
<u>Management efficiency ratio</u>				
Return on assets	(%)	9.60%	14.73%	18.44%
Return on fixed assets	(%)	20.66%	29.65%	36.90%
Total asset turnover	(times)	0.57	0.71	0.90
<u>Leverage ratio or Financial ratio</u>				
Debt to equity	(times)	0.30	0.26	0.21
Interest coverage ratio	(times)	17.95	14.77	135.35
Cash basis	(times)	0.60	0.20	0.84
Dividend payout ratio	(%)	52.25%	76.04%	86.64%

* Net profit margin = net profit (for parents' shareholders) / Total revenue (including profit from related company)

** Dividend payout ratio = Dividend / Net profit after allocation as legal reserve (separate financial statement)



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014



Report of Auditor

To The Shareholders and Board of Directors of
EASON PAINT PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of EASON PAINT PUBLIC COMPANY LIMITED and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and the separate financial statements of EASON PAINT PUBLIC COMPANY LIMITED, which comprise the statement of financial position as at December 31, 2014, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the 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 audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of EASON PAINT PUBLIC COMPANY LIMITED and its subsidiaries as at December 31, 2014, and their consolidated financial performance and cash flows for the year then ended, and the financial position of EASON PAINT PUBLIC COMPANY LIMITED as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards.



(Miss Sulalit Ardsawang)

Certified Public Accountant

Registration No. 7517

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2015

2015/094/0273

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2014**

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
Note		2014	2013	2014	2013	
Current assets						
	Cash and cash equivalents	5	142,128,973.20	104,194,869.44	76,413,468.03	21,556,549.53
	Current investments	6	19,153,967.45	15,742,266.99	15,404,423.21	13,955,671.05
	Trade and other receivables	4, 7	133,799,691.54	135,058,643.53	132,017,452.08	126,100,174.47
	Short-term loans to subsidiary	4, 8	-	-	58,008,493.63	-
	Inventories	9	66,050,296.00	75,061,936.79	59,042,726.43	70,151,259.81
	Advance payment for factory building	4	-	-	-	58,008,493.64
	Other current assets		10,093,094.63	8,052,980.50	385,525.93	203,065.74
	Total current assets		371,226,022.82	338,110,697.25	341,272,089.31	289,975,214.24
Non-current assets						
	Investments in associated company	10	78,235,017.65	72,414,385.65	35,784,300.00	35,784,300.00
	Investments in subsidiaries	11	-	-	226,188,738.79	188,131,082.41
	Long-term loans to subsidiary	4, 12	-	-	-	15,000,000.00
	Property, plant and equipment	13	364,432,271.34	349,062,234.37	193,886,249.19	203,655,744.30
	Intangible assets	14	4,526,036.49	4,694,503.88	4,438,776.22	4,537,243.60
	Leasehold right	15	17,202,701.76	17,809,855.93	-	-
	Deferred tax assets	16	4,945,525.48	11,746,764.70	3,375,593.38	4,032,523.59
	Other non-current assets		5,164,999.49	11,060,237.12	2,375,963.02	8,493,338.41
	Total non-current assets		474,506,552.21	466,787,981.65	466,049,620.60	459,634,232.31
	TOTAL ASSETS		845,732,575.03	804,898,678.90	807,321,709.91	749,609,446.55

Notes to financial statements form an integral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION (CONT.)****AS AT DECEMBER 31, 2014****LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Current liabilities					
Trade and other payables	4, 17	59,291,111.40	62,867,821.37	53,218,557.74	47,522,593.73
Short-term loan from director	4	-	700,000.00	-	-
Current portion of long-term loans from financial institutions	19	21,080,000.00	7,950,000.00	21,080,000.00	7,950,000.00
Current portion of liabilities under hire-purchase agreements	20	296,281.50	2,401,595.12	296,281.50	1,864,573.98
Accrued income tax		5,538,694.49	4,232,959.75	5,526,689.91	4,142,379.96
Other current liabilities		4,288,810.36	3,786,277.26	2,816,627.15	2,734,735.77
Total current liabilities		90,494,897.75	81,938,653.50	82,938,156.30	64,214,283.44
Non-current liabilities					
Long-term loans from financial institutions	19	77,790,000.00	61,897,599.00	77,790,000.00	61,897,599.00
Liabilities under hire-purchase agreements	20	-	296,281.49	-	296,281.49
Employee benefit obligations	21	18,526,252.98	14,190,473.48	18,026,845.00	13,120,548.52
Total non-current liabilities		96,316,252.98	76,384,353.97	95,816,845.00	75,314,429.01
Total liabilities		186,811,150.73	158,323,007.47	178,755,001.30	139,528,712.45

Notes to financial statements form an integral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION (CONT.)****AS AT DECEMBER 31, 2014****LIABILITIES AND SHAREHOLDERS' EQUITY**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Shareholders' equity				
Share capital				
Registered share capital				
286,817,400 ordinary shares of Baht 1.00 each	286,817,400.00	286,817,400.00	286,817,400.00	286,817,400.00
Issued and paid-up shares capital				
285,894,029 ordinary shares of Baht 1.00 each	285,894,029.00	285,894,029.00	285,894,029.00	285,894,029.00
Premium on share capital	92,020,440.57	92,020,440.57	92,020,440.57	92,020,440.57
Retained earnings				
Appropriated				
- legal reserve	28,681,740.00	28,681,740.00	28,681,740.00	28,681,740.00
Unappropriated	256,511,534.16	238,599,569.83	230,345,487.58	212,876,085.07
Other components of shareholders' equity	(38,121,272.38)	(33,141,289.06)	(8,374,988.54)	(9,391,560.54)
Total shareholders' equity of the parent	624,986,471.35	612,054,490.34	628,566,708.61	610,080,734.10
Non-controlling interests	33,934,952.95	34,521,181.09	-	-
Total shareholders equity	658,921,424.30	646,575,671.43	628,566,708.61	610,080,734.10
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	845,732,575.03	804,898,678.90	807,321,709.91	749,609,446.55

Notes to financial statements form an integral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales and services	4	452,110,776.35	528,824,826.64	419,846,203.52	489,260,292.31
Dividend income		693,791.00	438,861.00	24,660,000.00	40,423,000.00
Gain on sale of available-for-sale securities		-	8,301,245.02	-	8,301,245.02
Gain on sale of assets		5,371,118.82	1,421,158.90	5,156,843.87	1,066,587.09
Gain on exchange rate		5,568,842.38	6,443,246.01	757,768.62	2,175,649.88
Other income	4	9,215,934.98	9,325,866.11	11,089,502.46	9,243,490.27
Total revenues		472,960,463.53	554,755,203.68	461,510,318.47	550,470,264.57
Expenses					
Cost of sales and services	4	255,779,252.80	310,728,376.08	235,436,887.04	293,975,184.22
Selling expenses		9,177,653.02	9,420,169.59	5,786,137.74	6,333,755.12
Administrative expenses	4	159,388,385.57	153,100,787.82	138,010,910.67	140,005,872.87
Finance costs		4,768,029.50	3,555,384.77	4,752,481.47	3,492,565.45
Total expenses		429,113,320.89	476,804,718.26	383,986,416.92	443,807,377.66
Share of profit of associated company	10	30,694,352.80	33,110,931.20	-	-
Profit before income tax expenses		74,541,495.44	111,061,416.62	77,523,901.55	106,662,886.91
Income tax expenses	25	11,337,141.62	14,965,924.49	12,855,649.22	14,910,907.20
Profit for the year		63,204,353.82	96,095,492.13	64,668,252.33	91,751,979.71
Profit (loss) attributable to :					
Shareholders of the parent		65,664,189.57	96,521,513.32	64,668,252.33	91,751,979.71
Non-controlling interests		(2,459,835.75)	(426,021.19)	-	-
Basic earnings per share					
Profit for the year of parent	26	0.2297	0.3376	0.2262	0.3209

Notes to financial statements form an intergral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Note				
Profit for the year	63,204,353.82	96,095,492.13	64,668,252.33	91,751,979.71
Other comprehensive income :				
Unrealized gain (loss) on valuation of available-for-sale securities, net of income tax	1,016,572.00	(13,307,525.35)	1,016,572.00	(13,307,525.35)
Actuarial losses arising from post-employee benefit, net of income tax	(926,411.44)	-	(1,455,805.18)	-
Currency translation changes of the financial statements of foreign entity	(8,883,466.87)	(7,086,296.44)	-	-
Total other comprehensive income	(8,793,306.31)	(20,393,821.79)	(439,233.18)	(13,307,525.35)
Total comprehensive income for the year	54,411,047.51	75,701,670.34	64,229,019.15	78,444,454.36
Total comprehensive income (loss) attributable to :				
Shareholders of the parent	58,675,025.65	74,043,298.08	64,229,019.15	78,444,454.36
Non-controlling interests in subsidiaries	(4,263,978.14)	1,658,372.26	-	-

Notes to financial statements form an integral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

Baht

Consolidated financial statements

	Sharholders' equity of the parent							Non-controlling interests	Total equity	
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity		Total equity of the parent			
Note			Appropriated - Legal reserve	Unappropriated	- Currency translation changes of the financial statements of foreign entity	- Unrealized gain (loss) on change in value of investment				
Ending balance, 2012	285,894,029.00	92,020,440.57	24,500,218.86	209,156,264.03	(14,579,038.63)	3,915,964.81	(10,663,073.82)	600,907,878.64	32,831,648.83	633,739,527.47
Increase in share capital								-	31,160.00	31,160.00
Legal reserve			4,181,521.14	(4,181,521.14)				-	-	-
Dividend payment	24			(62,896,686.38)				(62,896,686.38)	-	(62,896,686.38)
Total comprehensive income for the year				96,521,513.32	(9,170,689.89)	(13,307,525.35)	(22,478,215.24)	74,043,298.08	1,658,372.26	75,701,670.34
Ending balance, 2013	285,894,029.00	92,020,440.57	28,681,740.00	238,599,569.83	(23,749,728.52)	(9,391,560.54)	(33,141,289.06)	612,054,490.34	34,521,181.09	646,575,671.43
Increase in share capital								-	3,677,750.00	3,677,750.00
Dividend payment	24			(45,743,044.64)				(45,743,044.64)	-	(45,743,044.64)
Total comprehensive income for the year				63,655,008.97	(5,996,555.32)	1,016,572.00	(4,979,983.32)	58,675,025.65	(4,263,978.14)	54,411,047.51
Ending balance, 2014	285,894,029.00	92,020,440.57	28,681,740.00	256,511,534.16	(29,746,283.84)	(8,374,988.54)	(38,121,272.38)	624,986,471.35	33,934,952.95	658,921,424.30

Notes to financial statements form an intergral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2014

		Baht					
		Separate financial statements					
	Note	Share capital issued and paid-up	Premium on share capital	Retained earnings Appropriated - legal reserve	Unappropriated	Other components of shareholders' equity Unrealized gain (loss) on change in value of investment	Total equity
Ending balance, 2012		285,894,029.00	92,020,440.57	24,500,218.86	188,202,312.88	3,915,964.81	594,532,966.12
Legal reserve				4,181,521.14	(4,181,521.14)		-
Dividend payment	24				(62,896,686.38)		(62,896,686.38)
Total comprehensive income for the year					91,751,979.71	(13,307,525.35)	78,444,454.36
Ending balance, 2013		285,894,029.00	92,020,440.57	28,681,740.00	212,876,085.07	(9,391,560.54)	610,080,734.10
Dividend payment	24				(45,743,044.64)		(45,743,044.64)
Total comprehensive income for the year					63,212,447.15	1,016,572.00	64,229,019.15
Ending balance, 2014		285,894,029.00	92,020,440.57	28,681,740.00	230,345,487.58	(8,374,988.54)	628,566,708.61

Notes to financial statements form an integral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit for the year	63,204,353.82	96,095,492.13	64,668,252.33	91,751,979.71
Items to reconcile profit for the year to net cash provided by (used in) operating activities :				
(Gain) loss on sale of available-for-sale securities	160,947.47	(8,301,245.02)	160,947.47	(8,301,245.02)
Allowance for doubtful accounts (reversal)	(30,000.00)	(40,000.00)	(30,000.00)	(40,000.00)
Bad debt	-	12,669.49	-	-
Depreciation and amortization	34,154,016.42	32,492,259.57	24,311,016.58	23,099,923.11
Loss on declining value of inventories (reversal)	-	(73,896.58)	-	(73,896.58)
Loss on impairment of investment in subsidiary	-	-	5,010,904.06	10,395,000.00
Actuarial losses arising from past employee benefit	1,349,789.96	-	1,430,216.00	-
Expenses for employee benefits	2,004,110.98	1,776,945.45	1,866,324.00	1,501,652.41
Gain on sale of assets	(5,371,118.83)	(1,421,196.93)	(5,156,843.87)	(1,066,586.09)
Share of net profit in associated company	(30,694,352.80)	(33,110,931.20)	-	-
Dividend income	(693,791.00)	(438,861.00)	(24,660,000.00)	(40,423,000.00)
Interest income	(396,038.87)	(433,219.67)	(2,217,408.96)	(976,709.24)
Interest expenses	4,058,197.47	2,971,363.86	4,058,197.47	2,941,275.58
Income tax expenses	11,337,141.62	14,965,924.49	12,855,649.22	14,910,907.20
Profit from operations before changes in operating assets and liabilities	79,083,256.24	104,495,304.59	82,297,254.30	93,719,301.08
(Increase) decrease in operating assets				
Investment in securities held-for-trading	(1,962,948.30)	(1,282,648.37)	-	-
Trade and other receivables	1,858,348.46	17,301,737.20	(5,458,840.04)	21,308,260.50
Inventories	9,011,640.79	(17,623,909.88)	11,108,533.38	(18,224,849.29)
Other current assets	(2,040,114.13)	(7,435,395.00)	(182,460.18)	(5,802.98)
Other non-current assets	249,816.14	(3,607,017.30)	471,953.90	17,800.00
Increase (decrease) in operating liabilities				
Trade and other payables	(5,896,336.68)	(33,121,871.40)	5,683,578.53	(33,057,580.09)
Other current liabilities	502,533.10	(1,240,328.61)	81,891.38	(1,999,477.81)
Cash generated from operation	80,806,195.62	57,485,871.23	94,001,911.27	61,757,651.41
Cash received from interest income	396,873.84	528,713.27	1,788,971.39	994,620.32
Benefits paid by the plan	(210,000.00)	(2,667,900.00)	(210,000.00)	(2,667,900.00)
Cash paid for income tax	(10,812,659.57)	(20,768,931.12)	(10,704,600.75)	(20,768,931.12)
Net cash provided by operating activities	70,180,409.89	34,577,753.38	84,876,281.91	39,315,440.61

Notes to financial statements form an intergral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
(Increase) decrease in current investments	(338,984.64)	31,072,116.30	(338,984.64)	31,072,116.30
Increase in advance payment - deposit for factory building	-	-	-	(64,777,087.45)
Cash paid for investment in subsidiary	-	-	(43,068,560.44)	(93,089,590.00)
Cash received from sale of other long-term investment	-	10,000,000.00	-	10,000,000.00
Cash paid for loans to subsidiary	-	-	-	(1,900,000.00)
Cash received from loans to subsidiary	-	-	15,000,000.00	-
Cash received from dividend	24,693,791.00	40,438,861.00	24,660,000.00	40,423,000.00
Cash paid for purchase of property, plant and equipment	(56,326,945.03)	(103,364,651.96)	(13,636,886.65)	(16,674,080.46)
Cash received from sale of assets	11,328,811.05	2,062,895.31	11,110,446.56	1,660,330.25
Cash paid for intangible assets	(1,114,348.64)	(257,825.00)	(1,114,348.64)	(257,825.00)
Net cash used in investing activities	<u>(21,757,676.26)</u>	<u>(20,048,604.35)</u>	<u>(7,388,333.81)</u>	<u>(93,543,136.36)</u>
Cash flows from financing activities				
Cash received from long-term loans from financial institution	40,152,401.00	69,847,599.00	40,152,401.00	69,847,599.00
Cash paid for long-term loans from financial institution	(11,130,000.00)	-	(11,130,000.00)	-
Cash received from short-term loan from director	300,000.00	700,000.00	-	-
Cash paid for short-term loan from director	(1,000,000.00)	-	-	-
Cash paid for hire-purchase agreements	(2,414,502.68)	(3,134,230.09)	(1,864,573.97)	(2,807,999.03)
Cash received from issued ordinary shares	9,781,806.00	31,160.00	-	-
Cash paid for dividend	(45,743,044.64)	(62,896,686.38)	(45,743,044.64)	(62,896,686.38)
Cash paid for interest expenses	(4,045,811.99)	(2,971,363.86)	(4,045,811.99)	(2,941,275.58)
Net cash provided by (used in) financing activities	<u>(14,099,152.31)</u>	<u>1,576,478.67</u>	<u>(22,631,029.60)</u>	<u>1,201,638.01</u>
Increase (decrease) in currency translation change of financial statements of foreign entity	3,610,522.44	(10,608,730.80)	-	-
Net increase (decrease) in cash and cash equivalents	37,934,103.76	5,496,896.90	54,856,918.50	(53,026,057.74)
Cash and cash equivalents, at beginning of year	104,194,869.44	98,697,972.54	21,556,549.53	74,582,607.27
Cash and cash equivalents, at end of year	<u>142,128,973.20</u>	<u>104,194,869.44</u>	<u>76,413,468.03</u>	<u>21,556,549.53</u>

Supplemental disclosures of cash flows information:

Non-monetary transactions

- The Company and its subsidiaries acquired vehicle by entering into hire-purchase contract
- During 2014, the Company transferred advance payment for factory building of subsidiary to short-term loans of Baht 58,008,493.63.

Notes to financial statements form an intergral part of these statements.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited Company on September 8, 1965. The Company was converted to a public company limited on March 14, 2005.

The address of its registered office is as follows:

Head office : located at 7/1-2 Moo 1 Tombol Panthong, Amphur Panthong,
Chonburi, Thailand.

Branch : located at 312, 402/3-6 Soi Senanikom 1, Phaholyothin Road,
Chankasem Jatujak, Bangkok, Thailand.

(b) Nature of the Company's business and major shareholder

Main business activities of the Company are manufacturing and selling of industrial paints. Products include off-set inks, motorcycle paints, packaging coatings and others.

As at December 31, 2014 and 2013, the company's major shareholder is Eksang holdings Co., Ltd. who held 44.88% of the paid-up share capital (as Eksang holdings Co., Ltd. held 100% by Eksangkul family) and the rest 7.90% is held by the person from Eksangkul family, making up 52.78% in total shareholding.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

2.2 BASIS FOR CONSOLIDATION

2.2.1 The consolidated financial statements are prepared by including the Company's financial statements and subsidiaries financial statements as follows:-

Subsidiary	Nature business	Country of incorporation	Percentage of holding		Percentage of assets to the consolidated total assets		Percentage of revenues from sales to the consolidated total revenues from sales	
			2014	2013	2014	2013	2014	2013
N.O.F (Thailand) Ltd.	Under the process to establish policy and strategic plan	Thailand	99.98	99.98	0.59	0.58	-	-
Bright Blue Water Corp. Ltd.	Selling and services air purifiers and water filtration devices	Thailand	99.57	60.00	1.38	1.81	3.63	3.23
Eason Urai Paint Co., Ltd.	Manufacturing and selling of automotive, industrial paint and other	Vietnam	62.00	62.00	12.15	12.93	4.08	4.34
P.T. Eason Indonesia	Manufacturing and selling of automotive, industrial paint and other	Indonesia	93.73	99.97	19.19	18.67	-	-
Eason Far East Sdn. Bhd.	Trading	Malaysia	60.00	-	0.70	-	0.53	-

The financial statements of an overseas subsidiary is translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences have been shown under the caption of "Currency translation changes of the financial statements of foreign entity" in shareholders' equity.

2.2.2 The acquisition of subsidiaries was recorded by purchase method.

2.2.3 Significant inter-company transactions between the Company and its subsidiaries have been eliminated.

2.2.4 The consolidated financial statements are prepared by using uniform accounting policies. So that the transaction and the others event which are the same or the similar circumstances have been used the identical policies to record those transaction.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

2.2 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the accounting standards and financial reporting standards revised 2012, and the new issued of accounting standards interpretations and financial reporting standards interpretations of which they are effective for using in the periods beginning on or after January 1, 2014, as follows.

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The management of the Company and its subsidiaries have assessed the effects of the above accounting standards, believes that they do not have any significant impact on the financial statements for the current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

The Company and its subsidiaries recognize the revenues on sales when the significant risks and rewards of ownership of goods to the customers.

The Company and its subsidiaries recognize service income upon services rendered to the customers.

The Company and its subsidiaries recognize rental and service income in accordance with a term in contract, at the rate stipulated in contract.

The Company and its subsidiaries recognize dividend income when the right to receive the dividends is established.

The Company and its subsidiaries recognize other income and expenses on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions, excluded time deposit at bank and cash at banks which are used for guarantee.

3.3 Allowance for doubtful accounts

The Company and its subsidiaries provide allowance for doubtful account equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value.

The Company and its subsidiaries determines the cost by the calculation from standard cost which is adjusted approximately to the actual cost based on moving average cost method.

The subsidiary determines the cost by the specific identification method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in progress, cost includes and appropriate share of overheads based on normal production capacity.

The net realizable value of inventory is estimated from selling price in the ordinary course of business, less the estimated costs to complete the sale.

3.5 Investments

Investments in marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of income.

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in other components of shareholder's equity, and will be recorded as gains or losses in the statement of income when the securities are sold.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

Investments in associates

Associates are all entities over which the Company has significant influence but not control generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are initially recognized at cost and are accounted for using the equity method.

Investments in associates are stated at cost net from allowance on impairment in the separate financial statements (if any).

Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment in the separate financial statements (if any).

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

3.6 Property, plant and equipment

Land are stated at cost and less allowance on impairment (if any).

Plant and equipment are stated at cost after deducted accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful lives of the assets, as following :-

<u>Type of assets</u>	<u>The estimated useful lives</u>
Building and building for lease	5, 20 years
Machinery equipment	5 - 10 years
Lab equipment	5 - 10 years
Electric equipment	3 - 6 years
Water - purifier for leases	5 years
Office equipment	3 - 6 years
Office decoration	3 - 6 years
Vehicle	6 - 10 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of income.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

3.7 Intangible assets

Technical license is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated by the straight-line method over the period for which the assets are expected to generate economic benefit 5 - 10 years.

Computer software is stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated by the straight-line method over the period for which the assets are expected to generate benefit 10 years.

3.8 Leasehold right

Leasehold right is stated at cost less accumulated amortization. Amortization is calculated by the straight-line method over the lease period.

3.9 Hire purchase

The Company and its subsidiaries record vehicles under hire purchase contracts at their fair value as at the inception of the lease, and records future rental payment obligations under the contracts (minus the interest portion) as liabilities.

The Company and its subsidiaries amortized deferred interest on hire purchase contracts by effective rate of interest over the period of contracts.

3.10 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.11 Foreign currency conversions

Foreign currency assets and liabilities are converted into Thai Baht at rates of exchange ruling at the end of reporting period. Transactions during the year are translated at rates prevailing on the transaction date. Gains or losses on exchange are credited or charged to current operations.

3.12 Use of accounting estimation

The preparation of financial statements in accordance with the financial reporting standards requires management to make estimates and assumptions that effect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

3.13 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, overtime, bonus, social securities and provident fund as expenses when incurred.

The Company issued warrants to purchase the ordinary shares to the directors and employees of the Company. The transaction will be recorded in the financial statements when the warrants are exercised.

Post-employment benefits (defined contribution plans)

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate. Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income.

Other long-term employment benefits (defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments that pay to the employees work for a long time. The obligation under of other long-term employment benefits is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method, in order to determine present value of the obligation at the end of reporting period. Actuarial gains and losses arising from other long-term employment benefits are recognized immediately in the profit or loss.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

3.14 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.15 Impairment of assets

As at the statement of financial position date, the Company and its subsidiaries assess whether there is an indication of asset impairment. If any such indication exists, the Company and its subsidiaries will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.16 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. Gains on disposal of treasury shares are determined by reference to the carrying amount and are presented as premium on treasury shares. Losses on disposal of treasury shares are determined by reference to the carrying amount and are presented in premium on treasury share and retained earnings, consecutively.



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

3.17 Income tax expense

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Overseas subsidiary calculated corporate income tax in accordance with tax rates mandated under the tax law of that country.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company and its subsidiaries offset deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately. The Company and its subsidiaries reclassified deferred tax assets and deferred tax liabilities items in the financial statements for the year ended December 31, 2013 in order to conform to the presentation in the financial statements for the year 2014.

4. TRANSACTIONS WITH RELATED COMPANIES

	<u>Relationship</u>
<u>Subsidiary companies</u>	
N.O.F (Thailand) Ltd.	99.98% of holding, Co-Director/Shareholder
Bright Blue Water Corp. Ltd.	60% of holding, Co-Director/Shareholder and since September 2014, 99.57% of holding
Eason Urai Paint Co., Ltd.	62% of holding, Co-Director/Shareholder
P.T. Eason Indonesia	99.97% of holding, Co-Director/Shareholder and since November 2014, 93.73% of holding
Eason Far East Sdn. Bhd.	60% of holding, Co-Director/Shareholder
<u>Associated company</u>	
Origin Eason Paint Co., Ltd.	40% of holding, Co-Director/Shareholder
<u>Related companies</u>	
Eksang holdings Co., Ltd.	44.88% of holding in the Company
Urai Panich Co., Ltd.	30% of holding in subsidiary company
Miki (Thailand) Co., Ltd.	15% of holding in associated company



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

<u>Pricing policy</u>	
Sale	- Cost - plus pricing to comply with the trading agreement with the owner's chemical formula of production, the Company has to sell the product, which is produced from such formula, to a subsidiary. The subsidiary is the only one selling agent of the product in Thailand. As a result, the Company could not find the market price to compare with the Company's selling price. However, the Company has certain right to determine the mark up rate by themselves based on both of the pricing policy and the market situation at that moment.
Rental and service income	- Warehouse and office rental depending on actual space are approximately Baht 6,762 - 432,640 per month in accordance with agreements.
Interest income	- At the rate of MLR - 1.25%, MLR - 1.5% and 3.90% per annum
Purchasing	- Market value except licensed raw materials are agreed upon pricing method.
Rental charge	- Office and warehouse rental are charged at Baht 66,990 - 313,698 per month in accordance with agreements.
Other expenses	- Raw materials for research and development are charged at market value.
Purchase of asset for lease	- Book value and at agreed upon pricing method.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

The Company has significant transactions with subsidiary companies, associated company and related companies are as following:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Transactions in the statement of income</u>				
<u>Subsidiary companies</u>				
Sales				
Bright Blue Water Corp. Ltd	-	-	1,501,602.00	-
P.T. Eason Indonesia	-	-	1,248,506.19	-
Eason Far East Sdn. Bhd.	-	-	3,414,197.77	-
	-	-	6,164,305.96	-
Other income				
Bright Blue Water Corp. Ltd.	-	-	593,343.99	816,761.54
Eason Urai Paint Co., Ltd.	-	-	718,718.40	450,747.00
P.T. Eason Indonesia	-	-	1,431,776.77	-
	-	-	2,745,902.15	1,267,508.54
Other expenses				
Bright Blue Water Corp. Ltd.	-	-	399,775.76	235,401.93
<u>Associated company</u>				
Sales	43,160.00	141,751.00	43,160.00	141,751.00
Rental and service income	12,949,118.75	11,849,572.44	12,949,118.73	11,849,572.44
Purchases	46,200.00	113,419.00	46,200.00	113,419.00
Other expenses	9,800.00	-	9,800.00	-
<u>Related companies</u>				
Rental and service income				
Miki (Thailand) Co., Ltd.	467,465.50	367,547.28	467,465.50	367,547.28
Other expenses				
Eksang holdings Co., Ltd.	5,877,580.00	5,714,840.00	5,877,580.00	5,714,840.00



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

The Company has outstanding with subsidiary companies, associated company and related companies are as following :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Outstanding balances at the statements of financial position</u>				
<u>Subsidiary companies</u>				
Trade and other receivables				
Bright Blue Water Corp. Ltd.			1,606,714.14	140,958.90
Eason Urai Paint Co., Ltd.	-	-	99,759.40	620,396.67
P.T. Eason Indonesia	-	-	570,231.44	826,040.00
Eason Far East Sdn. Bhd.	-	-	3,561,853.07	-
	-	-	5,838,558.05	1,587,395.57
Short-term loans to				
P.T. Eason Indonesia	-	-	58,008,493.63	-
Advance payment - deposit for factory building				
P.T. Eason Indonesia	-	-	-	58,008,493.64
Long - term loans to				
Bright Blue Water Corp. Ltd.	-	-	-	15,000,000.00
Other non-current assets				
Bright Blue Water Corp. Ltd.	-	-	3,738.32	1,401.87
<u>Associated companies</u>				
Trade and other receivables	1,308,216.01	1,282,599.90	1,308,216.01	1,282,599.90
Trade and other payables	-	4,494.00	-	4,494.00
<u>Related companies</u>				
Trade and other receivables				
Miki (Thailand) Co., Ltd.	38,783.37	37,805.93	38,783.37	37,805.93
<u>Related person</u>				
Loans from				
Director (No interest)	-	700,000.00	-	-

Management benefit expenses

Management benefit expenses represents the benefits paid to the Company and its subsidiaries' management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company and its subsidiaries' management is the persons who are defined under the Securities and Exchange Act.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

Management benefit expenses for the years ended December 31, 2014 and 2013 as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short - term employee benefits	28,598,876.00	28,002,332.00	27,825,876.00	27,283,832.00
Post - employment benefits	546,647.00	534,713.00	534,961.00	403,046.00
Other long - term benefits	10,298.00	8,272.00	9,566.00	5,278.00
Total	<u>29,155,821.00</u>	<u>28,545,317.00</u>	<u>28,370,403.00</u>	<u>27,692,156.00</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	212,640.67	241,935.50	47,196.45	54,669.45
Cash at banks - current account	30,202,577.75	22,532,807.15	27,008,082.95	15,327,526.01
Cash at banks - savings account	111,713,754.78	81,420,126.79	49,358,188.63	6,174,354.07
Total	<u>142,128,973.20</u>	<u>104,194,869.44</u>	<u>76,413,468.03</u>	<u>21,556,549.53</u>

6. INVESTMENTS

Investments consisted of :-

	Baht			
	Consolidated financial statements			
	2014		2013	
	At cost	Fair Value	At cost	Fair Value
<u>Current investments</u>				
Investments in securities held-for-trading				
Unit trust	2,702,681.89	2,592,544.24	970,576.24	889,194.24
Investment in marketable equity	1,189,057.52	1,157,000.00	988,855.74	897,401.70
	<u>3,891,739.41</u>	<u>3,749,544.24</u>	<u>1,959,431.98</u>	<u>1,786,595.94</u>
Investments in available-for-sale securities				
Unit trust	367,305.22	388,300.18	367,305.22	380,672.65
Investment in marketable equity	25,505,853.67	15,016,123.03	25,327,816.50	13,574,998.40
	<u>25,873,158.89</u>	<u>15,404,423.21</u>	<u>25,695,121.72</u>	<u>13,955,671.05</u>
Total	<u>29,764,898.30</u>	<u>19,153,967.45</u>	<u>27,654,553.70</u>	<u>15,742,266.99</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht			
	Separate financial statements			
	2014		2013	
	At cost	Fair Value	At cost	Fair Value
<u>Current investments</u>				
Investments in available-for-sale securities				
Unit trust	367,305.22	388,300.18	367,305.22	380,672.65
Investment in marketable equity	25,505,853.67	15,016,123.03	25,327,816.50	13,574,998.40
Total	<u>25,873,158.89</u>	<u>15,404,423.21</u>	<u>25,695,121.72</u>	<u>13,955,671.05</u>

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivable are classified by aging				
Trade note receivables				
Not yet due	1,664,509.12	1,640,534.70	1,664,509.12	1,640,534.70
Trade receivables				
Not yet due	90,675,054.29	75,241,483.36	91,500,157.66	69,641,531.66
Overdue 0 day to 90 days	26,661,989.66	40,202,917.13	25,830,899.82	39,428,533.45
Overdue 91 days to 180 days	1,376,901.19	1,882,838.91	1,311,273.65	50,912.02
Overdue 181 days to 360 days	64,627.60	74,394.80	59,555.23	51,124.80
Overdue from 361 days onwards	294,366.70	330,890.03	293,950.03	323,950.03
Total	120,737,448.56	119,373,058.93	120,660,345.51	111,136,586.66
<u>Less allowance for doubtful accounts</u>	<u>(293,950.03)</u>	<u>(323,950.03)</u>	<u>(293,950.03)</u>	<u>(323,950.03)</u>
Trade receivables, net	<u>120,443,498.53</u>	<u>119,049,108.90</u>	<u>120,366,395.58</u>	<u>110,812,636.63</u>
Other receivables				
Accrued other income	6,252,938.48	8,491,552.37	6,252,938.48	8,491,552.37
Prepaid expenses	4,140,455.36	3,267,312.26	2,089,945.72	2,100,665.15
Other receivables	2,962,799.17	4,250,670.00	3,308,172.30	4,695,320.32
Total	<u>13,356,193.01</u>	<u>16,009,534.63</u>	<u>11,651,056.50</u>	<u>15,287,537.84</u>
Total trade and other receivables	<u>133,799,691.54</u>	<u>135,058,643.53</u>	<u>132,017,452.08</u>	<u>126,100,174.47</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

8. SHORT-TERM LOANS TO SUBSIDIARY

Short-term loans to subsidiary consisted of :-

	Baht	
	Separate financial statements	
	2014	2013
Loans, beginning balance	-	-
<u>Add</u> increase during the year	58,008,493.63	-
<u>Less</u> decrease during the year	-	-
Loans, ending balance	<u>58,008,493.63</u>	<u>-</u>

During 2014, the Company transferred advance payment for factory building of an overseas subsidiary to short-term loans in the form of promissory note amount of Baht 58.01 million with interest at 3.90% per annum and payment interest by quarterly.

9. INVENTORIES

Inventories consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	19,753,135.81	19,017,793.14	15,678,788.31	16,276,287.06
Work in process	125,282.71	299,835.34	-	99,182.20
Raw materials	42,579,308.07	52,715,052.88	41,754,568.25	52,168,745.76
Supplies	2,431,080.91	1,957,679.88	841,508.89	901,271.60
Package	628,959.92	705,773.19	628,959.92	705,773.19
Goods intransit	532,528.58	365,802.36	138,901.06	-
Total	<u>66,050,296.00</u>	<u>75,061,936.79</u>	<u>59,042,726.43</u>	<u>70,151,259.81</u>

	Baht	
	Consolidated / Separate financial statements	
	2014	2013
Cost of inventories recognized as cost of good sold for the year	281,613.38	541,432.86



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

10. INVESTMENTS IN ASSOCIATED COMPANY

Investments in associated company consisted of:-

	Number of share	Percentage of holding	Baht					
			Consolidated financial statements		Separate financial statements			
			At equity		At cost		Dividend	
			2014	2013	2014	2013	2014	2013
<u>Associated Company</u>								
Origin Eason Paint Co., Ltd.	120,000	40	78,235,017.65	72,414,385.65	35,784,300.00	35,784,300.00	24,000,000.00	40,000,000.00

Share of profit of Origin Eason Paint Co., Ltd. was included in the consolidated financial statements for the years ended December 31, 2014 and 2013 of Baht 30.69 million and Baht 33.11 million, respectively.

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as shown in separate financial statements are as follows: -

	Number of share	Percentage of holding	Baht			
			At cost			
			2014	2013	2014	2013
<u>Subsidiary companies</u>						
N.O.F (Thailand) Ltd.	19,996	99.98	19,996	99.98	9,152,120.00	9,152,120.00
Bright Blue Water Corp. Ltd.	3,221,000	99.57	21,000	60.00	21,000,000.00	21,000,000.00
Eason Urai Paint Co., Ltd.	2,790	62.00	2,790	62.00	90,323,809.80	90,323,809.80
P.T. Eason Indonesia	3,749,000	93.73	2,999,000	99.97	117,704,840.00	93,089,590.00
Eason Far East Sdn. Bhd.	240,000	60.00	-	-	2,453,310.44	-
<u>Less allowance for impairment</u>						
- N.O.F. (Thailand) Ltd.					(4,550,341.45)	(4,539,437.39)
- Bright Blue Water Corp. Ltd.					(25,895,000.00)	(20,895,000.00)
Investments in subsidiaries, net					226,188,738.79	188,131,082.41

Investments in subsidiary - N.O.F. (Thailand) Ltd.

As at December 31, 2014 and 2013 N.O.F. (Thailand) Ltd. is under the process to establish policy and strategic plan. Therefore, the Company has recorded allowance for impairment of investment by considering from operating result at present.

Investments in subsidiary - Bright Blue Water Corp. Ltd.

Due to the consecutive losses of operations by Bright Blue Water Corp. Ltd., the shareholders' equity has decreased. Therefore, the Company has recorded an allowance for impairment of investment by considering from operating result at present.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

During 2014, Bright Blue Water Corp. Ltd. has transactions significant changes of capital are as follow:-

1) The capital reduction

According to the minutes of the extraordinary meeting of the shareholders No.2/2013 held on December 17, 2013, it has approved to reduce the registered capital by reducing the par value from Baht 1,000.00 per share to Baht 250.00 per share to correct the deficit which caused the company's registered capital to decrease from Baht 35.00 million to Baht 8.75 million. The Company has already registered the capital reduction above with the Ministry of Commerce on March 14, 2014.

According to the minutes of the annual general shareholders meeting 2014 held on March 3, 2014, it has approved to decrease the registered capital by reducing the par value of Baht 250.00 per share to Baht 63.00 per share to correct the deficit which caused the company's registered capital to decrease from Baht 8.75 million to Baht 2.21 million. The Company has registered the capital reduction above with the Ministry of Commerce on April 9, 2014.

According to the minutes of the extraordinary meeting No. 1/2014 held on May 9, 2014, it has approved to decrease the registered capital by reducing the par value of Baht 63.00 per share to Baht 16.00 per share to correct the deficit which caused the company's registered capital to decrease from Baht 2.21 million to Baht 0.56 million. The Company has registered the capital reduction above with the Ministry of Commerce on June 26, 2014.

And according to the minutes of the extraordinary meeting No. 2/2014 held on July 24, 2014, it has approved to decrease the registered capital by reducing the par value of Baht 16.00 per share to Baht 5.00 per share to correct the deficit which caused the company's registered capital to decrease from Baht 0.56 million to Baht 0.18 million. The Company has registered the capital reduction above with the Ministry of Commerce on September 2, 2014.

During 2014, the Company has reduced the capital total of Baht 34.83 million to decrease the deficit in the same amount.

2) The capital increasing

After the capital reduction above, the subsidiary company has increased the registered capital according to the minutes of extraordinary meeting No. 3/2014 on September 3, 2014. The shareholders have approved to increase the registered capital of the Company from the existing registered capital of Baht 0.18 million (35,000 shares at the par value of Baht 5.00) to the new registered capital of Baht 16.18 million (3,235,000 shares at the par value of Baht 5.00) by issuing 3,200,000 new ordinary shares at the par value of Baht 5.00. The Company has already registered with Department of Business Development, Ministry of Commerce on September 15, 2014.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

Investments in subsidiary - P.T. Eason Indonesia

According to the annual general meeting of shareholders of 2013 held on April 2, 2013, the shareholders approved the establishment of a subsidiary in Indonesia as a production base and market expansion in the future. The Company was incorporated PT Eason Indonesia on April 12, 2013 which was legal entity of Indonesia with registered capital USD 3,000,000 by issuing 3,000,000 shares at par value of USD 1. The Company will hold shares in the amount of 2,999,000 shares and paid for shares amounting to USD 2,999,000 on June 20, 2013 (approximately Baht 93.09 million), representing 99.97% share holdings

And according to the minutes of the board of Directors' Meeting No.4/2014 on November 12, 2014, it was approved to increase the registered capital of the subsidiary from USD 3,000,000 to USD 4,000,000 by issuing new ordinary shares USD 1,000,000 at the per value USD 1 per share. The Company paid USD 750,000 for the capital increase resulting in its holding in the subsidiary 3,749,000 shares and percentage of holding decrease from 99.97% to 93.73%. Nevertheless, the Company has paid for the share USD 750,000 on November 24, 2014 (approximately Baht 24.62 million).

From the Company's investment plan in Indonesia, the Company has paid to advance for down payment to purchase factory building in Bekasi, Indonesia as at December 31, 2013 the amount of Baht 58.01 million.

And during 2014, the Company transferred advance payment for factory building of subsidiary to short-term loans (Note 8).

Investments in subsidiary - Eason Far East Sdn. Bhd.

The Company has registered to incorporate Eason Far East Sdn. Bhd., a juristic entity under the law of Malaysia, on January 10, 2014 as the distributor of industrial paint and to expand the customer base in the future. The authorized capital is MYR 400,000 (issuance of 400,000 shares at the par value MYR 1 per share). The Company holds 240,000 shares in such company at the par value of MYR 1 per share (approximately Baht 2.45 million), representing 60% share holding.

12. LONG - TERM LOANS TO SUBSIDIARY

Movements of long-term loans to subsidiary are as follows:-

	Baht	
	2014	2013
Loans, beginning balance	15,000,000.00	13,100,000.00
<u>Add</u> increase during the year	-	1,900,000.00
<u>Less</u> decrease during the year	(15,000,000.00)	-
Loans, ending balance	-	15,000,000.00

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

As at December 31, 2013 the Company has long-term loans to subsidiary totalling Baht 15.00 million and the term of loans is 6 years with the interest rate at year 1st - 2nd MLR - 1.50% per annum and 3rd - 6th MLR - 1.25% per annum, and the interest rate at year 1st - 6th MLR - 1.25% per annum and starting repayments on the 55th with interest every month until the loan is fully paid. During 2014, the Company received back short-term loans from subsidiary in the full amount.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:-

	Baht			
	Consolidated financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2013			Dec. 31, 2014
<u>At cost</u>				
Land	46,419,827.10	54,179,552.88	-	100,599,379.98
Building and building improvement	203,313,130.60	49,011,482.55	(327,200.00)	251,997,413.15
Building for lease	20,911,875.57	-	-	20,911,875.57
Machinery and equipment	125,676,226.25	4,745,752.21	(4,004,205.40)	126,417,773.06
Factory equipment	8,955.58	15,237,642.08	-	15,246,597.66
Lab equipment	22,078,227.55	2,814,635.62	(136,656.97)	24,756,206.20
Electric equipment	6,102,584.25	3,833,166.27	-	9,935,750.52
Water-purifier for leases	20,390,453.81	1,184,600.30	(12,500,700.00)	9,074,354.11
Office equipment	27,121,740.05	3,264,781.20	(1,674,766.24)	28,711,755.01
Office decoration	17,465,420.02	673,263.06	(632,536.54)	17,506,146.54
Vehicle	54,172,631.47	2,633,700.00	(6,826,922.95)	49,979,408.52
Machinery and equipment installation	79,521,258.34	2,025,892.99	(80,949,282.90)	597,868.43
Total	<u>623,182,330.59</u>	<u>139,604,469.16</u>	<u>(107,052,271.00)</u>	<u>655,734,528.75</u>
<u>Less accumulated depreciation</u>				
Building and building improvement	68,590,458.61	10,375,550.38	(202,397.94)	78,763,611.05
Building for lease	9,870,272.18	1,029,423.15	-	10,899,695.33
Machinery and equipment	84,668,277.72	9,426,425.03	(3,884,131.45)	90,210,571.30
Factory equipment	307.88	266,902.87	-	267,210.75
Lab equipment	16,761,982.36	1,473,533.44	(136,626.97)	18,098,888.83
Electric equipment	4,186,713.87	1,150,656.40	-	5,337,370.27
Water-purifier for leases	15,189,708.07	2,397,276.47	(12,496,611.47)	5,090,373.07
Office equipment	21,537,156.37	2,131,825.89	(1,666,038.45)	22,002,943.81
Office decoration	15,636,437.13	637,953.42	(619,005.32)	15,655,385.23
Vehicle	25,946,874.10	3,193,193.34	(6,764,905.77)	22,375,161.67
Total	<u>262,388,188.29</u>	<u>32,082,740.39</u>	<u>(25,769,717.37)</u>	<u>268,701,211.31</u>
Currency translation changes of financial statements of foreign entity	<u>(11,731,907.93)</u>			<u>(22,601,046.10)</u>
Property, plant and equipment, net	<u>349,062,234.37</u>			<u>364,432,271.34</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht			
	Consolidated financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2012			Dec. 31, 2013
<u>At cost</u>				
Land	46,419,827.10	-	-	46,419,827.10
Building and building improvement	202,098,757.71	1,266,372.89	(52,000.00)	203,313,130.60
Building for lease	20,911,875.57	-	-	20,911,875.57
Machinery and equipment	115,378,416.41	16,528,542.69	(6,230,732.85)	125,676,226.25
Factory equipment	-	8,955.58	-	8,955.58
Lab equipment	20,590,714.52	2,782,970.03	(1,295,457.00)	22,078,227.55
Electric equipment	4,824,438.52	1,278,145.73	-	6,102,584.25
Water-purifier for leases	19,434,458.34	1,019,327.17	(63,331.70)	20,390,453.81
Office equipment	25,678,966.01	2,581,794.90	(1,139,020.86)	27,121,740.05
Office decoration	16,488,184.53	1,297,740.28	(320,504.79)	17,465,420.02
Vehicle	51,005,924.27	8,497,252.20	(5,330,545.00)	54,172,631.47
Machinery and equipment installation	3,167,602.41	82,453,784.67	(6,100,128.74)	79,521,258.34
Total	<u>525,999,165.39</u>	<u>117,714,886.14</u>	<u>(20,531,720.94)</u>	<u>623,182,330.59</u>
<u>Less accumulated depreciation</u>				
Building and building improvement	58,960,898.37	9,645,031.88	(15,471.64)	68,590,458.61
Building for lease	8,840,849.03	1,029,423.15	-	9,870,272.18
Machinery and equipment	81,787,313.68	8,922,611.66	(6,041,647.62)	84,668,277.72
Factory equipment	-	307.88	-	307.88
Lab equipment	16,819,812.66	1,186,847.83	(1,244,678.13)	16,761,982.36
Electric equipment	3,541,629.91	645,083.96	-	4,186,713.87
Water-purifier for leases	11,727,537.25	3,488,403.17	(26,232.35)	15,189,708.07
Office equipment	20,518,356.27	2,080,275.69	(1,061,475.59)	21,537,156.37
Office decoration	15,343,366.56	613,176.02	(320,105.45)	15,636,437.13
Vehicle	28,132,713.93	2,874,689.87	(5,060,529.70)	25,946,874.10
Total	<u>245,672,477.66</u>	<u>30,485,851.11</u>	<u>(13,770,140.48)</u>	<u>262,388,188.29</u>
Currency translation changes of financial statements of foreign entity	<u>(12,242,778.71)</u>			<u>(11,731,907.93)</u>
Property, plant and equipment, net	<u><u>268,083,909.02</u></u>			<u><u>349,062,234.37</u></u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2013			Dec. 31, 2014
<u>At cost</u>				
Land	46,419,827.10	-	-	46,419,827.10
Building and building improvement	148,079,773.07	3,321,730.06	(327,200.00)	151,074,303.13
Building for lease	20,911,875.57	-	-	20,911,875.57
Machinery and equipment	100,095,154.61	4,342,208.36	(4,004,205.40)	100,433,157.57
Lab equipment	19,338,609.63	573,254.22	(136,656.97)	19,775,206.88
Electric equipment	6,102,584.25	3,833,166.27	-	9,935,750.52
Office equipment	22,496,054.80	2,285,483.96	(1,674,766.24)	23,106,772.52
Office decoration	17,465,420.02	367,996.60	(632,536.54)	17,200,880.08
Vehicle	44,751,670.26	2,633,700.00	(4,081,922.95)	43,303,447.31
Machinery and equipment installation	4,135,414.55	1,863,786.29	(5,563,439.11)	435,761.73
Total	429,796,383.86	19,221,325.76	(16,420,727.21)	432,596,982.41
<u>Less accumulated depreciation</u>				
Building and building improvement	63,716,927.05	8,091,618.42	(202,397.94)	71,606,147.53
Building for lease	9,870,272.18	1,029,423.15	-	10,899,695.33
Machinery and equipment	80,912,344.12	6,772,434.93	(3,884,131.45)	83,800,647.60
Lab equipment	15,764,794.21	1,088,146.62	(136,626.97)	16,716,313.86
Electric equipment	4,186,713.87	1,150,656.40	-	5,337,370.27
Office equipment	18,719,630.61	1,451,781.95	(1,666,038.45)	18,505,374.11
Office decoration	15,636,437.13	617,757.62	(619,005.32)	15,635,189.43
Vehicle	17,333,520.39	2,896,381.47	(4,019,906.77)	16,209,995.09
Total	226,140,639.56	23,098,200.56	(10,528,106.90)	238,710,733.22
Property, plant and equipment, net	203,655,744.30			193,886,249.19



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2012			Dec. 31, 2013
<u>At cost</u>				
Land	46,419,827.10	-	-	46,419,827.10
Building and building improvement	146,865,400.18	1,266,372.89	(52,000.00)	148,079,773.07
Building for lease	20,911,875.57	-	-	20,911,875.57
Machinery and equipment	102,213,735.14	4,112,152.32	(6,230,732.85)	100,095,154.61
Lab equipment	17,851,096.60	2,782,970.03	(1,295,457.00)	19,338,609.63
Electric equipment	4,824,438.52	1,278,145.73	-	6,102,584.25
Office equipment	21,489,740.01	1,770,687.07	(764,372.28)	22,496,054.80
Office decoration	16,315,104.84	1,297,740.28	(147,425.10)	17,465,420.02
Vehicle	41,070,215.26	7,634,000.00	(3,952,545.00)	44,751,670.26
Machinery and equipment installation	3,167,602.41	7,067,940.88	(6,100,128.74)	4,135,414.55
Total	421,129,035.63	27,210,009.20	(18,542,660.97)	429,796,383.86
<u>Less accumulated depreciation</u>				
Building and building improvement	55,711,877.33	8,020,521.36	(15,471.64)	63,716,927.05
Building for lease	8,840,849.03	1,029,423.15	-	9,870,272.18
Machinery and equipment	80,031,767.71	6,922,224.03	(6,041,647.62)	80,912,344.12
Lab equipment	16,130,707.38	878,764.96	(1,244,678.13)	15,764,794.21
Electric equipment	3,541,629.91	645,083.96	-	4,186,713.87
Office equipment	18,142,947.42	1,273,989.73	(697,306.54)	18,719,630.61
Office decoration	15,171,459.26	612,377.97	(147,400.10)	15,636,437.13
Vehicle	18,446,461.59	2,569,589.50	(3,682,530.70)	17,333,520.39
Total	216,017,699.63	21,951,974.66	(11,829,034.73)	226,140,639.56
Property, plant and equipment, net	205,111,336.00			203,655,744.30

The Company has leased out the building and warehouse space to an associate, which the building for lease has a book value as at December 31, 2014 and 2013 of Baht 10.01 million and Baht 11.04 million, respectively. The term of the lease agreement is 3 years commencing from January 1, 2011 and the Company received the rent monthly of Baht 0.43 million.

As at December 31, 2014 and 2013, the Company has vehicles purchased under hire-purchase agreements total book value of Baht 5.36 million and Baht 7.26 million, respectively.

As at December 31, 2014 and 2013, the fully depreciated plant and equipment that still in use were at cost of Baht 132.34 million and Baht 130.33 million, respectively for the consolidated financial statement and at cost of Baht 130.13 million and Baht 127.58 million, respectively for the separate financial statement.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

14. INTANGIBLE ASSETS

Intangible assets consisted of :-

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2013	Additions	Deductions	Balance per book Dec. 31, 2014
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	10,414,875.00	1,114,348.64	-	11,529,223.64
Total	19,225,037.83	1,114,348.64	-	20,339,386.47
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	5,720,372.12	1,282,816.03	-	7,003,188.15
Total	14,530,533.95	1,282,816.03	-	15,813,349.98
Intangible assets, net	4,694,503.88			4,526,036.49

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2012	Additions	Deductions	Balance per book Dec. 31, 2013
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	10,157,050.00	257,825.00	-	10,414,875.00
Total	18,967,212.83	257,825.00	-	19,225,037.83
<u>Less accumulated amortization</u>				
Technical license	8,786,708.07	23,453.76	-	8,810,161.83
Computer software	4,525,877.42	1,194,494.70	-	5,720,372.12
Total	13,312,585.49	1,217,948.46	-	14,530,533.95
Intangible assets, net	5,654,627.34			4,694,503.88



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2013			Dec. 31, 2014
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	10,064,875.00	1,114,348.64	-	11,179,223.64
Total	18,875,037.83	1,114,348.64	-	19,989,386.47
<u>Less accumulated amortization</u>				
Technical license	8,810,161.83	-	-	8,810,161.83
Computer software	5,527,632.40	1,212,816.02	-	6,740,448.42
Total	14,337,794.23	1,212,816.02	-	15,550,610.25
Intangible assets, net	<u>4,537,243.60</u>			<u>4,438,776.22</u>

	Baht			
	Separate financial statements			
	Balance per book	Additions	Deductions	Balance per book
	Dec. 31, 2012			Dec. 31, 2013
<u>At cost</u>				
Technical license	8,810,162.83	-	-	8,810,162.83
Computer software	9,807,050.00	257,825.00	-	10,064,875.00
Total	18,617,212.83	257,825.00	-	18,875,037.83
<u>Less accumulated amortization</u>				
Technical license	8,786,708.07	23,453.76	-	8,810,161.83
Computer software	4,403,137.71	1,124,494.69	-	5,527,632.40
Total	13,189,845.78	1,147,948.45	-	14,337,794.23
Intangible assets, net	<u>5,427,367.05</u>			<u>4,537,243.60</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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15. LEASEHOLD RIGHT

Leasehold right consisted of :-

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2013	Additions	Deductions	Balance per book Dec. 31, 2014
<u>At cost</u>				
Leasehold right - land	27,990,331.00	-	-	27,990,331.00
<u>Less</u> accumulated amortization	4,862,169.92	788,460.00	-	5,650,629.92
	23,128,161.08	788,460.00	-	22,339,701.08
Currency translation changes of financial statements of foreign entity	(5,318,305.15)			(5,136,999.32)
Leasehold right, net	<u>17,809,855.93</u>			<u>17,202,701.76</u>

	Baht			
	Consolidated financial statements			
	Balance per book Dec. 31, 2012	Additions	Deductions	Balance per book Dec. 31, 2013
<u>At cost</u>				
Leasehold right - land	27,990,331.00	-	-	27,990,331.00
<u>Less</u> accumulated amortization	4,073,709.92	788,460.00	-	4,862,169.92
	23,916,621.08	788,400.00	-	23,128,161.08
Currency translation changes of financial statements of foreign entity	(6,650,674.11)			(5,318,305.15)
Leasehold right, net	<u>17,265,946.97</u>			<u>17,809,855.93</u>

An overseas subsidiary company has signed a land lease contract for a period of 35 years 6 months, expiring in April 2044. And the subsidiary paid advance rental totalling USD 840,500, the leasehold right is amortized as expense by the straight-line method for the period of contract.

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	4,945,525.48	11,746,917.35	5,769,338.85	5,068,782.88
Deferred tax liabilities	-	(152.65)	(2,393,745.47)	(1,036,259.29)
	<u>4,945,525.48</u>	<u>11,746,764.70</u>	<u>3,375,593.38</u>	<u>4,032,523.59</u>



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DECEMBER 31, 2014

Changing for the years ended December 31, 2014 and 2013 are summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at Dec. 31, 2013	Revenue (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Remeasuring available-for-sale investments	2,347,890.13	-	(254,142.99)	2,093,747.14
Trade receivables	64,790.01	(6,000.00)	-	58,790.01
Inventories	31,993.04	(20,560.34)	-	11,432.70
Employee benefits obligations	2,788,307.89	634,977.78	265,467.12	3,688,752.79
Accumulated forwards tax losses	-	1,510,279.44	-	1,510,279.44
Difference from financial statement converted	7,550,195.57	-	(7,550,195.57)	-
Total	<u>12,783,176.64</u>	<u>2,118,696.88</u>	<u>(7,538,871.44)</u>	<u>7,363,002.08</u>
Deferred tax liabilities:				
Property, plant and equipment	1,036,411.94	(1,381,064.66)	-	2,417,476.60
Total	<u>1,036,411.94</u>	<u>(1,381,064.66)</u>	<u>-</u>	<u>2,417,476.60</u>

	Baht			
	Consolidated financial statements			
	Balance as at Dec. 31, 2012	Revenue (expenses) during the year		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Remeasuring available-for-sale investments	-	-	2,347,890.13	2,347,890.13
Trade receivables	83,708.51	(18,918.50)	-	64,790.01
Inventories	11,463.21	20,529.83	-	31,993.04
Employee benefits obligations	2,985,698.60	(197,390.71)	-	2,788,307.89
Difference from financial statement converted	5,878,644.61	-	1,671,550.96	7,550,195.57
Total	<u>8,959,514.93</u>	<u>(195,779.38)</u>	<u>4,019,441.09</u>	<u>12,783,176.64</u>
Deferred tax liabilities:				
Remeasuring available-for-sale investments	978,991.20	-	978,991.20	-
Property, plant and equipment	1,265,533.28	(229,121.34)	-	1,036,411.94
Total	<u>2,244,524.48</u>	<u>(229,121.34)</u>	<u>978,991.20</u>	<u>1,036,411.94</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2013	In profit or loss	In other comprehensive income		Dec. 31, 2014
Deferred tax assets:					
Remeasuring available-for-sale investments	2,347,890.13	-	(254,142.99)	2,093,747.14	
Trade receivables	64,790.01	(6,000.00)	-	58,790.01	
Inventories	31,993.04	(20,560.34)	-	11,432.70	
Employee benefits obligations	2,624,109.70	617,308.00	363,951.30	3,605,369.00	
Total	5,068,782.88	590,747.66	109,808.31	5,769,338.85	
Deferred tax liabilities:					
Property, plant and equipment	1,036,259.29	(1,357,486.18)	-	2,393,745.47	
Total	1,036,259.29	(1,357,486.18)	-	2,393,475.47	

	Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	Dec. 31, 2012	In profit or loss	In other comprehensive income		Dec. 31, 2013
Deferred tax assets:					
Remeasuring available-for-sale investments	-	-	2,347,890.13	2,347,890.13	
Trade receivables	83,708.51	(18,918.50)	-	64,790.01	
Inventories	11,463.21	20,529.83	-	31,993.04	
Employee benefits obligations	2,864,859.22	(240,749.52)	-	2,624,109.70	
Total	2,960,030.94	(239,138.19)	2,347,890.13	5,068,782.88	
Deferred tax liabilities:					
Remeasuring available-for-sale investments	978,991.20	-	978,991.20	-	
Property, plant and equipment	1,265,533.28	(229,273.99)	-	1,036,259.29	
Total	2,244,524.48	(229,273.99)	978,991.20	1,036,259.29	

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

17. TRADE AND OTHER PAYABLES

Trade and other payables consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statement	
	2014	2013	2014	2013
Trade payables	49,395,269.32	40,538,692.66	49,201,407.17	40,339,155.50
Other payables				
Revenue received in advance	2,209,070.21	1,825,303.18	-	-
Deposit received for sale of land	-	3,194,100.00	-	3,194,100.00
Payable for purchase of fixed assets	2,307,241.23	12,098,005.93	-	-
Accrued expenses	4,777,105.31	4,879,392.66	3,619,978.15	3,657,011.29
Other	602,425.33	332,326.94	397,172.42	332,326.94
Total trade and other payables	<u>59,291,111.40</u>	<u>62,867,821.37</u>	<u>53,218,557.74</u>	<u>47,522,593.73</u>

18. BANK OVERDRAFT AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2014, the Company has total credit facilities Baht 330 million with four local commercial banks consisting of bank overdrafts of Baht 30 million with interest at MOR per annum, promissory notes for credit lines of Baht 75 million with interest at MLR and MMR per annum, Letter of Guarantee Baht 5 million, Letter of Credit and Trust Receipt of Baht 170 million and Forward Contract Baht 50 million and USD 1.51 million, which these loans are unsecured.

As at December 31, 2013, the Company has total credit facilities Baht 335 million with four local commercial banks, consisting of bank overdrafts of Baht 30 million with interest at MOR per annum, promissory notes for credit lines of Baht 130 million with interest at MLR and MMR per annum, Letter of Guarantee of Baht 5 million, Letter of Credit and Trust Receipt of Baht 110 million and Forward Contract of Baht 60 million and USD 1.50 million, which these loans are unsecured.

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of :

	Baht	
	Consolidated/Separate financial statements	
	2014	2013
Long-term loan, beginning balance	69,847,599.00	69,847,599.00
<u>Add</u> increase during the year	40,152,401.00	-
<u>Less</u> decrease during the year	(11,130,000.00)	-
	<u>98,870,000.00</u>	<u>69,847,599.00</u>
<u>Less</u> current portion due within one year	(21,080,000.00)	(7,950,000.00)
Net	<u>77,790,000.00</u>	<u>61,897,599.00</u>

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2014

As at December 31, 2014, the Company has long-term loan with a local commercial bank as part of investment in subsidiary, to finance the construction of factory building and purchase machinery or equipment in Indonesia under the credit line Baht 110 million, and during 2014 increased the loans of Baht 15 million, The Company used the loan fully credit line at interest rate MLR-2.25% per annum for the month 1st - 36th and MLR-2.00% per annum from 37th month onwards. The repayment of Baht 1.59 million per month of principal and interest, in 60 installments, shall be completed by 72th month upon receipt of the first loan and starting repayments on the 13th with interest monthly for old credit line and the repayment of Baht 0.25 million per month of principal and interest in 60 installments, shall be completed by 64th month upon receipt of the first loan and starting repayment on the 5th with interest monthly for new credit line.

As at December 31, 2013, the Company has long-term loan with a local commercial bank as part of investment in subsidiary, to finance the construction of factory building and purchase machinery or equipment in Indonesia under the credit line Baht 95 million. The Company used the loan of Baht 69.85 million at interest rate MLR-2.25% per annum for the month 1st - 36th and MLR-2.00% per annum from 37th month onwards. The repayment of Baht 1.59 million per month of principal and interest, in 60 installments, shall be completed by 72th month upon receipt of the first loan and starting repayments on the 13th with interest monthly.

This loan is unsecured, but the Company shall have to comply with certain conditions and restrictions as specified in the loan agreement.

20. LIABILITIES UNDER HIRE-PURCHASE AGREEMENTS

Liabilities under hire-purchase agreements consisted of:

	Baht					
	Consolidated financial statements					
	Payment due within 1 year		Payment due over 1 year to 5 year		Total	
	2014	2013	2014	2013	2014	2013
Liabilities under hire-purchase agreements	298,492.84	2,466,725.14	-	298,492.84	298,492.84	2,765,217.98
<u>Less</u> deferred interest	(2,211.34)	(65,130.02)	-	(2,211.35)	(2,211.34)	(67,341.37)
Liabilities under hire-purchase agreements, net	<u>296,281.50</u>	<u>2,401,595.12</u>	<u>-</u>	<u>296,281.49</u>	<u>296,281.50</u>	<u>2,697,876.61</u>

	Baht					
	Separate financial statements					
	Payment due within 1 year		Payment due over 1 year to 5 year		Total	
	2014	2013	2014	2013	2014	2013
Liabilities under hire-purchase agreements	298,492.84	1,929,704.00	-	298,492.84	298,492.84	2,228,196.84
<u>Less</u> deferred interest	(2,211.34)	(65,130.02)	-	(2,211.35)	(2,211.34)	(67,341.37)
Liabilities under hire-purchase agreements, net	<u>296,281.50</u>	<u>1,864,573.98</u>	<u>-</u>	<u>296,281.49</u>	<u>296,281.50</u>	<u>2,160,855.47</u>



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

As at December 31, 2014 and 2013, the Company and its subsidiaries have 4 hire-purchase agreements for vehicle with the leasing companies in the amount of Baht 3.38 million (Included VAT), and 6 hire-purchase agreements for vehicle with the leasing companies and a local commercial bank in the amount of Baht 5.11 million with a term of 12 - 36 months, and repayable monthly at Baht 0.14 million and Baht 0.22 million (Included VAT), respectively.

As at December 31, 2014 and 2013, the Company has 4 hire-purchase agreements for vehicle with the leasing companies in the amount of Baht 3.38 million (included VAT), and 5 hire-purchase agreement for vehicle with leasing companies and a local commercial bank in the amount of Baht 4.46 million (Included VAT), respectively with a term of 24 - 36 months, and repayable monthly at Baht 0.14 million and Baht 0.17 million (Included VAT), respectively.

Under the terms of hire-purchase agreement referred to above, the Company and its subsidiary shall have to comply with certain conditions and restrictions as specified in the agreement.

21. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the employee benefit obligations account for the years ended December 31, 2014 and 2013 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligations as at January 1,	14,190,473.48	15,081,428.03	13,120,548.52	14,286,796.11
Benefits paid by the plan	(210,000.00)	(2,667,900.00)	(210,000.00)	(2,667,900.00)
Actuarial losses	2,541,668.52	-	3,249,972.48	-
Current service costs and interest	2,004,110.98	1,776,945.45	1,866,324.00	1,501,652.41
Defined benefit obligations as at December 31,	<u>18,526,252.98</u>	<u>14,190,473.48</u>	<u>18,026,845.00</u>	<u>13,120,548.52</u>

Expense recognized in the statements of income for the years ended December 31, 2014 and 2013

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs				
Cost of sales and service	289,778.93	202,172.21	236,256.00	147,489.29
Administrative expenses	459,973.02	447,767.33	391,257.00	394,549.25
Management benefit expenses	544,527.00	542,985.00	544,527.00	408,324.00
	<u>1,294,278.95</u>	<u>1,192,924.54</u>	<u>1,172,040.00</u>	<u>950,362.54</u>
Interest on obligation	709,832.03	584,020.91	694,284.00	551,289.87
Total	<u>2,004,110.98</u>	<u>1,776,945.45</u>	<u>1,866,324.00</u>	<u>1,501,652.41</u>

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Actuarial losses recognized in :-

For the years ended December 31, 2014 and 2013

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit or loss	1,349,789.96	-	1,430,216.00	-
Other comprehensive income	1,191,878.56	-	1,819,756.48	-
Total	2,541,668.52	-	3,249,972.48	-

Assumptions in the estimates based on the actuarial principal

For the years ended December 31, 2014 and 2013

	Percentage	
	Consolidated /Separate financial statements	
	2014	2013
Discount rate	4.30	4.20
Salary increase rate	3.00 - 10.00	3.00 - 10.00
Employee turnover rate	8.00 - 18.00	8.00 - 18.00
Mortality rate	0.10 - 1.48	0.10 - 1.48

22. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at December 31, 2014 and 2013 debt-to-equity ratio were follows :-

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	Debt-to-equity ratio	0.28 : 1	0.24 : 1	0.28:1

23. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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24. DIVIDEND PAYMENT

For the year 2014

At the ordinary shareholders' meeting of the company for the year 2014 held on April 3, 2014, the shareholders unanimously approved to pay dividend from operating results of 2013 for the shareholders in the registered book as at March 13, 2014 in the amount of Baht 45.74 million, appropriated by 285,894,029 shares of Baht 0.16 each and was paid on April 23, 2014.

For the year 2013

At the ordinary shareholders' meeting of the company for the year 2013 held on April 2, 2013, the shareholders unanimously approved to pay dividend from operating results of 2012 for the shareholders in the registered book as at March 13, 2013 in the amount of Baht 62.90 million, appropriated by 285,894,029 shares of Baht 0.22 each and was paid on April 26, 2013.

25. INCOME TAX EXPENSES

25.1 Major components of income tax expenses for the years ended December 31, 2014 and 2013 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	12,118,394.31	14,999,253.58	12,088,910.70	14,901,043.00
Deferred tax expenses				
Changes in temporary differences relating to the original recognition and reversal	(781,252.69)	(33,329.09)	766,738.52	9,864.20
Total	<u>11,337,141.62</u>	<u>14,965,924.49</u>	<u>12,855,649.22</u>	<u>14,910,907.20</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relating to:				
Remeasuring available-for-sale investments	(254,142.99)	3,326,881.33	(254,142.99)	3,326,881.33
Actuarial losses	265,467.12	-	363,951.30	-
Difference from financial statements converted	(7,550,195.57)	1,671,550.96	-	-
Total	<u>(7,538,871.44)</u>	<u>4,998,432.29</u>	<u>109,808.31</u>	<u>3,326,881.33</u>

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25.2 A numerical reconciliation between tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2014 and 2013 which are summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit for the year	74,541,495.44	111,061,416.62	77,523,901.55	106,662,886.91
The applicable tax rate	15%, 20%, 25%	20%	20%	20%
Tax expense at the applicable tax rate	19,482,295.42	22,212,283.32	15,504,780.31	21,332,577.38
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,480,037.32	292,185.37	1,021,414.96	227,728.81
- Loss on impairment of investment in subsidiary	-	-	1,002,180.81	2,079,000.00
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(4,934,534.33)	(86,186.10)	(4,932,000.00)	(8,084,600.00)
- Expense in determining tax	(99,332.54)	(115,331.59)	(99,332.54)	(115,331.59)
Effect on deferred tax from progressive tax rate	(45,000.00)	-	-	-
Share of profit of associated company	(6,138,870.56)	(6,622,186.24)	-	-
Unrecognized tax losses on deferred tax assets	1,233,940.63	1,151,146.60	-	-
Unrecognized tax losses for a prior period that is used to reduce current tax expenses	-	(957,722.13)	-	-
Others	358,605.68	(908,264.74)	358,605.68	(528,467.40)
Total reconciliation items	(8,145,153.80)	(7,246,358.83)	(2,649,131.09)	(6,421,670.18)
Total tax expenses	11,337,141.62	14,965,924.49	12,855,649.22	14,910,907.20

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2014 and 2013 are summarized as follows:

	Consolidated financial statements			
	2014		2013	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expenses for the year	74,541,495.44		111,061,416.62	
Tax expenses at the applicable tax rate	19,482,295.42	15.00, 20.00, 25.00	22,212,283.32	20.00
Reconciliation items	(8,145,153.80)	(10.93)	(7,246,358.83)	(6.52)
Tax expense at the average effective tax rate	11,337,141.62	15.21	14,965,924.49	13.48
	Separate financial statements			
	2014		2013	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expenses for the year	77,523,901.55		106,662,886.91	
Tax expense at the applicable tax rate	15,504,780.31	20.00	21,332,577.38	20.00
Reconciliation items	(2,649,131.09)	(3.42)	(6,421,670.18)	(6.02)
Tax expenses at the average effective tax rate	12,855,649.22	16.58	14,910,907.20	13.98

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26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares held by outside shareholders which are issued during the year.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year (Baht)				
- Profit attributable to equity holders of the parent	65,664,189.57	96,521,513.32	64,668,252.33	91,751,979.71
Weighted average number of ordinary shares (shares)	285,894,029	285,894,029	285,894,029	285,894,029
Basic earnings per share (Baht per share)				
- Profit attributable to equity holders of the parent	0.2297	0.3376	0.2262	0.3209

27. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E. 2530 by joining into a pool of provident fund named TISCO Master Pooled Registered Provident Fund.

Under the provident fund plan, employees' and Company and its subsidiaries' contributions are equivalent to certain percentages of employees' basic salaries based on the length of employment. The employees are entitled to the Company and its subsidiaries' contributions in accordance with the rules and regulations of the fund and on the length of service with the Company and its subsidiaries.

The Company and its subsidiaries' contributions for the years ended December 31, 2014 and 2013 amounted to Baht 2.80 million and Baht 2.31 million, respectively for the consolidated financial statement and amounted to Baht 2.73 million and Baht 2.31 million, respectively for the separate financial statement.

28. EXPENSES BY NATURE

Expenses by nature has significant transactions for the years ended December 31, 2014 and 2013 are as following :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Raw material and consumable used	195,330,856.18	263,532,187.55	188,915,782.22	258,791,542.26
Change in inventories of finished goods and work in process	(314,248.31)	(6,281,961.55)	531,105.46	(4,436,120.80)
Employee benefit cost	119,385,785.64	115,142,956.83	107,354,748.40	102,673,860.87
Depreciation and amortization	34,154,016.42	32,492,259.57	24,311,016.58	23,099,923.11
Management benefit expenses	29,155,821.00	28,545,317.00	28,370,403.00	27,692,156.00

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29. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries' business operations involve 3 principal segments : (1) automotive paints (2) other industrial paints and (3) the other segments. The business operations are mainly carried on in the same geographic area in Thailand.

Group company mainly geographical area of their operations is Thailand.

Business activities are classified by product segments for the years ended December 31, 2014 and 2013 are as follows: -

	Consolidated financial statements (Thousand Baht)							
	Automotive		Other industrial paints		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales and services	136,966	230,294	282,426	268,495	32,719	30,035	452,111	528,824
Cost of sales and expenses	(118,772)	(183,471)	(279,451)	(258,262)	(26,123)	(31,516)	(424,346)	(473,249)
Profit (loss) from operating	18,194	46,823	2,975	10,233	6,596	(1,481)	27,765	55,575
Other income							20,850	25,930
Share of profit of an associated company							30,694	33,111
Financial cost							(4,768)	(3,555)
Income tax expense							(11,337)	(14,966)
Profit for the year							63,204	96,095
<u>As at December 31,</u>								
Property, plant and equipment	180,012	157,698	12,760	11,472	4,478	6,192	197,250	175,362
Common property, plant and equipmen							167,182	173,700
Intangible assets							4,526	4,695
Leasehold right							17203	17,810

Major customer

In 2014 and 2013, the Company has sales from a major customer which is automotive segment with revenue more of 10 percent an entity's revenues.



EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Commitments of long-term rental and services agreements

As at December 31, 2014, the Company and its subsidiary have commitments to pay for rental and services under the rental and service agreements, for a term of 1 - 4 years.

The rental and service fee will be pay for the future are as follows:

	<u>Million Baht</u>
Payable within :	
1 year	11.20
2 - 4 years	6.73

30.2 Commitments under the technical assistance agreements

As at December 31, 2014, the Company has an agreement to buy 2 secret formulas with another company. The Company will have an unending right to manufacture and sell the products as from the contract date and it has to pay a royalty fee by the rate as stipulated in the agreement.

30.3 Guarantees

As at December 31, 2014, the Company has letters of guarantees in total of Baht 1.50 million, which were issued by bank for the usage of electricity by the company.

31. FINANCIAL INSTRUMENTS

31.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 3.

31.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures, so the Company and its subsidiaries do not anticipate material losses from debt collection over than the amount that has been provided allowance for doubtful debt.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

31.3 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, current investments long-term loans to related company and long-term loans from financial institutions. However, since most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at December 31, 2014, the significant financial assets and financial liabilities classified by type of interest rates were as follows:

	Baht			
	Consolidated financial statement			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	111,713,754.78	-	30,415,218.42	142,128,973.20
Current investment	-	-	19,153,967.45	19,153,967.45
Trade and other receivables	-	-	133,799,691.54	133,799,691.54
<u>Financial liabilities</u>				
Trade and other payables	-	-	59,291,111.40	59,291,111.40
Liabilities under hire-purchase agreement	-	296,281.50	-	296,281.50
Employee benefit obligations	-	18,256,252.98	-	18,526,252.98

	Baht			
	Separate financial statements			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	49,358,188.63	-	27,055,279.40	76,413,468.03
Current investment	-	-	15,404,423.21	15,404,423.21
Trade and other receivables	-	-	132,017,452.08	132,017,452.08
Short-term loan to subsidiary	-	58,008,493.63	-	58,008,493.63
<u>Financial liabilities</u>				
Trade and other payables	-	-	53,218,557.74	53,218,557.74
Liabilities under hire-purchase agreement	-	296,281.50	-	296,281.50
Employee benefit obligations	-	18,026,845.00	-	18,026,845.00

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

31.4 Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk on their investments in overseas subsidiary, the Company are currently not hedged by derivative financial instruments.

31.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

31.6 Fair value

The fair values of significant financial assets and financial liabilities do not differ from their carrying values.

32. RECLASSIFICATION

The Company and its subsidiaries have reclassified certain accounts in the statement of financial position as at December 31, 2013 to conform with the presentation of the financial statements of year, without any effect to the previously reported profit (loss) or shareholder's equity.

	Baht					
	Consolidated financial statements			Separate financial statements		
	Before	Reclassification	After	Before	Reclassification	After
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
Statement of financial position						
Deferred tax assets	12,783,176.64	(1,036,411.94)	11,746,764.70	5,068,782.88	(1,036,259.29)	4,032,523.59
Deferred tax liabilities	1,036,411.94	(1,036,411.94)	-	1,036,259.29	(1,036,259.29)	-

The Company and its subsidiaries have not reclassified the accounts in the statement of financial position as at January 1, 2013.

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

33. THE NEW AND REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

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

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

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
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 Assets
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 in the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes

EASON PAINT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4	Insurance Contracts
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The management of the Company and its subsidiaries are evaluating the impact of these new and revised accounting standards when they are initially applied.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's director on February 24, 2015.

EASON PAINT

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