



บริษัท ควอลิตี้เทค จำกัด (มหาชน)

Qualitech Public Company Limited



Annual Report 2015

www.qualitechplc.com



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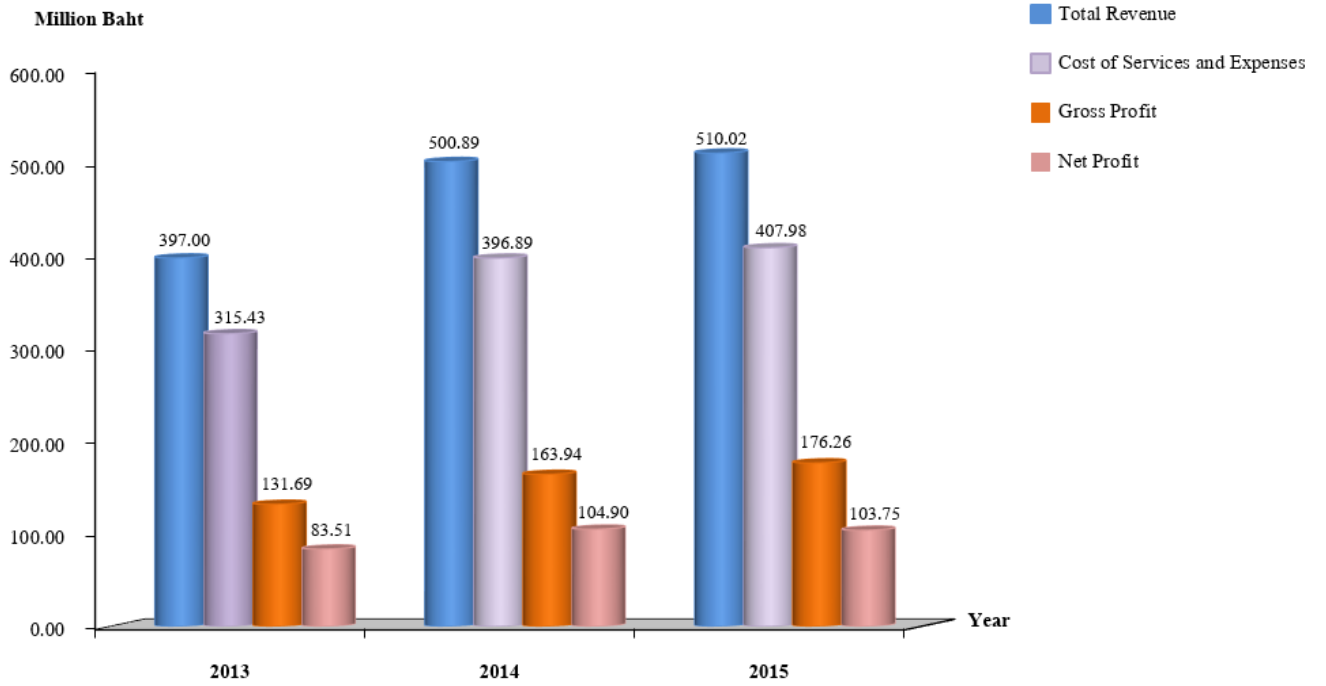
Vision

To be an AEC's leading service provider in testing, inspection and certification for public safety in 2020

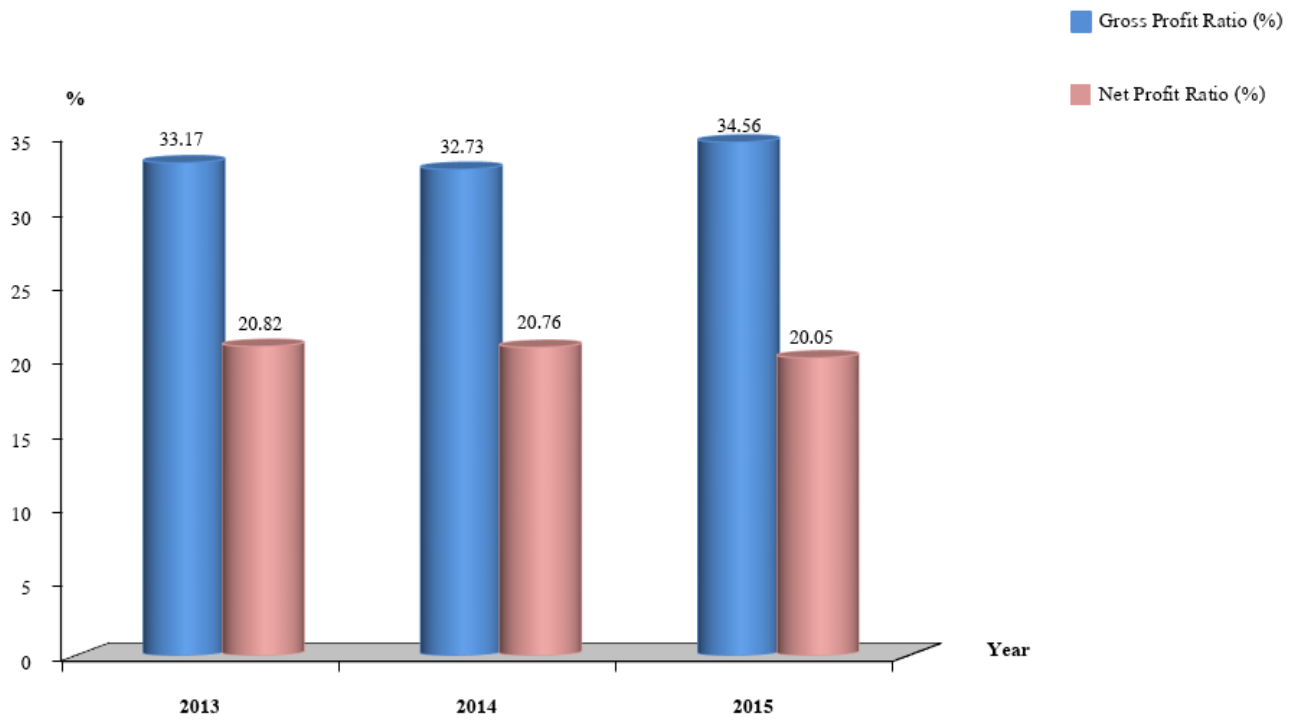
Financial Summary

	2013	2014	2015
Statements of Comprehensive Income (Million Baht)			
Total Revenue	397.00	500.89	510.02
Cost of Services and Expenses	315.43	396.89	407.98
Gross Profit	131.69	163.94	176.26
Net Profit	83.51	104.90	103.75
Statements of Financial Position (Million Baht)			
Total Assets	430.58	503.98	536.53
Total Liabilities	70.11	86.00	88.26
Total Shareholders' Equity of the parent company	358.81	416.16	447.74
Financial Ratio			
Gross Profit Ratio (%)	33.17	32.73	34.56
Net Profit Ratio (%)	20.82	20.76	20.05
Return on Equity (%)	23.99	27.07	24.02
Return on Total Asset (%)	20.80	22.31	21.23
Debt to Equity Ratio (times)	0.20	0.21	0.20
Earnings Per Share			
Net Profit Per Share (Baht)*	0.87	1.08	1.05
Net Diluted Profit Per Share (Baht)**	0.86	1.08	1.05
Book Value Per Share (Baht)	3.51	4.24	4.34
* Number of shares outstanding computed using weighted average method			
** Computed from Shares outstanding			

Financial Summary



Financial Ratio



Message of Board of Directors

Dear Shareholders,

In 2015, it could be said that the company has not succeeded much, since the operation has been under recessed economic environment with oil price downturn. These significantly contract oil and gas drilling and exploration sectors both in terms of price and quantity. Nevertheless, with a strong commitment, Qualitech Public Company Limited and subsidiaries have generated 517.43 Million Baht as revenue in 2015, slightly higher than the previous year, while consolidated net profit marginally dropped to 103.75 Million Baht. Yet, the company consistently focus on sustainable growth development under good corporate governance as well as performing services with reliability, safety and quality, to ensure our working procedures.

For the year 2016, the company expect the continuous effect of the oil price along with intense competition. Thus, the company is going to execute various strategies to maintain the customer base, adjust the services to meet customer satisfaction, invest in a new service, and penetrate international market especially neighboring countries. The company also highly put emphasis on corporate and personnel development in accordance with international standards to maintain manpower for an eventual recovered industry.

The Board of Directors of Qualitech Public Company Limited and subsidiaries really appreciate and would like to thank our shareholders, customers, partners, business alliances, stakeholders, and committed and dedicated employees for always supporting the company and helping us to achieve various goals. The Board would like to affirm the business operation under good governance for sustainable growth.

Mr. Natee Boonparm
Chairman of the Board of Directors

Mr. Sannpat Rattakham
Managing Director

Report of Audit Committee

Dear shareholders and to whom that may concern

Audit committee of Qualitech Public Company Limited consists of 3 company's independent directors and these directors have qualification and component of audit committee in accordance with criteria in notice of Security and Exchange Commission with following lists

- | | | |
|------------------|----------------|--------------------------|
| 1. Mr. Somyos | Jiamjirangkorn | Audit Committee Chairman |
| 2. Mr. Tinnakorn | Sidasombun | Audit Committee |
| 3. Mr. Somchai | Jongsirilerd | Audit Committee |

In 2015, audit committee arranged 4 meetings to consider issues by discussing with the executives, internal auditors and auditor in relevant agenda and summarizing material matter for operation in year 2015 as follows

1. Financial Budget Audit

Audit committee has audited turnover of the company, quarterly financial budget, and annual financial budget together with auditors, executives and the relevant to ensure that financial budget was correct and financial report was made according to Generally Accepted Accounting Principles with disclosing information sufficiently, completely and reliably and the audit committee had opinion that financial budget of the company was made and corrected as it should be in matter according to standard of Thai Financial Report with reliability, transparency that was auditable and sufficient.

2. Company's Internal Control System Sufficiency Audit and Inspection

Audit Committee has audited suitability of internal control system with suggestion to improve such internal control system to be more effective and liquid that is updated to current economic condition and work management with free and unlimited competition in terms of communication and internal audit governance. They have verified annual audit plan, practices and audit result report. Internal audit of the company is suitable, sufficient and covering risk factors as well as effective to management.

3. Corporate Governance Audit and Legal Compliance

Audit committee has verified ethics and corporate governance compliance and it was found that the company has followed ethics and corporate governance and it has determination to operate business corresponding to sustainable development with corporate governance and along with social and environmental responsibility of the organization and make anti-corruption policy as well as evaluating according to self-assessment related to anti-corruption measures as regulations of Thai Institute of Director Association.

Audit committee has audited operation of the company if it was corresponding to law and regulations of Stock Exchange of Thailand and other law relevant to business of the company and saw that the company has complied with rules, regulations along with laws and found no significant defects.

4. Cross-transaction Audit and Conflict of Interest

Audit Committee has audited cross-transaction of the company and subsidiaries along with connected transaction or conflict of interest to ensure that it follows normal business condition and reveals information for transparency and there was no transaction affecting the company significantly.

5. Risk Management Evaluation System Audit

Audit Committee has audited policy and guidelines of risk management and progression of risk management to reduce or control risks along with auditing operational systems of the company as well as sufficiency of risk control system that the company has communicated with employees to realize risk and mutual responsibility between executives and employees for risk management. Audit committee had opinions that the company has enough risk evaluation and management system so that possible consequence of risk is acceptable.

6. Auditor Appointment and Audit Fee for 2016

Audit committee has considered performance of auditors in previous year and felt satisfied with such performance. The auditor is independent, skillful and experienced in auditing the company's business. Audit Committee had opinions to present to the company's board of directors for approval in shareholder's meeting to appoint, Mrs. Wilarat Rojnakarinn, an authorized auditor with license number 3104 and/or Mrs. Suwimon Littayakian, the authorized auditor with license number 2982 and/or Miss. Supaporn Mangjit, an authorized auditor with license no 8125 from DIA International Auditing Company Limited as the auditor of the company in 2016 with audit fee not over 940,000 Baht per year.

On behalf of Audit Committee



Mr.Somyos Chiamchirungkorn
Chairman of the Audit Committee

Board of Directors



Mr.Natee Boonparm
Chairman/Independent director



Mr.Somyos Chiamchirungkorn
Chairman of the audit committee/ Independent



Mr.Sannpat Rattakham
Director/Executive director /Managing Director



Mr.Sumet Techachainiran
Director/Executive director



Ms.Raschaneewan Rawirach
Director/Executive



Mr.Somchan Lubtikultham
Director



Mrs.Maneerat Rattakham
Director



Mr.Tinakorn Seedasomboon
Audit committee/Independent



Mr.Somchai Jongsirilerd
Audit committee/Independent

Nature of Business

• Company Data •

Location and Branch

Company Name	Qualitech Public Company Limited.
Registered Capital	99 million Baht with 98.57 million Baht paid up
Type of Business	Non-Destructive Testing Inspection & Certification
Company's registration No.	0107550000220
Website	www.qualitechplc.com

Head Office

21/3 Banplong Road, Maptaphut,
Muang, Rayong 21150
Tel. +66 3869-1408 to 10
Fax. +66 3869-2028



Branch Office (1)

1/37 Moo 1, Nongchak,
Banbueng, Chonburi 20170
Tel. +66 3829-7302 to 4
Fax. +66 3829-7305



Branch Office (2)

50, Soi Pattanakarn 57,
Prawet District, Bangkok 10250
Tel. +66 2116-9294
Fax. +66 27221132



Registrar

The Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building 14th Floor, Tower A,
93 Ratchadaphisek Road, Dindaeng , Dindaeng ,
Bangkok 10400
Tel. : +662 009 9000 Fax. :+662 009 9999

Authorized Auditor

Mrs. Suvimol Krittayakiern
CPA Registration No. 2982
D I A International Audit Co., Ltd
316/32 Soi Sukumvit 22, Sukumvit Road,
Klongtoey District, Bangkok 10110
Tel. +66 2259-5300 Fax. +66 2260-1553

Overview of business

The main business of Qualitech Plc. is the provision of third-party engineering services i.e. testing and giving engineering advices that meet the international standards, as an independent expert for various organizations for the purpose of inspection and quality assessment in accordance with the international standards as specified by the clients. The Company's provision of engineering services can be divided into 2 parts:

1. Non-Destructive Testing means the method of finding defects or malfunctions in the object without causing any damage to it.

2. Inspection and Certification is a continuous or add-on process from the Non-Destructive Testing by using different testing methods, including non-destructive testing, to inspect a object and assess the test as well as producing a report certifying the serviceability of the tested sample with a conclusion whether or not the it is suitable for usage. Inspection and certification includes, for instance, inspection and certification pursuant to the laws for LPG and NGV tanks, piping, boilers and fixed tanks.

The Company provides services to both domestic and foreign clients. The Company's main clients are businesses in the energy industry such as power plants, oil refineries, petrochemical plants, gas separation plants, gas filling plants and plants for manufacturing and installing machinery equipment; as well as users of tanks, machinery, equipment which must be inspected in accordance with the law to ensure safety such as boilers, cranes, LPG tanks, dangerous chemical tanks and high pressure tanks.

The clients for non-destructive testing and those of inspection and certification can be distinguished. 90 per cent of the clients for non-destructive testing belong to a group of project contractors, from which the Company is in turn contracted for NDT. As for inspection and certification, 70 per cent of the clients are project owners and the works are normally annual plant inspection and inspection for certification as required by law.

Shareholding Structure of the Company and Affiliates



Subsidiaries

Qualitech Public Company Limited has established 2 subsidiaries on 1st September 2011 as it follows

1. QLT International Ltd. (QLTI)

Qualitech Plc. holds 99.99 percent of shares. QLTI has registered and paid-up capital of 10,250,000 Baht, operating in engineering service in Thailand and abroad altogether with other related businesses

2. Qualitech Myanmar Ltd. (QLTM)

Qualitech Plc. holds 50.99 percent of shares. QLTM has registered and paid-up capital of 2,000,000 Baht, operating in safety engineering service in Myanmar altogether with other related businesses

Revenue Structure

Unit : Million Baht

Type of Work	Operated by	Percentage of Shareholding of company	2013		2014		2015	
			Amount	%	Amount	%	Amount	%
Non-Destructive Testing	QLT	100%						
	QLTI	99.99%	215.43	53.71	275.71	54.55	285.92	55.26
	QLTM	50.99%						
Inspection and Certification	QLT	100%						
	QLTI	99.99%	181.52	45.26	225.18	44.55	224.10	43.31
	QLTM	50.99%						
Others	QLT	100%						
	QLTI	99.99%	4.13	1.03	4.53	0.90	7.41	1.43
	QLTM	50.99%						
Total Revenue			401.13	100.00	505.42	100.00	517.43	100.00

Risk Factors

1. Risk from collection of payments from contractor

Company's customers can be classified into two major groups. The first one is the manufacturing owners (users); such as PTT, Chevron, ESSO, etc; in which the customers in this group hold the company revenue in the range of 50% and have no payment or credit problems. Another is the group of contractors. The customers in this group hold the company revenue in the range of 40%. Normally, in a large project, like oil refinery construction and gas pipeline installation, the project owner will contract a major or main contractor to carry out the project. Qualitech Plc is subcontractor for the part of engineering testing and inspection. In case where the main contractor did not complete the project, the Company could not therefore collect payment or the payment from the project owner would be overdue thus adversely affecting the Company's operation.

Risk Prevention and Reduction

The Company has formulated a plan to mitigate the risk of default on payment in the future by carefully credit-assessing its clients. This is done through analysis of financial positions, assessing the sufficiency of registered capital when compared with the size of the project to be undertaken, as well as considering debt payment history by asking for information from the relevant parties. Moreover, the Company will consider classifying the grades of its debtors quarterly. Should there be any indication of delayed payment, the Company might ask the contractor to issue a letter to the project owner transferring contractor's debt directly to the project owner; or the Company might suspend the provision of services until the arrears are paid; or the Company might proceed by other means as it sees appropriate.

2. Personnel risk

The Company's business is provision of services which requires specific knowledge and expertise in inspection and engineering services work. Therefore, the Company depends on having staff with knowledge, expertise, testing skills and can accurately interpret test results. This is because a small error could lead to catastrophic damages to lives and properties. The loss of staff or staff's incompetence would adversely affect the Company.

Risk Prevention and Reduction

The Company puts personnel development as its first priority, with a policy to enhance staff's knowledge development through domestic and overseas trainings. This includes a plan for the in-house training unit to train the staff using a curriculum which directly concerns non-destructive testing and other relevant curricula, such as safety in the workplace. The Company has a strict staff selection policy to acquire qualified staff, which would enhance the Company's credibility and image. That being said, the Company has continuously been able to find and develop its personnel so that newly recruited staff has adequate knowledge and skills to replace those leaving the Company. At present, the Company has enough staff to provide its services and is constantly developing its personnel to support future expansion.

In addition, the Company has a policy of retaining skilled staff with remuneration at the rate of no lesser than the average rate in the same industry, and also providing health insurance and setting up a provident fund as the employees' benefits. The Company grants scholarships for the relevant fields of work. The Company expects that the aforesaid policy would be able to retain its staff.

3. Risk from service warranty

In providing the services on non-destructive testing, there will be a report on the test results in accordance with the international standard as well as evidence or supporting data like x-ray film for inspection by radiography. It is a report on the completeness or deflection of the sample tested. It is not a warranty or certification that the inspected sample is in the right condition for usage. Therefore, the Company does not bear the risk, in certifying, for the damage that may arise from the tested sample in the future. However, for inspection and certification services, the Company does inspect and certify serviceability of the sample tested by referring to the result of the non-destructive testing. Thus, there is a risk in case the sample certified by the Company caused damages and there was evidence of assessment errors. The Company might have to bear the responsibility for such damages.

Risk Prevention and Reduction

The Company has a third-party insurance against damages resulting from accident with liability coverage of 30 million baht. Moreover, for each inspection and certification, the Company uses the staff with expertise and proceeds with caution and scrupulousness in line with the professional standards. The Company always assesses the satisfaction of individual client on the quality of work, quality of service, safety standards and etc. So far, the Company has not received any complaint. The Company is thus confident that the risk from certifying the work is a manageable risk. However, in the past, the company never evaluated mistake and that the company was never responsible for damage caused by work affirmation

4. Risk from international competitors following trade and engineering services liberalization

Trade liberalization policy including engineering services liberalization has opened up opportunities for competitors which are transnational companies to offer their non-destructive testing service to companies in Thailand. These transnational companies normally provide advanced non-destructive testing (NDT) service and charge substantially higher than Thai companies. The management thinks that entry into the market of transnational companies is beneficial for making advanced NDT better known and more widespread than now.

Risk Prevention and Reduction

Therefore, the Company has adapted itself by forming an alliance with a transnational company with expertise in advanced NDT in order to jointly provide services to clients. In so doing, the Company will be better known and can learn about the technology from its ally. This would prepare the Company for increasing competition in the future.

5. Financial Risk

Since the company has neither short term nor long term loan, the risk from interest rate fluctuation is very limited. In addition, business partners have strong financial stability. Consequently, financial risk of the company is not one of the concerns.

6. Currency Exchange Rate Risk

The company rarely purchase equipment and consumables abroad. Thus this risk is apparently narrow.

7. Risk from Industrial and Competitive Environment

Since the company is a safety engineering service provider in oil and gas, petrochemical and steel fabrication sectors, an effect from oil price stumble in 2015 results in tighten expenditure policy of many clients and lower demand. However, the effect to the company is limited due to various sectors of clients.

For the competition in the market, although the number of competitor is increasing, but the company keeps maintaining customer base by strictly perform services in accordance with our core value.

Risk Prevention and Minimization

1. Maintain loyal customer base by using price strategy
2. Expand customer base to other industry such as petrochemical
3. Develop the organization to meet international standards
4. Develop the personnel in accordance with European standards to enhance services variety

8. Consumables Risk

The company procures consumables through numerous domestic suppliers, which minimizes the risk from bargaining power of suppliers. Also, operation planning in advance has been applied to prevent consumables scarcity.

9. Risk from Changes of Government Policies, Standards and Regulations Related to the Company

Government policy has significant effect on the company growth and direction. The major policies are as follows.

1. Delay in Petroleum Exploration Concession in Gulf of Thailand

Currently, the amount of petroleum and gas in Thailand is getting lower. The oil and gas drilling and exploration companies might face petroleum shortage in the near future, if the concession has been delayed more. Probably, some of the companies may have to shut down the operation in Thailand.

2. Expansion of Mapthphut Industrial Estate to be industrial center in AEC

The government has a policy to expand the area of the industrial estate for upcoming production expansion and newly established business. These affect the company business in positive side for increasing in quantity demand.

3. Regulation for Import and Export Radioactive

The officials has been strictly control the transportation of radioactive which causes the difficulty and delay in international trade, which might consequently impact the company in term of Radioactive Testing.

Structure of Shareholding and Management

Company Securities

The Company has a registered capital of 99 million baht as 99 million shares of common stocks, with a par value of 1 baht per share. It has common stocks which were issued and paid-up for 98.57 million baht, consisting of 98.57 million shares of common stocks.

Shareholding Structure

Rank	Name of Shareholders	December 31, 2015	
		No. of Shares	Percentage
1	Mr.Sannpat Rattakham Group ¹	22,300,560	22.62
2	Mr.Somchaan Lubtikultham Group ²	19,098,335	19.38
3	Mr.Thawatchai Lipithorn Group ³	10,136,620	10.28
4	Mr.Suthisan Sirichanthorndirok Group ⁴	7,398,815	7.51
5	Mr.Sumet Techachainiran	4,872,755	4.94
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,654,100	4.72
7	STATE STREET BANK AND TRUST COMPANY FOR CANADA	4,285,325	4.35
8	Ms.Wimol Saetiao	3,675,000	3.73
9	RBC INVERTOR SERVICES TRUST	2,159,675	2.19
10	THAI NVDR CO.,LTD	2,081,265	2.11
Total top ten major shareholders		80,662,450	81.83
Total no. of shares		98,568,485	100.00

Remark:

¹ Mr.Sannpat Rattakham Group:

Name	No. of shares	% of paid-up shares capital
Mr.Sannpat Rattakham	17,840,000	18.10
Ms.Yanakorn Rattakham	4,410,000	4.47
Mrs.Maneerat Rattakham	35,910	0.04
Ms.Pranee Rattakham	14,650	0.01
Total	22,300,560	22.62

² Mr.Somchaan Lubtikultham Group:

Name	No. of shares	% of paid-up shares capital
Mr.Somchaan Lubtikultham	10,027,500	10.17
Ms.Monchaya Lubtikultham	4,660,835	4.74
Ms.Monsicha Lubikutham	4,410,000	4.47
Total	19,098,335	19.38

³ Mr.Thawatchai Lipithorn Group

Name	No. of shares	% of paid-up shares capital
Mr.Thavatchai Lipithorn	4,087,520	4.15
Miss.Nuannapa Lipithorn	3,006,700	3.05
Miss.Kamolnan Lipithorn	3,042,400	3.08
Total	10,136,620	10.28

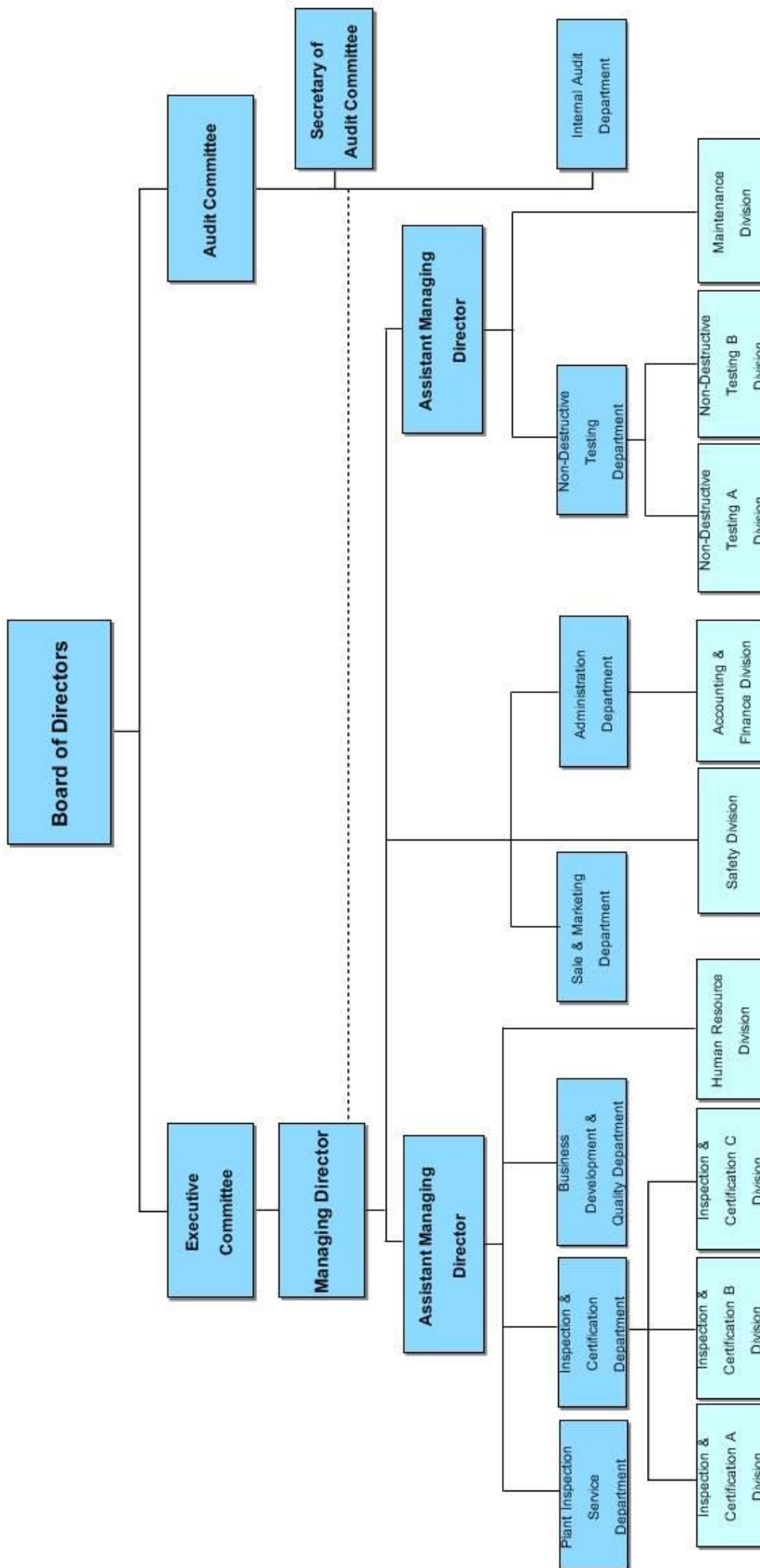
⁴ Mr.Suthisan Sirichanthorndirok Group

Name	No. of shares	% of paid-up shares capital
Mr.Sutthisan Sirichanthorndirok	4,042,500	4.10
Mr.Yutthachai Sirichanthorndirok	3,356,315	3.41
Total	7,398,815	7.51

Policy on Payment of Dividends

The Company has a policy to pay dividends to the shareholders at the rate not less than 40 percent of net profit after deducting capital gains tax of juristic person and reserves under the law. However, the Company may require the payment of dividends at the lower rate than the abovementioned rate if it is necessary for the Company to use such net profit to further expand its business.

Qualitech Public Company Limited



Management Structure

The company management comprises 3 bodies: the Board of Directors, the Audit Committee and the Executive Committee. The details are as follows:

Board of Director, 2015

Rank	Name	Position	Education Qualifications	Training on the functions and skills of director
1	Mr.Natee Boonparm	Independent Director and Chairman	Master degree	DAP
2	Mr.Sannpat Rattakham	Director	Master degree	DAP
3	Mr.Somchaan Lubtikultham	Director	Master degree	DAP
4	Mrs.Maneerat Rattakham	Director	Bachelor degree	DAP
5	Mr.Sumet Techachainiran	Director	Master degree	DAP
6	Ms.Rashaneewan Rawirach	Director	Master degree	DAP
7	Mr.Somyos Chiamchirungkorn	Independent Director and Chairman of the Audit Committee	Master degree	DCP
8	Mr.Somchai Jongsirilerd	Independent Director and Member of the Audit Committee	Master degree	DAP
9	Mr.Tinakorn Seedasomboon	Independent Director and Member of the Audit Committee	Master degree	DAP,DCP,ACP

With Mrs.Maneerat Rattakham performs as the company's secretary

Authorized directors on behalf of the Company:

1. Mr.Sannpat Rattakham Managing Director
2. Mr.Sumet Techachainiran Assistant Managing Director
3. Ms.Rashaneewan Rawirach Executive Director

Two-third of whom to co-sign with the Company seal.

Term of office of directors:

At the Annual General Meeting each year, one-third of all the directors must resign. If the number is not a multiple of three, then the number nearest to one-third must resign. In the first and second year after the company registration, the retiring directors will be selected by drawing lots. In the following years, the most senior directors must resign. The resigned directors may be re-elected.

Scope of duties and responsibilities of the Board of Directors:

The Board has the powers, duties and responsibilities in managing the Company in accordance with the laws, objectives and regulations of the Company with morality and stakeholders benefits. The main powers, duties and responsibilities of the Board are as follows:

1. convene a shareholders' meeting – annual general meeting – within 4 months after the last date of the Company's accounting period;
2. convene a meeting of the Board of Directors at least 3 times a month;
3. produce the Company's balance sheet and earnings statement at the end of the Company's accounting period, which will be audited by the auditor and submitted to the shareholders' meeting for consideration and approval;
4. may authorize one or several directors or other person to act on behalf of the Board by being under the supervision of the Board; or authorize that person to have certain authorities within the period that Board deems appropriate. The Board may annul, revoke, modify or change the designation or the scope of authorization when it deems appropriate. Moreover, the Board may authorize the Executive Committee to act with the details of the authorization in accordance with the scope of authorization and duties of the Executive Committee, given that such authorization must not constitute an authorization to the Executive Committee or any authorized person to consider and approve the items in which the Board of Directors, the authorized person, concerned person or interested person have conflict of interests with the Company or its subsidiary; except that such authorization was approved according to the policy and criteria that the Board has considered and approved, which must be in accordance with the law;
5. determine the Company's goals, roadmaps, policies, work plans and budgets; control and supervise the management of the Executive Committee ensuring that it is in line with the given policies except for matters which the law requires that approval from the shareholders' meeting must be sought first, for instance capitalization, capital reduction, sale and ownership transfer of the Company in its entirety or its significant part to other party, purchase or ownership acquisition of other company by the Company, modifying the articles of association or regulation. Moreover, the Board has within its scope of duties to supervise the Company ensuring compliance with the laws on securities and stock exchange. The regulations of the stock exchange concern, for instance, connected transaction, purchase or sale of important assets pursuant to the regulations of the Stock Exchange of Thailand or the law relating to the Company's business;
6. consider the management structure, appoint the Executive Committee, managing director and other directors as deemed appropriate;
7. follow-up on the overall operation ensuring that it continuously goes according to the work plan and budgets;
8. a director must not operate a business of the same type as the Company's or is in competition with the Company; or is a partner in a general partnership, or is a general partner in a limited partnership, or is a director of a private company or other company of the same type as the Company's or is in competition

with the Company, whether it is done for his/her or other party's benefits. The exception is when the shareholders' meeting had been informed prior to his/her appointment;

9. a director must promptly inform the Company if he/she had interest, whether directly or indirectly, in a Company's contract; or if the holding of shares or other properties of the Company or its affiliated company were increased or reduced;

Audit committee

1. Mr.Somyos Chiamchirungkorn as Chairman
2. Mr.Somchai Jongsirilerd as Member
3. Mr.Tinakorn Seedasomboon as Member of which have sufficient knowledge in accounting to review the reliability of the financial statement.

With Mrs.Wimal Saephung performs as Secretary to the Audit Committee

Term of office of audit committee member:

Audit committee chairman and members have a 3-year term. In case where an audit committee member resigns before the term expires, a replacement member will serve until the remaining term of the resigned member expires.

Qualifications:

Audit committee of the Company is independent according to the definition of independence of an independent director:

1. holds shares not exceeding than 1 per cent of the total shares with voting right of the Company, its parent company, subsidiaries, associates, or juristic persons that may have a conflict of interests, provided that the shares held by the related parties of such independent director shall be included;
2. is not a director, employee, staff, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, or juristic persons that may have a conflict of interests (presently and 2 years before taking office);
3. is not the person who has relationship by blood or affinity as father, mother, spouse, sibling, and child, as well as spouse of a child of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the Company or its subsidiary;
4. has no business relationship with the Company, its parent company, subsidiaries, associates, or juristic persons that may have conflict of interests, which may obstruct of the independent judgment, including not being the major shareholder, non-independent director or management of any person having business relationship with the Company, its parent company, subsidiaries, associates, or juristic persons that may have conflict of interests;
5. is not the auditor of the Company, its parent company, subsidiaries, associates, or juristic persons that may have a conflict of interests, which may obstruct of the independent judgment, and is not the major shareholder, non-independent director or management of any person having business relationship with the Company, its parent company, subsidiaries, associates, or juristic persons that may have conflict of interests;

6. is not the professional service provider, including legal service or financial advisor that receives service fee of more than 2 million baht per year from the Company, its parent company, subsidiaries, associates, or juristic persons that may have a conflict of interests, and is not the major shareholder, non-independent director, management or managing partner of the professional service provider;
7. is not the director who is nominated to be the representative of the Company's Board of Directors, major shareholders, or any other shareholder related to the major shareholders;
8. is not any otherwise which renders him/her unable to have independent opinion;
9. is not the director who is assigned by the Company's Board of Directors to make decision in operating the Company, its parent company, subsidiaries, associates, same-level subsidiaries, or juristic persons that may have a conflict of interests, and is not a director of a registered company which is a parent company, subsidiary, associate or same-level subsidiary;
10. has the duties of the nature as stipulated in the Notification of the Stock Exchange of Thailand on the qualifications and scope of work of the audit committee.

Terms of reference and responsibilities of the Audit Committee:

1. verify that the Company accurately and adequately report on its quarter and annual financial statements by coordinating with the external auditor and management responsible for financial statement. The Audit Committee may propose that the auditor verify or audit any item deemed necessary and important during the Company's auditing;
2. verify that the Company has proper and effective internal control and internal audit system;
3. verify that the Company conforms with laws regarding securities and stock exchange, regulations of the stock exchange, or laws regarding businesses of the Company;
4. consider, select, propose an appointment, and propose remuneration to auditors of the Company;
5. consider accurately and completely disclosing the Company's information in case of connected transactions or items related to conflict of interests;
6. prepare an auditing report of the Audit Committee for disclosure in the annual report of the Company which must be signed by the Audit Committee Chairman;
7. conduct any other works as assigned by the Board of Directors with consent from the Audit Committee;
8. report the work of the Audit Committee to the Board of Directors at least every 3 months;

be empowered to audit and investigate on certain matters, as necessary, including seeking other independent professional opinions when deemed necessary, using the Company's expenses, in order to perform its duties and responsibilities successfully;

Executive committees

The Company's executive committee comprises 3 members:

Rank	Name	Position
1.	Mr.Sannpat Rattakham	Managing Director
2.	Mr.Sumet Techachainiran	Assistant Managing Director
3.	Ms.Rashaneewan Rawirach	Executive Director

Terms of reference and responsibilities of the executive committee:

The Executive Committee has the powers, duties and responsibilities in overseeing the Company's normal operation and management, determining policies, business plans, budgets, management structure and various management powers of the Company, as well as criteria in operating the business in light of the economic conditions, which will be submitted to the meeting of the Board of Directors for its consideration and approval and/or consent; together with inspection of and follow-up on the result of the Company's operation according to the specified policies.

The main duties and responsibilities are as follows:

1. operate and manage the Company's operation according to the objectives, regulations, policies, rules, requirements, orders and decisions of the Board of Directors and/or the decisions of the shareholders' meeting;
2. consider determining policies, directions and strategies of the Company's operation; determining financial budgetary plans, human resources management, investment, business expansion, public relations according to the framework approved by the Board of Directors; and supervise the performance of appointed working group, ensuring that it meets the set goals;
3. consider annual budget allocation as proposed by the managing unit, before submitting to the Board of Directors for consideration and approval, including consider and approve the modification and addition of annual expense budget while there is no meeting of the Board of Directors and submit it to the Board of Directors for approval or confirmation at the next meeting;
4. approve payment of the Company for purchasing raw materials in its normal business within the 50 million baht limit (fifty million baht only);
5. approve payment of the Company for purchasing equipment and fixed assets for normal operation within the 20 million baht limit (twenty million baht only);
6. approve the Company's sale and provision of services in its normal business such as approval for sale of merchandise and conclusion of hire contract in its normal business, within the 150 million baht limit (one hundred and fifty million baht only);
7. approve opening/closing of all types of deposit accounts with banks or financial institutions, and determine the conditions for money withdrawal or legal transactions of that deposit account;
8. approve on decision to get a loan or line of credit, to issue debt securities, to get an overdraft or other type of loan from a bank or financial institution or ordinary person, in its normal business, within the 50

million baht limit (fifty million baht only), including asking the bank to issue a letter of guarantee for the benefit of the Company's operation, within the 150 million baht limit (one hundred and fifty million baht only);

9. approve on decision to mortgage or place as collateral the Company's assets for the purpose of guaranteeing existing or future debts of the Company, within the 20 million baht limit (twenty million baht only);
10. approve on decision to buy and sell investment units, open-end government bonds fund or money market fund by submitting to the Board of Directors for their information in the next meeting;
11. approve payment for major investment stipulated in the annual expense budget, as authorized by the Board of Directors or as the Board of Directors has approved in principle;
12. act as advisory committee for the management unit on policies concerning finance, marketing, personnel management and other operations;
13. determine the organizational structure and organizational management power, including appointment, hiring, dismissal, transfer, determining wages, remunerations and bonuses for employees and executives;
14. have the power to authorize one or several members of the Executive Committee or other person to perform certain acts, by being under the supervision of the Executive Committee; or authorize that person to have certain authorities within the period that the Executive Committee deems appropriate, which the Executive Committee may annul, revoke, modify or change the designation or the scope of authorization as it deems appropriate;
15. acquire shares or invest in other companies with financial amount not exceed 5 million Baht;
16. approve loans to subsidiaries will financial amount not exceed 5 million Baht;
17. perform other functions as assigned on a case-by-case basis by the Board of Directors.

The Executive Committee must not consider and approve items that it has interests in, or has conflict of interests with other company or its subsidiary, except where it is an approval of items in accordance with the policies and criteria considered and approved by the Board of Directors or the shareholders' meeting, and is in accordance with the law. The Board of Directors may annul, revoke, modify or change the authority of the Executive Committee by decision of the Board of Directors.

Moreover, the Executive Committee may authorize the Managing Director or the Company's staff to act, in accordance with the criteria that the Executive Committee has considered and approved. However, the authorization must not constitute an authorization for a person related with, having interests in or conflict of interests with other company or its subsidiary.

Terms of Reference and Responsibilities of the Managing Director

1. supervise operation and/or manage day-to-day work of the Company;
2. implement or carry out work in accordance with policy, plan and budget approved by the Board of Directors and/or Executive Committee of the Company;

3. act as an authorized person of the Company in managing Company's business to fully comply with objectives, articles of association, policies, regulations, rules, orders, decisions of shareholders' meeting and/or decisions of the Board of Directors and/or Executive Committee;
4. entrusted with power to authorize and/or designate any person to carry out specific task on his behalf. Such authorisation and/or designation shall be within the scope of the power entrusted and/or shall be in accordance with regulations, rules or orders stipulated by the Board of Directors and/or the Company;
5. regularly follow up and evaluate performance of the Company in order to reduce any risk of the Company caused by internal and external factors;
6. consider concluding contracts related to Company's business and other contracts benefiting Company's business, including formulating procedures and methods for the conclusion of such contracts to be submitted before the Executive Committee and/or the Board of Directors;
7. approve payment of Company's purchase in its normal business, such as purchasing raw materials and purchasing tools, equipments or permanent assets used in its operation within the 10 million baht limit (ten million baht only);
8. approve Company's sale, provision of services in its normal business, such as approving the sale of merchandises and approving the conclusion of hire contracts in normal business within the 50 million baht limit (fifty million baht only);
9. consider the allocation of emoluments, rewarded money or other remunerations as approved by the Board of Directors to staff, employees of the Company or to persons conducting business for the Company;
10. authorized to hire, assign and appoint as well as transfer staff to different chain/division/department, or to dismiss, determine wages, remunerations, bonus, welfare relating to all staff of the Company except for senior executives;
11. authorized to issue order, regulation, notification and memorandum to ensure that work has been undertaken in line with Company's policy and for Company's benefits, and that regulations and disciplines of the organisation have been observed;
12. authorized to act or grant power of attorney on behalf of the juristic person as an Engineering Inspection Body for Boiler registered with the Department of industrial Works;
13. authorized to affix the signature for certified copy of related documents;
14. perform other functions as assigned on a case-by-case basis by the Board of Directors/the Executive Committee;
15. authorized to or grant power of attorney on behalf of the company to apply for permission/ license requisition and extension for authority to approve inspection reports, as well as to send the reports and arrange a meeting with officials of the Department of Industrial works and the Department of Energy Business;

The Managing Director shall not approve any item that he/she has personal interest in or conflict of interests with the Company unless such approval has been made in accordance with the policy and criteria considered and approved by

the Board of Directors or by the shareholders' meeting and in accordance with the laws. In this regard, the Board of Directors may annul, revoke, modify or change the power of the Managing Director by its unanimous vote.

Moreover, the Managing Director may delegate his power to a member of staff of the Company to perform functions in accordance with the details of the criteria for delegation of power as considered and approved by the Managing Director. In this connection, the power shall not be delegated to any person who is related to or has personal interest in or conflict of interests with the Company or its subsidiaries.

Selection of Directors and Executives

The Company does not have any specific committee to select directors and executives. In the process of selection of persons to be appointed as directors, their qualification, knowledge, capability, experience and time to be spent in the meeting with the Board of Directors will be taken into account. The shareholders' meeting will appoint directors by majority vote in accordance with the following criteria and method:

1. A shareholder shall have the number of vote corresponding to the number of share that he holds (one share, one vote);
2. In the process of selection of Company's directors, votes may be given to nominees individually or to several nominees at the same time, as the shareholders' meeting deems appropriate. In any voting, each shareholder shall have the voting right as stipulated in item 1 above; however, the number of votes of the shareholder, no matter how many votes he has, shall be indivisible;
3. Majority rule shall be used in the selection of directors. If there is a tie, the Chairman of the meeting shall have an additional vote as a casting vote.

Remuneration of Directors and Executives

Remuneration of directors

The Annual General Meeting of shareholders for the year 2015, held on April 9, 2015 has determined the remuneration of Directors and Audit Committee for meeting allowances are as follows:

Position	Meeting allowances
<i>Board of Director</i>	
Chairman	15,000 Baht/per time
Director	10,000 Baht/per time
<i>Audit Committee</i>	
Chairman of the Audit Committee	12,000 Baht/per time
Member of the Audit Committee	10,000 Baht/per time

The Bonus of Directors neither exceed 3.00 percent of total dividend in 2015 nor 3 million Baht per year in total, which the amount individual bonus is determined by the Board of Directors.

Attendance of the Meeting of Board of Directors in 2015

No.	Name of the Board of Directors	Board of Directors (number of times)	Audit Committee (number of times)
1	Mr.Natee Boonparm	7/7	-
2	Mr.Sannpat Rattakham	7/7	-
3	Mr.Somchaan Lubtikultham	7/7	-
4	Mrs.Maneerat Rattakham	7/7	-
5	Mr.Sumet Techachainiran	7/7	-
6	Ms.Rashaneewan Rawirach	6/7	-
7	Mr.Somyos Chiamchirungkorn	6/7	4/4
8	Mr.Tinakorn Seedasomboon	7/7	4/4
9	Mr.Somchai Jongsirilerd	6/7	4/4

Directors' Remunerations in 2015

No.	Name of the Board of Directors	Meeting allowances	Bonus	Total
1	Mr.Natee Boonparm	105,000.00	293,815.00	398,815.00
2	Mr.Sannpat Rattakham	70,000.00	195,876.00	265,876.00
3	Mr.Somchaan Lubtikultham	70,000.00	195,876.00	265,876.00
4	Mrs.Maneerat Rattakham	70,000.00	195,876.00	265,876.00
5	Mr.Sumet Techachainiran	70,000.00	195,876.00	265,876.00
6	Ms.Rashaneewan Rawirach	60,000.00	195,876.00	255,876.00
7	Mr.Somyos Chiamchirungkorn	120,000.00	235,053.00	355,053.00
8	Mr.Tinakorn Seedasomboon	110,000.00	195,876.00	305,876.00
9	Mr.Somchai Jongsirilerd	100,000.00	195,876.00	295,876.00
Total		775,000.00	1,900,000.00	2,675,000.00

Directorial remuneration summary for 2014 and 2015

Remuneration	2014		2015	
	Person	Baht	Person	Baht
Meeting allowances	9	613,000.00	9	775,000.00
Bonus	9	2,000,000.00	9	1,900,000.00
Total		2,613,000.00		2,675,000.00

Remunerations of the Executives

Ten executives at the level of manager of a division or more senior received remunerations, i.e. salary and bonus, from the Company totaling 28,470,764.25 baht in 2015.

(2) Other Remunerations

The Company set up a provident fund for its staff. Conditions for contribution to the fund are as follows:

Duration of work	Contribution rate (percentage)
From 1 year but less than 5 years	3.00
From 5 years but less than 10 years	6.00
From 10 years onwards	9.00

Personnel

Number of personnel as of 31 December 2015 in the company is 514 people with following details

Institute	Number of Personnel	
	2014	2015
1. Administration Department	16	18
2. Operation Department	443	436
3. Support Department	50	60
Total	509	514

Employee Return

Employees of the company and subsidiary will receive return in cash and non-cash form such as salary, annual bonus, OT, allowance, active payment and other welfares in form of cash. Essential non-cash return includes provident fund, loan fund for employee, social security, group life and health insurance, annual medical checkup, contributions, uniform, employee shuttle, educational subsidy for employee's child. Moreover, the company also supports expense of training, seminars of both internal and external trainings.

Corporate Governance

Qualitech Public Company Limited is well aware of the importance of compliance with the principle of good corporate governance for the operation of its business. Thus, the Board of Directors has implemented its policy on the directors of the Company to comply with the principle and best practices which are in line with the Code of Best Practices for Directors of Listed Company in accordance with the guidelines of the Stock Exchange of Thailand. In this connection, practicality is taken into account during the formulation of any relevant provision. Furthermore, the Company adopts the principle of good corporate governance as a guideline to develop its policy which covers rights and equality of shareholders and stakeholders, structure, role and function, responsibility and independence of directors, disclosure of information and transparency, risk control and management, as well as ethics in business. This is to ensure the efficiency and transparency of the management and operation of business of the Company. The principle consists of the following 5 chapters:

Chapter 1 Shareholders' Rights

The Company is aware of and puts as priority the shareholders' rights by not acting in any way to violate or deprive of the rights of the shareholders and by supporting the shareholders to exercise their rights. Basic rights of the shareholders consist of purchasing, selling or transferring of share, receiving profit of the Company, receiving sufficient information and data of the Company, participating the meeting, including voting in the shareholders' meeting to remove director, appointing auditor, and participating in any matter that affects the Company, such as allocation of dividend, formulation or amendment of articles of association and memorandum of association, capital reduction or capitalisation, and approval of special programme.

In this regard, the Company will take the following actions to promote and facilitate the exercise of shareholders' rights:

- The company stipulates to arrange annual general meeting once a year within not over 4 months from the end dates of company's accounting year so that shareholders can participate in monitoring and perceiving operation report of the company in previous year round.
- The company prepares complete meeting documents for voting support of shareholders by revealing information to shareholders in advance through information report system of Stock Exchange of Thailand and on Company's Website
- The company assigns Thailand Securities Deposit Company Limited which is the security registrar of the company to deliver invitation letter to meeting with details support agendas before the meeting date at least 21 days and publicize invitation letter to shareholder's meeting with details on website of the company before sending invitation letter and advertise in newspaper for 3 consecutive days to make prior information to shareholders.

- The company facilitates shareholders who desire to accept annual report that they can contact via channels such as email, Telephone, fax and return envelope that the company will send by post immediately when shareholders request including prepare such report for them on the meeting date also.
- The company must not add any additional agenda submitted without prior notice to the shareholders along with giving rights to express their opinions and questions before making decisions.
- during each shareholders' meeting, the Chairman of the meeting shall inform relevant rules of procedure of the meeting, including those relating to voting and allocation of sufficient time for the meeting
- Directors of the company have to attend the shareholders meeting, answer the questions clearly and relevantly. In addition, Accounting and Finance Division Manager jointly answer the questions related to financial statements.
- Shareholders are allowed to submit questions or suggestion prior to the meeting as well as to express their opinion and file the question before the meeting. The relevant directors and executives shall attend the shareholders' meeting to answer the questions before the meeting;
- where a shareholder cannot attend the meeting, the Company allows the shareholder to authorize independent director or any person to attend the meeting as a proxy;
- The Company will record any important issue or opinion in the report of the meeting as a reference for the shareholders.

Chapter 2 Equal Treatment of Shareholders

The Company shall treat each shareholder, whether he/she is an executive, non-executive, foreign or minority shareholder, equally and fairly. The principles of such treatment are as follows:

- The company entitles shareholders of the company to trade securities they are holding freely
- The company entitles shareholders to accept share certificate and right of transfer
- The company provides the shareholders the right to vote equally.
- The company entitles shareholders to accept sufficient and punctual information in forms suitable for decision
- The company gives a chance to minor shareholders to nominate a person to position as the committee in advance and proper time
- The company entitles shareholders to appoint and demote the committee
- The company entitles shareholders to agree with auditor appointment and audit fee specification
- The company entitles shareholders to receive profit share from the company in form of dividend
- The company has attached the Proxy (Form B.), which is for shareholders to decide the voting directions, with the Invitation to the Annual General Meeting of Shareholders for those who are not available to attend, by giving attending and voting authority to independent directors or other individual.
- The company provides the shareholders the right to propose meeting agendas and candidates for the director election prior the Annual General Meeting of Shareholders.

- The Board of Directors shall not include additional agendas of the meeting, which are unnecessary, without advance notice to the shareholders, particularly those important agenda that the shareholders need time to study information before making a decision;
- The Company does not permit the use of Company's data. Any agency holding Company's data is forbidden from disclosing such data to any unrelated agency or person. Disclosure or use of the data by the staff or executives for the benefit of their own or of other related person is considered as a serious wrongdoing and shall be subject to disciplinary punishment. In addition, the Company has a policy and method to scrutinise the directors and executives who use the data which is not yet disclosed to the public for their own benefit in buying or selling securities as stipulated in the topic: Supervision of Using of Internal Data;
- Directors and executives of the Company is shareholders shall disclose data relating to their own interest in each agenda so that shareholder meeting will be able to consider transaction that may have conflict of interests and to decide for the benefit of the Company as a whole. The directors and executives who have such personal interest shall not be permitted to vote in the relevant agenda of the meeting.

The company will compile the agenda information and published on the company's website at www.qualitechplc.com (click at investors relations > shareholder information > shareholders' meeting invitation letter) 30 days prior to the meeting so that shareholders have sufficient time to study the information ahead of the meeting.

Chapter 3 Role of Stakeholders

The Company places importance on the rights of every group of stakeholders and has a policy to treat each important group as follows:

- Shareholders:** the company is committed to operate its business at its best by using knowledge and management skills and by upholding the values of honesty and fairness for the benefit of the all shareholders as a whole, as well as by regularly disclosing complete and accurate data;
- Staff:** the company provides fair remunerations to the staffs whom are the crucial factor of the company's success. Thus, the company put emphasis on fairness treatment both in career opportunity and compensation by using Key Performance Index (KPI) as a measurement, maintain working environment that is safe for lives and properties, place importance on capacity building of the staff thoroughly and on a regular basis, strictly comply with laws and regulations relating to the staff, including omit any act that is unfair and may affect employment security of the staff, as well as treat members of the staff politely and respect their human dignity.
- Customers:** the company is committed to deliver products and services with quality, meeting the standards, and at reasonable price, to strictly and regularly keep clients' secret, to endlessly look out for business opportunities to continuously benefit clients and to

strictly honour the conditions that it has with the clients.

Traders and Creditors: the company shall not commit any fraud in dealing with traders and creditors and is committed to strictly comply with conditions that it has with the creditors, whether they are related to the purpose of payment, reimbursement, securities, guarantees, business negotiation and other matters that it has agreed with the creditors for their common interests.

Competitors: the company shall comply with the rules of fair competition, shall not illegally and inappropriately seek for data that are competitors' trade secrets and shall not defame its trade competitors by maliciously making a false claim.

Public Society: The company will not take any actions that cause damages to society and foster social responsibility to employees in every level continually and seriously along with practice or control for serious action according to intention of law and regulations issued by governance institute including seeking opportunities to support social creativity activity.

Environment: The company will not take any actions having bad impact on natural resources and environment and support every-level employees to realize importance of utilizing resources effectively and all employees and the relevant can participate in environmental maintenance.

Complaint or comment to the company through following channels;

- **website :** <http://www.qualitechplc.com/index.php/th/webboard>
- **E-mail :** info@qualitechplc.com
- **Tel :** 038-691408-10 **Fax:** 038-692028
- **Mail to :** 1. Ms.Kunlanit Sarapab, Administration Department Manager
2. Mrs.Wimol Saephung, Audit Committee's secretary
Qualitech Plc. 21/3 Banplong Road, Maptaphut, Muang, Rayong 21150.
- For employees can complaint or suggest an opinion to operation committee via internal email of the company.

Chapter 4 Disclosure of Data and Transparency

The Company places importance on disclosure of accurate, complete, transparent, data in timely manner which meets the standards in accordance with the criteria provided by the Stock Exchange of Thailand, such as Annual Registration Statement (from 56-1) and Annual Report (from 56-2), altogether with financial report and general data, as well as other important data that may effect value of securities or procedures of decision making of Company's investors and stakeholders. This is to ensure that those related to the Company receive data equally. In this connection, the Company has publicized the data through the Stock Exchange of Thailand and website: www.qualitechplc.com.

The Board of Directors is aware of responsibility to financial report that is accurate, complete, true and

reasonable. Company's budget is determined in accordance with certified accounting standards, with the suitable accounting policy. Record of accounting data must be accurate, complete and sufficient in order to help maintaining the assets and to acknowledge the weak points which will prevent material fraud and irregularity. The Company always adheres to this practice, including sufficiently discloses of important data as appeared in the remark of the budget. Further, the Board of Directors also appoints audit committee to examine the financial report, check against the list and inspect internal audit system. In this regard, the audit committee will report the result of the examinations to the Board of Directors at every meeting of the Board of Directors. At all events, the report of the Board of directors, the Audit Committee and the Auditors, along with the Directors name list, duties and responsibilities, and tenure are disclosed in the Annual Report.

As regards investors' relation, the Company is yet to establish a unit responsible for investors' relation; however, it has entrusted Mr.Sannpat Rattakham, Managing Director and Miss. Kunlanit Sarapab, Administration Department Manger to contact shareholders, analysts and other relevant people.

Chapter 5 Responsibility of the Board of Director

(1) Structure of the Board of Director

The Board of Directors consists of directors who are knowledgeable, competent and have experiences in business benefiting the Company and without any record of failure to obey The Securities and Exchange Commission regulations. The Board of Directors is appointed by shareholders' meeting comprising 9 persons. Out of 9 persons, 4 persons are independent directors, 1 person is a Chairman of the directors, 3 persons are auditing directors, at least 1 of which must have sufficient knowledge in accounting to review the reliability of the financial statement. The Company requires that at least 1 out of 3 of all the directors, not less than 3 in total, must be independent director, acting on behalf of minority shareholders in examining and keeping the balance of business management of the Company to ensure soundness, fairness and maximum benefit of the shareholders. The directors are allowed to take a position of committee in other listed companies not exceed 3 companied.

The Chairman of the directors shall not be the same person as the Chairman of the Executive Committee and the Managing Director. This is to ensure check and balances of the management. In this connection, the Company clearly provides the terms of reference and responsibility of the directors of the Company, executive directors and the Managing Director to prevent the executive directors and the Managing Director exercising power in management and approving the budget without limitation.

(2) Subcommittees

The Board of Directors appoints subcommittees to supervise the business, namely:

- Executive Committee, not less than 3 persons, responsible for facilitating the management, with the terms of reference mandated by the Board of Directors;
- Audit Committee, not less than 3 persons, responsible for examining financial reports, cross-transactions and internal control system and assist in supervising the operation of the Company,

with the terms of reference mandated by the Board of Directors. Every member of the Committee shall possess the qualification as stipulated by the security and exchange law or by rules, notifications, orders or regulations of the Security and Exchange Commission in Thailand.

Currently, Qualitech Public Company limited does not appoint corporate governance committee as sub-committee and it is duty of company's committee to supervise works in accordance with good practices of authorized company to cover regulations of each section by assigning administration department to manage work following policy of corporate governance of the company strictly

However, in the future, the Company may establish other committees responsible for the mandated tasks, assisting the Board of Directors in management work.

(3) Role, Duty and Responsibility of Directors

The Board of Directors is responsible for setting policy, vision, strategy, aim, mission, business plan and budget of the Company. It also supervises the management and management to be in line with the policy, efficiently and effectively under the laws, objectives and articles of association of the Company as well as the decisions of shareholders' meeting. The Board of Directors provides:

Policy for corporate Governance

The Board of Directors causes to have policy for corporate governance in writing. It shall regularly provide for revision and implementation of such policy at least once a year.

Practices about Not Piracy

The company operates by not infringing intellectual property or copyrights of other people by specifying below guidelines

- Works from operation belong to intellectual property of the company
- Employees shall use only computer software authorized by the company to prevent intellectual property violation
- Works or data that belong to outsider to be used in the company shall be inspected to ensure that it is not to violate intellectual property of other people
- Employees shall not bring or take part in or perceive matters contrary to law that are deemed intellectual property infringement as stipulated in Copyright Act B.E. 2537 or other relevant laws to be used in business of the company

Anti-Corruption Policy

The company operates business by using competitive strategy fairly, transparently and holding good quality of service and always works corresponding to relevant law strictly under business value of "correctness, safety and quality priority". So, the company realizes importance and determination of every form of anti-corruption and the company's committee stipulates anti-corruption policy to declare intention of the company to insist corruption and have target for every employee in the organization along with the relevant to understand anti-corruption principles under the

same policy.

Anti-corruption policy is specified that committees, executives and employees of the company, subsidiary and joint venture along with other enterprises that have power of regulation including people relevant to business's operation to strictly practice, nevertheless, this policy is made in written to inform everybody.

Business ethic

The Company arranges for codes of conduct relating business ethics for the Board of Directors, audit committee and practitioners in each unit. The principal issues relate to keeping Company's secret, acting in good faith and in accordance with the law, respecting of each other's rights and looking after of resources both within the Company and outer environment. The emphasis on business ethics will contribute to working in good faith. It will also help the internal supervision more efficiently, causing credibility to the capital market and building confidence to the investors.

Policy relating to conflict of interests

The Company sets a policy relating to conflict of interests on the basis that every member of staff shall perform their duty for the maximum benefit of the Company only. Any act or decision shall be without influence of personal desire whether coming from family or relatives or other persons known personally. The policy is set to cover 2 issues:

- Related transactions: the Company will carefully consider the suitability of every related transaction before taking action, including price determination and conditions of the related transaction, as if it was dealing on the arm's length basis. The audit committee will consider the necessity and reasonableness of the transaction. When the Company or affiliated companies concluded related transaction and if such is the transaction stipulated in "Notification of the Security and Exchange Commission of Thailand Re: Disclosure of Data and Conduct of Listed Companies in Related transactions 2003", the Company shall comply with the criteria, conditions and methods of that Notification, including disclosure of the transaction in the annual report and the annual data form for the transaction (form 56-1). This will cause the transparency in concluding the related transaction and eliminate problems arising out of conflict of interests and other situations that result in conflict of interests.
- Other Situations Resulting in Conflict of Interests
 1. In general investment, the Company does not permit its personnel being shareholders or deriving benefit from competitor companies or traders having business with the Company to engage in decision making in matters relating to business relation with such businesses except where the Board of Directors has approved;
 2. In receiving gifts, personnel at every level should not receive gifts, travel tickets, sport tickets, recreation proposals, accommodations or other personal proposals if such will lead to commitments to the Company or cause the Company to lose its benefit;
 3. In doing academic work, public services, being speakers or taking any position, personnel at every level of the Company can get approval from the director of their chain of work to work at academic

institutions, to perform public services, to be speakers, or to take any position, such as company's directors, consultants, that will help expanding vision and gaining experience of the personnel. However, the personnel shall not engage the Company or use their position at the Company with those activities except where permitted to do so.

Internal Audit

The Company has internal audit system ensuring confidence to the investors that the Company will conduct its business efficiently and building reliability to the financial statement. The Company has internal audit unit which will evaluate risks and review internal audit annually. Mrs. Wimol Saephung, an internal auditor of the Company, is a secretary to the audit committee who will, at least every 3 months, present the result of the internal audit to the committee for its consideration.

Company's Committee gives precedence to risk management procedures of both internal and external risk that may affect the company by assigning audit committee to verify effectiveness and sufficiency of risk management procedures and internal control system by referring data from operation assessment of internal audit department.

(4) Meeting of the Board of Directors

The Board of Directors of the company meets at least once in every 3 months and may have additional meetings where necessary. The board shall be furnished with the report of work every month so that it can supervise, control and look after the conduct of management continuously and promptly. Written invitation for the meeting will be sent to the directors for their consideration prior to the meeting at least 7 days except where it is necessary or urgent to protect Company's rights or benefit. The directors may request additional necessary detailed information from the secretary of the Company.

(5) Remunerations

The Company has a policy to set remunerations for the directors and auditing directors at the level that will be an incentive to maintain qualified directors as required. Remunerations will be at the level that is comparable with that of the same group of industry and relative to the result of the operation of the Company. The shareholders' meeting will approve remunerations of the directors.

Remunerations of the Managing Director and senior executives are set to fit with the terms of reference in accordance with criteria and policy set by the Board of Directors for the maximum benefit of the Company. Level of the remunerations, being salary, bonus and long-term incentive will be relative to the result of the Company and the performance of executives individually.

(6) Professional Development knowledge of Directors and Executives of the Company

The Board of Directors supports and facilitates training and education of those who are in Company's supervision system, such as directors of the Company, auditing directors and executives, for continuous professional

development. Such training and education may be conducted within the Company or by other institutions.

At every time when a new director takes his post, the secretary of the Company shall arrange for documentation with useful data for the performance of the new director, and introduce the nature of the business and the trend of operation to the new director.

Supervision of Using of Internal Data

The Company has a policy and method to scrutinise the directors and executives who use the data which is not yet disclosed to the public for their own benefit in buying or selling securities as follows:

1. Educating the directors, including the executives on their duty to report of the holding of securities by themselves, their spouse and children under legal age, in accordance with Section 59 and the punishment provision, Section 275, of the Security and Exchange Act 1992;
2. The Company requires the executives to report to the Security and Exchange Commission of any change of the holding of securities in accordance with Section 59 of the Security and Exchange Act 1992 so that the Company will be able to scrutinise the buying and selling of all the executives;
3. The Company shall circulate a written notification to the executives informing that executives who are informed of important internal data which will influence on the change of securities' value shall cease the buying and selling of the securities of the Company within 1 month prior to the disclosure of budget or such data to the public. Further, they shall not disclose such important data to other people. Where it is found that personnel at the level of the Executive Committee use internal data in such a way that will cause damage to the Company or its shareholders, the Board of Directors will consider measures for punishment, as it deems appropriate. Where the person who commits such act is a less senior executive, the Executive Committee will consider measures for punishment of such person.

Corporate Social Responsibility

Corporate Social Responsibilities : CSR

Qualitech Public Company Limited determines to undertake its business in good governance, intends morally run business accompany with focus on internal and external corporate social responsibilities. This is one of our strategies to endure continuity business development which covers controlling and developing personnel, runs business equitably for every parties, thinks over on safety and quality of services, takes action to develop community, effectively utilize natural resources and also aware of environmental conservation.

Our company realizes that we undertake the business in engineering and safety inspection services by providing Non-Destructive Testing, Inspection and certification service which is comply with international standard and law. It is our priority responsibility to strictly follow safety standard system in Thailand and oversea as our company value “Reliability, Safety and Quality.”

To be correspond with current situation and demand of investors, our company would like to present “Corporate Social Responsibilities” for the first time which is presented separately the detail of annual report this year to present determination of sustainable development in economy, society and environment in fiscal year on 31 December 2013 which refers to The Office of The Securities and Exchange Commission report principle. Beside, our company attempts to complete and revise Corporate Social Responsibilities contents yearly.

(1) Run business equitably and against corruption

Company has defined to deal impartially with clients, trading partners and interested person. To be fair to every party, we run business equitably and also against corruption. We’ve created company’s Code of Conducts which has been approved by Boards of directors as summary below;

- Company persists in rule of law in running business. Board of directors, executives and employees shall understand company’s regulations and relevant laws including in coming effective law which effects to administrator management and working principle. Boards of directors, executives and employees shall work strictly under company’s regulations and relevant law; beside avoid the action which may cause bad company’s reputation.
- Boards of directors, executives and employees may not seek for competitors’ trade secret or specific details by infringing data piracy or breaking an agreement not to reveal clients’ details or others.

- Company details are open for all concerned parties under the law, company's regulations and also confidential clients' details including provides sufficient details and actual supporting documents accordance with to The Office of The Securities and Exchange Commission for all shareholders to estimate our company equivalently.
- In case of Boards of directors, executives or employees do something involve with company. Company will act as this action is between company and third party that the person has no authority for approval.
- Boards of directors, executives or employees do not accept bribes in term of money, benefits or objects from business partners if it is perceived that receivers have minded or special relationship with givers which may cause harm to company or interested person.
- Boards of directors, executives or employees shall honestly work without prejudice and do not use their authority and function seeking to own benefits or others.
- Boards of directors, executives or employees shall fully support to gain patent, copyright and protect company's trademark which is intellectual property and also not to piracy competitors' intellectual property.
- Boards of directors, executives or employees shall maintain impartiality and not discriminate term of employment such as recruitment, reward and benefit consideration, job promotion, job transfer, work performance evaluation, job training, following regulation, employee termination, recruitment and participate community events.

(2) Respect human rights and Labor practices

Company emphasizes to treat employees impartially. Executives pay attention to all levels of employees. No matter where they graduated from, they would receive equivalent opportunity which depends on fairness of reward system. Beside, company is willing to support personnel development in career path, encourages employees to express their opinions by providing opinion box and also provide benefits, annual recreation events to support employees' better quality of life.

Employment

Working day and time of employees is divided into 2 items as below;

1. Working hour in the office Monday to Saturday 08.00hr – 17.00hr
2. Working hour on site depends on clients' agreement which accordance with Labor law 1998 and related laws.

According to conducting inspection services at Site area where clients appointed, it is difficult to specific certain working date and time. Therefore, the operator shall work under clients' agreement. Due to flexible working date and time, company has provided suitably work reward for the operators.

For recruiting new employees, company considers from education, qualification, experiences and performance. Candidates shall pass writing examination, math examination, English test, computer skills test and also face to face interview. Candidates who pass the examination shall work as trainees, probation period is 119 working days to consider that candidates have potential and suitable qualifications for working in this position or not.

Reward and benefit management

Company has obvious reward and benefit regulations for employee by specified in Standing Instruction which is constantly revised. Company has payment policy for employees in term of monthly salary, work reward, direct position, overtime, specific certificate etc. such as

The company has established the Employees' Welfare Committee in accordance with the regulation of Ministry of Labour, which comprises of both employer and employee representatives, to take responsibility regarding to employees' welfare.

- Provident fund
- Life/health/accident insurance
- Social security
- Employee loan fund
- Employee subvention for marriage/childbirth/relatives deceased
- Scholarship for employees' children
- Uniform
- Transportation
- Diligence
- Annual medical examination
- Medical examination before work
- Personal protective equipment
- Get well basket

Company also set up welfare committee which consists of representative of employer and employee to discuss this matter.

Personnel development

Company determines to develop personnel because they are the significant part who drives the business to achieve goal and motivate organization to sustainable business development. As a result, company has focused on personnel development from the beginning till retiring as below details;

- Arrange various orientations in basis company information, company's scope of works, working regulations, safety induction, that also including business morality and company's value.
- Organize technical training such as Technical training for the best practice in operation such as Basic Welding for Welding Inspector, Radiation Test, Ultrasonic Test, Magnetic Particle Test, Penetrant Test, Working in Confined Space and Basic Radiation Safety Prevention etc. to develop operators' specific technique skills to perform job properly and skillfully.
- Arrange supporting course for management's skill such as Leadership Development Program, Professional Mentor, Finance for Non-Finance and Conducting Business Plan etc.
- General Training for daily life such as Basic First Aid and Rescue, Basic Fire Fighting and Basic English for Communication
- Encourage employees to plan their career path and also update Job Description in year 2014 Established Development Plan to be the guideline for year 2015.
- Annually schedule for training plan with proper budgeting in advance for effective trainings. In 2015, the company organized internal training and delivered personnel to train with outside training institutions for 43 curriculums covering all employees in every department.
- Follow up employees after training to ensure that they fully understand contents from training course. Issue certificates and appoint for the re-certificate period.



Occupational Health, Safety and Environment of Work

The company realizes importance of safety in life, occupational health of employees along with the relevant; therefore, the company stipulates universal standard occupational and safety management as guideline to build up good environment for work

The company strictly follows the regulation by having Committee of Safety, Occupational Health and Work

Environment along with professional safety staffs to operate, control, monitor situations of safety, occupational health and work environment of the company to be corresponding to policy and work plan including promoting employees to realize precedence of building up safety and complying with policy of safety, occupational health and work environment in 2015 as follows

- Making a preventive plan and risk reduction plan to face danger from operation or hazards in many areas in the company along with improving environment to be safe and checking equipment and tools
- Promulgating knowledge, law and regulations of safety, occupational health and other relevant laws such as labor law, transportation law, regulations of Ministry of Industry etc. including informing amended law through electronic mail and billboard of the company so that employees can search for information as benefit to them to promote self-safety
- Apart from basic knowledge of safety, occupational health management system and safety of every employee. The company also educates the employees to prevent accidents regularly with training, publication on board and electronic mail that supports not only safety in work but also safety in routine life such as driving safely and work tools usage etc.
- Setting up safety committee of the company by arranging a meeting to create safety policy with monthly follow-up

Human rights and employees parity

To respect and appreciate in human right is the foundation of personnel development. Human resources are the main key to improve production and value added to endure business development. Company consistently aware of human rights by treating them equally, no matter what races, nationalities, gender, religions, poverty, disables person, sick person including respect and accept differences in thinking, society, environment, law and culture.

(3) Services responsibilities

Company engages in the provision of Non-destructive testing, and Inspection/Certification services in accordance with international standards and regulations, aim to satisfy and assure that clients get the quality services by following up satisfaction survey and continuous on services improvement

(4) Environment conservation

Company fully supports environment conservation during working process such as adjust working procedure to use natural resources effectively, replaced the air-conditioners and lighting to be the energy saving type and provide garbage bins to separate recycle and hazardous waste.

(5) Social Community and Environment Responsibility

Company realizes the important of corporate social responsibilities and pays attention on any effects to the community by supporting and regularly participate in community events. Our employees are encouraged to be the part of these activities.

In year 2015, we have supported communities' events as details below;

- Donating calendars for Braille wording card making to The Bangkok School for The blind by collected and sent to Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen.
- The company supported waste bank project by categorizing waste before dump to reduce problems of global warming by separating reused waste for right demolition.
- Destroying chemicals for environment
- The company organized campaign for employees to take care of environment save energy and use resources worthily
- Promoting environmental preservation and energy saving program
- Supporting scholarship for employees' children
- Supporting activities on Children's Day to Nong Chak school, Chonburi.



- Participating Dredge up Canals with Banplong Community, Maptaphut, Rayong for beautify landscape on Environment Day



- Participating Road Cleaning around the community on Father's Day



- Donating subvention for AIDS patients and orphans at Wat Phrabatnampu, Lopburi.
- Donating subvention to assisting in buying desks, chairs, and stationary for Kongmongta School, Sangkhlaburi, Kanchanaburi.
- Providing internship opportunities to students.
- Providing technically experienced lecturers for Technical College faculty at The North East.
- Participating Loy Kra Thong Festival with Banplong Community, Maptaphut, Rayong.
- Donating things to a charity works of Provincial Red Cross, Chonburi.
- Participating Songkran Festival with Banplong Community, Maptaphut, Rayong.
- Donating subvention for disabled artists who draw with month or foot by bringing their works to produce as blessing card, table calendar and bookmark.
- Donating subvention for Material Testing Workshop and Instructional Media Development conducted by Material Inspector Society.

(6) Continuous development for sustainable organization

Keeping good governance principle and regularly corporate social responsibilities are the most important cores in organization value and culture and more important than time to time participate the communities' events. Company intends to develop sustainably business to assure that interested person gain mutual benefits both in short term and also long term. Our clients and business partners grow together and also support sustainably community and society. Company still intends to support new innovation to carry on research and development. Beside, company supports employees to express their creativity ideas in term of value for economy, society and environment by continuously arranging various training courses in any involved fields regularly and exchanging information, ideas and opinion in "Executives Meet Employees Event"

Internal Control

1 Sufficiency of Internal Control System

At the meeting of the Board of Directors of public company limited no. 1/2015 on 13 January 2016, attended by the Audit Committee, the board has evaluated the internal audit system by inquiring data from the management relating to the sufficiency of the internal audit system of the Company in 5 sectors, namely, organisation and environment, risk management, control of performance by the management, information and communication system and follow up system. After having evaluated, the board found that the Company has system for internal audit of majority shareholders, directors, executives or other people related to such persons sufficiently in place. The Company's internal audit system also covers all 5 sectors appropriately and sufficiently to prevent the executives from using of property inappropriately or without power. In addition, the Company's internal audit system is independent in pursuing and evaluating the result of internal audit. Moreover, the Company has a filing system of important documents that allows the directors, auditors and those authorized by law to inspect within reasonable time.

DIA, an audit firm of the Company, has examined the internal system in the year 2015 and found no important issue.

2 Policy on Procedures of Internal Audit

The Company sets up internal audit unit which is accountable directly to the audit committee quarterly in order to evaluate the potential, suitability and sufficiency of the current internal audit system, compliance with policy and relevant rules of practice as well as suitability and credibility of financial report of the Company. Internal auditors have examined procedures of work of the Company and provided remarks and advices to increase the potential of procedures of work. The executives have placed importance on and undertaken to completely improve according to the advices of the auditors within 2 months after the advices were given.

Related Transaction

Details of possible conflicts about the connected transactions between the company and its subsidiaries with connected parties that occurred in 2015 appear below:

(1) Cross-Transaction of Qualitech Public Company limited

Person/Juristic person	Relationship	Nature,condition and value	Necessity and Reasonability	Audit Committee's Opinion
Mr. Sumet Techachainirun	The Company's director and shareholder	Mr. Sumet was a guarantor on purpose of car leasing for the company 2015 : 2.66 Million Baht 2014 : 3.24 Million Baht	Mr. Sumet personally guaranteed for the company without receiving any compensation or returns	Audit Committee has considered that such transaction was proper and necessary since the guarantor has not received any compensation
QLT International Company Limited	The Company held 99.99% share capital, director and management have common shareholding	<u>Incomes</u> Wages, rental, materials supply, management service fee and uniform 2015 : 0.83 Million Baht 2014 : 1.12 Million Baht <u>Expenses</u> Wage, Consumable, Asset Purchase 2015: 23.29 Million Baht 2014: 26.38 Million Baht	Wage was employment list and its value was equivalent to employment of other companies Building and furniture rental was equivalent to market price Management fee was usual operation expense that is beneficial to the operation of the company Asset trading was traded with net residual value Consumable purchasing price was equivalent to market price	Audit Committee has considered that such transaction was cross-transaction between the parent and subsidiary company which the company holds 99.99 percent of shares, normal reasonable trading, and beneficial to the company

Person/Juristic person	Relationship	Nature,condition and value	Necessity and Reasonability	Audit Committee's Opinion
Qualitech Myanmar Company Limited	The Company held 50.99% share capital, director and management have common shareholding	<p>Income</p> <p>Wage, management service fee, travelling and accommodation cost</p> <p>2015 : 1.27 Million Baht</p> <p>2014 : 1.49 Million Baht</p> <p><u>Expenditure</u></p> <p>Wages, Travelling and accommodation</p> <p>2015 : 0.23 Million Baht</p> <p>2014 : 0.31 Million Baht</p> <p><u>Loan</u></p> <p>2015 : 0.00 Million Baht</p> <p>2014 : 1.00 Million Baht</p> <p><u>Interest income</u></p> <p>2015 : 0.06 Million Baht</p> <p>2014 : 0.03 Million Baht</p>	<p>Wage was employment list and its value was equivalent to employment of other companies</p> <p>Management fee was usual operation expense that is beneficial to the operation of the company</p> <p>Traveling expense and accommodation fee were reserved to subsidiary and to be returned to the company later</p> <p>Financial contribution to subsidiary was for working capital in business usage, which the interest rate was calculated according to Minimum Loan Rate (MLR) of Krungthai Bank Public Company Limited</p>	<p>Audit company has examined and considered that such transaction was normal trades</p> <p>Audit committee had opinion that such transaction was normal to subsidiary and it reasonably did not affect benefit of the company</p>

(2) Cross-Transaction of Qualitech Myanmar Company Limited

Person/Juristic person	Relationship	Nature, condition and value	Necessity and Reasonability	Audit Committee's Opinion
Parami Energy Service Co., Ltd.	Director and shareholder of Parami holds 49.01 percent of shares in QLTM	<u>Income</u> Products 2015: 1.52 Million Baht 2014 : 3.75 Million Baht <u>Expenses</u> Wage, management service fee, travelling and accommodation. 2015 : 0.44 Million Baht 2014 : 0.74 Million Baht <u>Loan</u> 2015 : 0.56 Million Baht 2014 : 0.50 Million Baht <u>Interest expenses</u> 2015 : 0.06 Million Baht 2014 : 0.00 Million Baht	Products were sold at the market price, equivalent to other customers Employment fee was equivalent to other business Workplace rental was necessary for the operation, and for tools and equipment storage used in Myanmar Traveling expense and accommodation fee were reserved to subsidiary and to be returned to the company later Financial support requisition from Parami as working capital in business usage, which the interest rate was calculated according to Minimum Loan Rate (MLR) of Krungthai Bank Public Company Limited	Audit Committee has considered that such transaction was proper and necessary since the guarantor has not received any compensation Audit committee had opinion that such transaction was normal to subsidiary and it reasonably did not affect benefit of the company

12.1 Measures or Procedures for Approval of Related Transactions

In dealing with persons who may be in a position that conflict of interests may occur, the transaction of these persons shall be disclosed to the board of committee for its consideration and approval to bring about the maximum benefit of the company and to protect investors and related persons with the Company. Such transactions shall comply with security and exchange laws, regulations, notification, order or rules of the Stock Exchange of Thailand. The persons who may be in a position of conflict of interests or may have interests from the transactions shall not have the right to participate in procedures for approval of such transactions.

As to transactions that are normal business, such as buying and selling goods, the Company has a policy that requires the conditions of such transactions to be in accordance with normal business and the price to be market price comparable with the price of third party. The audit committee shall consider and provide opinions on such transactions quarterly. The consideration of reasonableness of the transactions will take into account of the market price, conditions and necessity that may affect the business, such as delivery time and specific quality of goods, for the maximum benefit of the Company.

12.2 Future Trend of Related Transactions

In concluding related transactions in the future, relevant conditions of the transactions shall be in accordance with normal business by referring to suitable market price and conditions. The audit committee and/or independent directors shall give opinions relating to rate of returns as well as necessity and suitability of such transactions. If a transaction is concluded by a person who may in the future be in a position of conflict of interests, the Company shall comply with the rules, notifications and/or regulations of the Security and Exchange Commission and/or the Stock Exchange of Thailand. The Company may employ independent experts or company auditors to provide opinions relating to such transactions which will be used in decision making process of the Board of Directors or the shareholders as the case may be. In this regard, group of companies will disclose the transactions among each other in the remark of the budget report examined by the Company's auditors.

Financial Status and Result of the Operation

Tables of Qualitech Public Company Limited's Financial Statements

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013 to 2015

Unit: Thousand Baht

Result of the Operation	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
Total income	401,134.07	100.00	505,419.79	100.00	517,434.01	100.00
Service income	397,005.27	98.97	500,892.64	99.10	510,023.86	98.57
Cost of services	265,312.92	66.14	336,954.61	66.67	333,763.52	64.50
Gross Profit	131,692.35	33.17*	163,938.03	32.73*	176,260.34	34.56*
Other income	4,128.80	1.03	4,527.15	0.90	7,410.15	1.43
Profit before expenses	135,821.15	33.86	168,465.18	33.33	183,670.49	35.50
Administrative expenses	30,256.51	7.54	31,905.15	6.31	42,061.61	8.13
Directors' remuneration	2,272.75	0.57	2,613.00	0.52	2,675.00	0.52
Management benefit expenses	17,146.99	4.27	25,032.83	4.95	28,470.76	5.50
Total expenses	49,676.25	12.38	59,550.98	11.78	73,207.37	14.15
Profit before finance costs and income tax	86,144.90	21.48	108,914.20	21.55	110,463.12	21.35
Finance costs	438.43	0.11	394.00	0.08	1,013.82	0.20
Profit before income tax	85,706.47	21.37	108,520.20	21.47	109,449.30	21.15
Income tax	2,559.65	0.64	3,463.36	0.69	6,976.64	1.35
Profit for the year	83,146.82	20.73	105,056.84	20.79	102,472.66	19.80
Other comprehensive income (expense)	0.00	0.00	0.00	0.00	568.66	0.11
Total comprehensive income for the year	83,146.82	20.73	105,056.84	20.79	101,904.00	19.69
Basic earnings per share (Baht)	0.87		1.08		1.05	
Diluted earnings per share (Baht)	0.86		1.08		1.05	
Book value per share (Baht)	3.72		4.24		4.54	
Par value (Baht)	1.00		1.00		1.00	

* Gross profit margins showed above were computed by dividing gross profit with service income.

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013 to 2015

Unit : Thousand Baht

Financial Status	December 31, 2013		December 31, 2014		December 31, 2015	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	38,744.38	9.00	28,027.96	5.56	27,623.95	5.15
Current investment	75,180.96	17.46	87,815.67	17.42	112,918.74	21.05
Trade and other receivables	66,048.17	15.34	118,019.54	23.42	105,712.91	19.70
Unbilled services income	91,819.56	21.32	78,072.15	15.49	67,978.46	12.67
Inventories	9,048.48	2.10	9,210.31	1.83	12,107.15	2.26
Total current assets	280,841.55	65.22	321,145.63	63.72	326,341.21	60.82
Non-current assets						
Pledged bank deposit	13,958.08	3.24	19,203.65	3.81	30,669.92	5.72
Property, plant and equipment-net	130,295.54	30.26	156,131.16	30.98	167,257.10	31.17
Income tax deducted at source	-	-	-	-	2,463.05	0.46
Others non-current assets	4,548.81	1.06	6,614.37	1.31	9,381.74	1.75
Total non-current assets	934.53	0.22	882.26	0.18	421.11	0.08
Total assets	149,736.96	34.78	182,831.44	36.28	210,192.92	39.18

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2013 to 2015

Unit : Thousand Baht

Financial Status	December 31, 2013		December 31, 2014		December 31, 2015	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities						
Trade and other payable	51,527.28	11.97	64,023.77	12.70	60,294.71	11.24
Current portion of long - term liabilities	3,289.37	0.76	3,731.71	0.74	4,328.42	0.81
Short - term loans	-	-	500.00	0.10	566.47	0.11
Accrued income tax	506.29	0.12	697.20	0.14	2,365.62	0.44
Total current liabilities	55,322.94	12.85	68,952.68	13.68	67,555.22	12.59
Non-current liabilities						
Financial lease liabilities	4,698.36	1.09	4,258.38	0.84	5,333.82	0.99
Employee benefits obligation	10,089.27	2.34	12,793.31	2.54	15,366.59	2.86
Total non-current liabilities	14,787.63	3.43	17,051.69	3.38	20,700.41	3.86
Total liabilities	70,110.57	16.28	86,004.37	17.07	88,255.63	16.45
Shareholders' equity						
Authorized share capital	99,000.00	22.99	99,000.00	19.64	99,000.00	18.45
Issued and paid-up share capital	96,577.28	22.43	98,127.39	19.47	98,568.48	18.37
Premium on share capital	67,852.86	15.76	73,093.57	14.50	75,175.54	14.01
Equity-settled share-based payment reserve	501.90	0.12	4,296.13	0.85	4,065.19	0.76
Appropriated-legal reserve	10,000.00	2.32	10,000.00	1.98	10,000.00	1.86
Unappropriated	183,878.01	42.70	230,639.45	45.76	259,926.49	48.45
Total owners of the Company	358,810.05	83.33	416,156.54	82.57	447,735.70	83.45
Non-controlling interests	1,657.89	0.39	1,816.16	0.36	542.80	0.10
Total shareholders' equity	360,467.94	83.72	417,972.70	82.93	448,278.50	83.55
Total liabilities and shareholders' equity	430,578.51	100.00	503,977.07	100.00	536,534.13	100.00

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 to 2015

Unit : Baht

List	2013	2014	2015
Cash flows from operating activities			
Profit before income tax	85,706,464.66	108,520,204.89	109,449,300.34
Adjustments			
Unrealized gain on changes in investment valuation	(918,460.49)	(384,218.44)	(660,032.39)
Doubtful accounts	-	-	(180,260.67)
(Increase) Decrease in Unbilled services income	761,091.34	369,313.50	1,444,244.75
Depreciation	(28,672,789.97)	13,747,406.09	10,093,697.80
Loss on disposal of fixed assets	18,485,956.56	27,230,993.70	29,738,091.25
Loss on impairment of assets	458,089.26	19,359.22	(3,799,059.27)
Reverse of loss on impairment of assets	18,136.04	-	-
Write off income tax deducted at source	-	(10,323.32)	(2,267.58)
Unrealized loss on exchange rate	-	-	531,070.66
Employee benefits	39,618.44	-	978.61
Interest expenses	2,489,935.00	4,422,499.02	1,261,938.02
Unrealized gain on changes in investment valuation	428,710.82	393,999.54	1,013,821.54
	78,796,751.66	154,309,234.20	148,891,523.06
(Increase) Decrease in portion of operating assets			
Trade and other receivables	16,202,683.25	(52,340,683.14)	11,188,036.94
Inventories	(3,897,732.72)	(161,828.78)	(2,896,846.51)
Other non-current assets	-	-	(535,100.00)
Increase (Decrease) in portion of operating liabilities	(662,243.04)	62,591.32	163,919.58
Trade and other payable			
(Increase) Decrease in portion of operating assets	6,004,155.08	15,869,874.82	(3,992,820.41)
Cash generated (paid) from operation	96,443,614.23	117,739,188.42	152,818,712.66
Interest paid	(428,710.82)	(393,999.54)	(502,088.54)
Income tax received (paid)	(2,908,825.95)	(5,338,018.49)	(8,076,559.25)
Net cash provided by (used in) operating activities	93,106,077.46	112,007,170.39	144,240,064.87

STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2013 to 2015

Unit : Baht

List	2013	2014	2015
Cash flows from investing activities			
Decrease (Increase) in current investment	29,773,491.70	(12,250,483.84)	(24,443,042.07)
Increase in pledged bank deposit	(4,458,077.02)	(5,245,574.47)	(11,466,273.00)
Proceeds from sales of fixed assets	1,394,127.55	1,235,123.74	14,942,823.23
Payments for fixed assets acquisition	(36,474,133.67)	(53,737,484.36)	(47,846,734.13)
Net cash provided by (used in) investing activities	(9,764,591.44)	(69,998,418.93)	(68,813,225.97)
Cash flows from financing activities			
Increase in short-term loans	-	500,000.00	-
Decrease in financial lease agreement	(3,314,692.98)	(3,954,639.95)	(4,463,591.80)
Dividend paid	(71,780,388.75)	(58,137,291.00)	(73,890,631.25)
Proceeds from exercised of warrants to purchase ordinary shares	8,509,930.00	8,866,600.60	2,523,063.40
Proceeds for non-controlling interest	75.00	150.00	315.00
Net cash provided by (used in) financing activities	(66,585,076.73)	(52,725,180.35)	(75,830,844.65)
Net increase (decrease) in cash and cash equivalents	16,756,409.29	(10,716,428.89)	(404,005.75)
Cash and cash equivalents as at January 1	21,987,975.76	38,744,385.05	28,027,956.16
Cash and cash equivalents as at December 31	38,744,385.05	28,027,956.16	27,623,950.41

Explanation and Analysis of Financial Status and Result of the Operation

Operations Results of Qualitech Public Company Limited and Subsidiary

Operation Summary

In 2015, the accompanying consolidated financial Statements of Qualitech Public Company Limited showed that the company had income of 517.43 million Baht increasing from 12.01 million Baht or about 2.38% as a result of income from non-destructive testing while profit to owners of company is 103.75 million baht decreasing from 1.15 million Baht or 1.10% compared to 2014

Income

The company had total income for 517.43 million Baht increasing from 2014 for 12.01 million Baht or 2.38% compared to 2014 that had total income of 505.42 million Baht as a result of non-destructive testing.

Income structure	2015		2014		Change
	Million Baht	%	Million Baht	%	
Non-destructive Testing	285.92	55.26%	275.71	54.55%	3.71%
Inspection and Certification	224.10	43.31%	225.18	44.55%	-0.48%
Others	7.41	1.43%	4.53	0.90%	63.58%
Total	517.43	100.00%	505.42	100.00%	2.38%

Cost of service

In 2015, the company had cost of service of 333.76 million baht decreased by 3.19 million Baht or 0.95% compared to 2014. Majority of cost of service came from direct cost of employee and investment in equipment to be sufficient for services and tax exemption condition of The Board of Investment of Thailand (BOI). However, the company has efficiently utilized overtime payment and consumable usage, which consequently afforded the lower cost of service.

Cost of service proportion in 2015 was 65.44% of services income and gross profit margin was 34.56% increasing from 2014 that had gross profit margin of 32.73%. Increase of gross profit margin was caused by efficient cost management.

Administrative expenses

Administrative expenses in 2015 was 73.21 million baht increased by 13.66 million Baht or 22.93% compared to 2014 since the company has had higher indirect cost of employee, financial advisors fees for business expansion and

software development fees such as remuneration system and accounting system. Increase in SG&A expenses affected the net profit to owners of company and pressured it down to 103.75 million Baht, decreased by 1.15 million Baht or 1.10% compared to 2014

Profitability Ratios

Consolidated Financial Statement	2015	2014
Gross Profit Margin	34.56%	32.73%
Profit rate from operation	21.66%	21.74%
Net Profit Margin	20.05%	20.76%
Return on Equity	24.02%	27.07%

Financial Position

Consolidated Financial Statement	2014		2013		% Change
	Million		Million		
	Baht	%	Baht	%	
Asset	536.53	100.00%	503.98	100.00%	6.46%
Liability	88.26	16.45%	86.00	17.06%	2.63%
Owners of the Company	447.74	83.46%	416.16	82.58%	7.59%

Asset

The company had total asset as of 31 December 2015 for 536.53 Million Baht consisting of current asset for 326.34 million Baht and non-current asset for 210.10 million Baht. Total asset increases for 32.56 million Baht or 6.46% compared to 2014 with total asset of 503.98 million Baht. Changes in assets was largely contributed by property, plant and equipment due to land acquisition to set up a new branch for upcoming service demand. In addition, equipment acquisition was necessary for service requirement and to maintain tax privilege. Apart from property, plant and equipment, the company also had a policy to invest in low risk bond.

Trade Accounts Receivable

In 2015, the company had trade accounts receivables for 105.71 million Baht decreasing from 2014 by having average collection for 62 days and in 2014 the average collection was 71 days. The company had policy about term of payment for at least 30 days and the company would consider term of payment from previous turnover, purchase order and payment history in the past. For policy allowance for doubtful account, the company would consider from outstanding amount of debtors with settlement duration more than 90 days without movement by using allowance for doubtful account from the outstanding amount for 91-180 days, allowance is 10%, accrued for 181-270 days, allowance

is 30% and accrued for 270-365 days, allowance is 50% and accrued over 365 days, the allowance would be 100% from outstanding amount. In 2015, the company had increasing allowance for doubtful account from trade accounts receivable for 1.44 million Baht from 2014 and allowance for doubtful account increased for 0.37 million Baht

Property, plant and equipment - Net

Net property, plant and equipment for 2015 were 167.26 million Baht increasing from 2014 for 11.13 million Baht, because of to set up a new branch for upcoming service demand. In addition, equipment acquisition was necessary for service requirement and to maintain tax privilege.

Liabilities

As of 31 December 2015, the company had total liabilities for 88.26 million Baht increasing from the end of year 2014 for 2.25 million Baht or about 2.62%. It was an increase in non-current liabilities for 3.65 Million Baht or 21.40% due to high employee benefit obligation along with car leasing to serve an expansion of service area. and decrease of current liabilities for 1.40 million Baht or 2.03%, affected by lower procurement in Q4.

Owners of the Company

The owners of the company as of 31 December 2015 for 447.74 million Baht increasing from the end of 2014 for 31.58 million Baht or 7.59%. The company had increasing retained earnings for 29.29 million Baht from the turnover of the company in 2015. Moreover, the company had premium on share capital for 2.08 million Baht from the issuance of warrants for a purpose of common shares acquisition to the Company's management and/or a employee

In 2015, the company had debt/equity ratio of 0.20 times decreasing from 2014 that had debt/equity ratio of 0.22 times due to the fact that owners of the company increased for 31.58 million Baht from retained earnings, premium on share capital and increasing liabilities of 2.25 million Baht

Liquidity

Cash Flow	2015	2014
Net Cash provided by operating activities	144.24	112.01
Net Cash used in investing activities	(68.81)	(70.00)
Net Cash used in financing activities	(75.83)	(52.73)
Net Decrease in cash and cash equivalents	(0.40)	(10.72)
Cash and cash equivalents as at December 31	27.62	28.03

The company had net cash provided by operating activities for 144.24 million Baht with operational profit before asset and liabilities change in amount of 109.4 million Baht. Changes of Asset and liabilities from operation were due to decreasing trade accounts receivable and other receivable for 11.19 million Baht, inventories increased for 2.90 million Baht, trade account payable and other payable decreased for 3.99 million Baht. Unbilled services income increased for 10.09 million Baht, depreciation increased for 29.74 million Baht

Net cash used in investing activities for 68.81 million Baht was caused by payments for fixed assets acquisition for 47.85 million Baht and current investment for 24.44 million Baht

Net cash used in financing activities for 75.83 million Baht was caused by payment in financial lease liabilities for 4.46 million Baht and dividend paid of 73.89 million Baht

The company had balanced cash and cash equivalent as of 31 December 2015 for 27.62 million Baht decreasing for 0.41 million Baht when compared to as of 31 December 2014

Liquidity Ratios

	2015	2014
Current Ratio (time)	4.65	4.52
Account Receivable Turnover (time)	5.98	5.18
Average Collection Period (day)	62	71
Account Payable Turnover (time)	5.37	5.83
Average Payment Period (day)	68	63

The company had current ratio in 2015 for 4.65 times increasing for 0.13 times from 2014 because it had increasing from current assets from current investment and property, plant and equipment while current liability was slightly increased

The company had average collection period in 2015 for 62 days decreasing for 9 days compared to due to the lower invoice issued in Q4 and average payment period in 2015 for 68 days increasing for 5 day from 2014

Responsibility Report of the Board to the Financial Report

To shareholders of Qualitech Public Company Limited

The company's Board of Directors are responsible for consolidated financial statements of Qualitech Public Company Limited and subsidiaries that were made under accepted accounting standards by considering suitable accounting policies that is regularly practiced and using discretion circumspectly. Information disclosure contained in the notes to the financial statements is complete and adequate for shareholders and investors benefits.

The company's auditing committee, which comprises of qualified non-management independent directors in accordance with regulations of The Securities Exchange Commission and Capital Market Supervisory Board, has provided good corporate governance, risk management and internal control system to ensure that accounting report is correct, complete, punctual and sufficient. The audit committee had opinions that internal control and audit system of the company reliable. The consolidated financial statements of Qualitech Public Company Limited and subsidiaries for year end 31 December 2015 showed financial position, profit and loss, as well as cash flow correctly according to financial report standards, which the auditors have audited and given opinions in Auditor Report as included in an annual report of this year.



Mr. Natee Boonparm

Chairman of the Board of Directors



Mr. Sannpat Rattakham

Managing Director

AUDITOR'S REPORT

To The Shareholders of
Qualitech Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited, which comprise consolidated and separate statements of financial position as at December 31, 2015, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited as at December 31, 2015, and the consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.



(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 20, 2016

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Current assets					
Cash and cash equivalents	6	27,623,950.41	28,027,956.16	20,734,312.57	24,932,077.88
Current investment	7	112,918,740.24	87,815,665.78	97,355,552.25	81,793,637.19
Trade and other receivables	8	105,712,912.37	118,019,538.81	95,154,294.46	113,275,136.46
Unbilled services income		67,978,456.23	78,072,154.03	65,704,914.41	76,063,737.21
Short-term loans		0.00	0.00	0.00	1,000,000.00
Inventories		12,107,154.17	9,210,307.66	9,610,272.75	7,693,600.11
Total current assets		326,341,213.42	321,145,622.44	288,559,346.44	304,758,188.85
Non-current assets					
Investment in subsidiaries	9	0.00	0.00	11,269,085.00	6,019,400.00
Pledged bank deposits	10	30,669,924.49	19,203,651.49	29,075,674.49	19,203,651.49
Property, plant and equipment	11	167,257,100.47	156,131,162.57	164,464,507.17	154,465,326.00
Intangible assets		2,463,046.84	0.00	2,463,046.84	0.00
Income tax deducted at source		9,381,743.60	6,614,374.52	9,364,361.95	6,593,185.77
Others non-current assets	12	421,110.92	882,262.92	421,110.92	882,262.92
Total non-current assets		210,192,926.32	182,831,451.50	217,057,786.37	187,163,826.18
Total assets		536,534,139.74	503,977,073.94	505,617,132.81	491,922,015.03

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2015

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Current liabilities					
Trade and other payables	13	60,294,704.62	64,023,769.60	58,779,224.38	67,434,502.13
Current portion of long-term liabilities	14	4,328,424.67	3,731,710.71	3,957,582.33	3,587,008.64
Short-term loans		566,465.63	500,000.00	0.00	0.00
Accrued income tax		2,365,622.71	697,198.57	0.00	0.00
Total current liabilities		67,555,217.63	68,952,678.88	62,736,806.71	71,021,510.77
Non-current liabilities					
Financial lease liabilities	14	5,333,823.15	4,258,378.91	4,741,682.46	4,000,616.91
Employee benefit obligations	15	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.00
Total non-current liabilities		20,700,417.16	17,051,696.93	19,892,324.46	16,758,566.91
Total liabilities		88,255,634.79	86,004,375.81	82,629,131.17	87,780,077.68
Shareholders' equity					
Share capital					
Authorized share capital	16				
99,000,000 common shares of					
Baht 1 each		99,000,000.00	99,000,000.00	99,000,000.00	99,000,000.00
Issued and paid-up share capital	16				
98,568,485 common shares of					
Baht 1 each		98,568,485.00		98,568,485.00	
98,127,390 common shares of					
Baht 1 each			98,127,390.00		98,127,390.00
Premium on share capital		75,175,543.40	73,093,575.00	75,175,543.40	73,093,575.00
Equity-settled share-based payment reserve		4,065,188.03	4,296,130.00	4,065,188.03	4,296,130.00
Retained earnings					
Appropriated - legal reserve	17	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Unappropriated	18	259,926,492.94	230,639,446.79	235,178,785.21	218,624,842.35
Total owners of the Company		447,735,709.37	416,156,541.79	422,988,001.64	404,141,937.35
Non-controlling interests		542,795.58	1,816,156.34	0.00	0.00
Total shareholders' equity		448,278,504.95	417,972,698.13	422,988,001.64	404,141,937.35
Total liabilities and shareholders' equity		536,534,139.74	503,977,073.94	505,617,132.81	491,922,015.03

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2015	2014	2015	2014
Services income		510,023,863.25	500,892,645.09	491,540,567.44	490,521,405.41
Cost of services		(333,763,516.33)	(336,954,611.30)	(339,931,991.74)	(345,624,112.58)
Gross profit		176,260,346.92	163,938,033.79	151,608,575.70	144,897,292.83
Other income		7,410,147.69	4,527,147.21	8,687,940.99	6,474,132.92
Administrative expenses		(73,207,372.73)	(59,550,976.57)	(64,923,898.29)	(52,585,419.76)
Finance costs		(1,013,821.54)	(393,999.54)	(844,361.65)	(370,884.48)
Profit before income tax		109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Income tax expenses	19	(6,976,635.70)	(3,463,361.03)	(3,478,071.06)	(1,589,834.23)
Profit for the year		102,472,664.64	105,056,843.86	91,050,185.69	96,825,287.28
Other comprehensive income (expense)					
Items that will not be reclassified subsequently to profit or loss					
Employee benefit obligation actuarial gains (losses)	15	(568,663.00)	0.00	(605,611.58)	0.00
Total comprehensive income for the year		101,904,001.64	105,056,843.86	90,444,574.11	96,825,287.28
Profit (loss) attributable to :					
Owners of the Company		103,746,340.40	104,898,727.28	91,050,185.69	96,825,287.28
Non-controlling interests		(1,273,675.76)	158,116.58	0.00	0.00
		102,472,664.64	105,056,843.86	91,050,185.69	96,825,287.28
Total comprehensive income attributable to :					
Owners of the Company		103,177,677.40	104,898,727.28	90,444,574.11	96,825,287.28
Non-controlling interests		(1,273,675.76)	158,116.58	0.00	0.00
		101,904,001.64	105,056,843.86	90,444,574.11	96,825,287.28
Earnings per share					
Basic earnings per share	20	1.05	1.08	0.92	1.00
Weighted average number of common shares	20	98,455,100	97,164,123	98,455,100	97,164,123
Diluted earnings per share	20	1.05	1.08	0.92	0.99
Weighted average number of common shares	20	98,455,100	97,505,167	98,455,100	97,505,167

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Consolidated financial statements (Baht)

Note	Issued and paid-up share capital	Owners of the Company						Total
		Premium on share capital	Equity-settled share-based payment reserve	Retained earnings		Total owners of the Company	Non-controlling interests	
				Appropriated	Unappropriated			
	96,577,285.00	65,777,079.40	2,577,678.00	10,000,000.00	183,878,010.51	358,810,052.91	1,657,889.76	360,467,942.67
Balance as at December 31, 2013								
Changes in shareholders' equity for the year:								
	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
Common shares								
16	0.00	0.00	1,718,452.00	0.00	0.00	1,718,452.00	0.00	1,718,452.00
Share-based payment								
16	1,550,105.00	7,316,495.60	0.00	0.00	0.00	8,866,600.60	0.00	8,866,600.60
Common shares exercised from warrants								
18	0.00	0.00	0.00	0.00	0.00	(38,758,194.00)	0.00	(38,758,194.00)
Dividend paid								
Total comprehensive income for the year								
18	0.00	0.00	0.00	0.00	104,898,727.28	104,898,727.28	158,116.58	105,056,843.86
Interim dividend paid								
18	0.00	0.00	0.00	0.00	(19,379,097.00)	(19,379,097.00)	0.00	(19,379,097.00)
Balance as at December 31, 2014	98,127,390.00	73,093,575.00	4,296,130.00	10,000,000.00	230,639,446.79	416,156,541.79	1,816,156.34	417,972,698.13
Changes in shareholders' equity for the year:								
	0.00	0.00	0.00	0.00	0.00	0.00	315.00	315.00
Common shares								
16	441,095.00	2,081,968.40	0.00	0.00	0.00	2,523,063.40	0.00	2,523,063.40
Common shares exercised from warrants								
16	0.00	0.00	(230,941.97)	0.00	0.00	(230,941.97)	0.00	(230,941.97)
Share-based payment								
18	0.00	0.00	0.00	0.00	(49,253,845.00)	(49,253,845.00)	0.00	(49,253,845.00)
Dividend paid								
Total comprehensive income for the year								
18	0.00	0.00	0.00	0.00	103,177,677.40	103,177,677.40	(1,273,675.76)	101,904,001.64
Interim dividend paid								
18	0.00	0.00	0.00	0.00	(24,636,786.25)	(24,636,786.25)	0.00	(24,636,786.25)
Balance as at December 31, 2015	98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	259,926,492.94	447,735,709.37	542,795.58	448,278,504.95

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2015

Note	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Equity-settled share-based payment reserve		Retained earnings		
			share-based payment reserve	Appropriated	Unappropriated		
Balance as at December 31, 2013	96,577,285.00	65,777,079.40	2,577,678.00	10,000,000.00	179,936,846.07	354,868,888.47	
Changes in shareholders' equity for the year:							
Share-based payment	16	0.00	0.00	1,718,452.00	0.00	0.00	
Common shares exercised from warrants	16	1,550,105.00	7,316,495.60	0.00	0.00	0.00	
Dividend paid	18	0.00	0.00	0.00	0.00	(38,758,194.00)	
Total comprehensive income for the year		0.00	0.00	0.00	0.00	96,825,287.28	
Interim dividend paid	18	0.00	0.00	0.00	0.00	(19,379,097.00)	
Balance as at December 31, 2014		98,127,390.00	73,093,575.00	4,296,130.00	10,000,000.00	218,624,842.35	
Changes in shareholders' equity for the year:							
Common shares exercised from warrants	16	441,095.00	2,081,968.40	0.00	0.00	0.00	
Share-based payment	16	0.00	0.00	(230,941.97)	0.00	0.00	
Dividend paid	18	0.00	0.00	0.00	0.00	(49,253,845.00)	
Total comprehensive income for the year		0.00	0.00	0.00	0.00	90,444,574.11	
Interim dividend paid	18	0.00	0.00	0.00	0.00	(24,636,786.25)	
Balance as at December 31, 2015		98,568,485.00	75,175,543.40	4,065,188.03	10,000,000.00	235,178,785.21	

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before income tax	109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Adjustments				
Unrealized gain on changes in investment valuation	(660,032.39)	(384,218.44)	(518,872.99)	(362,189.85)
Unrealized gain on exchange rate	(180,260.67)	0.00	(10,741.26)	0.00
Doubtful accounts	1,444,244.75	369,313.50	0.00	369,313.50
Reversed doubtful accounts	0.00	0.00	(212,659.77)	0.00
Increase in unbilled service income	10,093,697.80	13,747,406.09	10,358,822.80	15,806,159.65
Depreciation	29,738,091.25	27,230,993.70	29,126,081.54	26,859,287.22
(Gain) Loss on disposal of fixed assets	(3,799,059.27)	19,359.22	(3,799,059.27)	19,874.57
Reversed loss on impairment of assets	(2,267.58)	(10,323.32)	(2,267.58)	(10,323.32)
Amortized intangible assets	531,070.66	0.00	531,070.66	0.00
Write off income tax deducted at source	978.61	0.00	0.00	0.00
Employee benefits	1,261,938.02	4,422,499.02	1,048,669.45	4,387,131.00
Interest expenses	1,013,821.54	393,999.54	844,361.65	370,884.48
	148,891,523.06	154,309,234.20	131,893,661.98	145,855,258.76
(Increase) Decrease in portion of operating assets				
Trade and other receivables	11,188,036.94	(52,340,683.14)	18,344,243.03	(48,543,814.72)
Inventories	(2,896,846.51)	(161,828.78)	(1,916,672.64)	397,374.12
Intangible assets	(535,100.00)	0.00	(535,100.00)	0.00
Other non-current assets	163,919.58	62,591.32	463,419.58	62,591.32
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	(3,992,820.41)	15,869,874.82	(8,840,104.23)	17,910,876.55
Cash generated (paid) from operation	152,818,712.66	117,739,188.42	139,409,447.72	115,682,286.03
Interest paid	(502,088.54)	(393,999.54)	(336,892.65)	(370,884.48)
Income tax paid	(8,076,559.25)	(5,338,018.49)	(6,249,247.24)	(3,644,796.80)
Net cash provided by (used in) operating activities	144,240,064.87	112,007,170.39	132,823,307.83	111,666,604.75

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2015

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in current investment	(24,443,042.07)	(12,250,483.84)	(15,043,042.07)	(6,250,483.84)
(Increase) Decrease in short-term loans	0.00	0.00	1,000,000.00	(1,000,000.00)
Payments for acquire of ordinary share of subsidiary	0.00	0.00	(5,249,685.00)	(2,499,850.00)
Increase in pledged bank deposit	(11,466,273.00)	(5,245,574.47)	(9,872,023.00)	(5,245,574.47)
Proceeds from sales of fixed assets	14,942,823.23	1,235,123.74	14,942,823.23	1,223,297.74
Payments for fixed assets acquisition	(47,846,734.13)	(53,737,484.36)	(47,305,967.69)	(53,184,200.12)
Net cash provided by (used in) investing activities	(68,813,225.97)	(69,998,418.93)	(61,527,894.53)	(66,956,810.69)
Cash flows from financing activities				
Increase in short-term loans	0.00	500,000.00	0.00	0.00
Decrease in financial lease liabilities	(4,463,591.80)	(3,954,639.95)	(4,125,610.76)	(3,816,787.01)
Dividend paid	(73,890,631.25)	(58,137,291.00)	(73,890,631.25)	(58,137,291.00)
Proceeds from exercised of warrants to purchase ordinary shares	2,523,063.40	8,866,600.60	2,523,063.40	8,866,600.60
Proceeds for non-controlling interests	315.00	150.00	0.00	0.00
Net cash provided by (used in) financing activities	(75,830,844.65)	(52,725,180.35)	(75,493,178.61)	(53,087,477.41)
Net increase (decrease) in cash and cash equivalents	(404,005.75)	(10,716,428.89)	(4,197,765.31)	(8,377,683.35)
Cash and cash equivalents as at January 1	28,027,956.16	38,744,385.05	24,932,077.88	33,309,761.23
Cash and cash equivalents as at December 31	27,623,950.41	28,027,956.16	20,734,312.57	24,932,077.88

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

- 1.1 The Company was registered as a company limited on February 11, 1991 with registration No. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration No. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and two branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi and at 50, Soi Pattanakarn 57, Prawet, Bangkok.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

- 2.1 The financial statements have been prepared in conformity with Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and in accordance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

Measurement of fair values

A number of the Company and subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. observable prices).
- Level 3 : inputs are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and subsidiaries recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised accounting standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the former accounting standard allows the entity to recognize such gains and losses immediately in either profit or loss or other comprehensive income, or to recognize them gradually in profit or loss.

This revised accounting standard does not have any significantly impact on the financial statements of the Company and its subsidiaries.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this financial reporting standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This financial reporting standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the Company is to recognize its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This financial reporting standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities.

This financial reporting standard does not have any impact on the Company and its subsidiaries' financial statements.

TFRS 13 Fair Value Measurement

This financial reporting standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this financial reporting standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this financial reporting standard are to be recognized prospectively.

(b) Thai Financial Reporting Standards that have been issued but are not yet effective

The Company and its subsidiaries have not adopted the revised financial reporting standards that have been issued but are not yet effective. The revised financial reporting standards will become effective for annual financial periods beginning on or after January 1, in the year indicated in the following table:

	<u>Contents</u>	<u>Effective year</u>
<u>Accounting Standards</u>		
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Accounting Standards</u>		
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
<u>Financial Reporting Standards</u>		
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued	2016
	Operations	
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Standing Interpretations Committee</u>		
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
<u>Financial Reporting Interpretations Committee</u>		
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 <i>(Revised 2015) Financial Reporting in Hyperinflationary Economies</i>	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016

	<u>Contents</u>	<u>Effective year</u>
<u>Standing Interpretations Committee</u>		
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) <i>Employee Benefits</i>	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21 (revised 2015)	Levies	2016

Management has preliminary assessed of the potential initial impact on the Company and its subsidiaries' financial statements of the revised financial reporting standards and expects that they will have no material impacts on the financial statements in the period of initial application.

3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

3.1 The consolidated financial statements have been prepared by including the financial statements of subsidiaries on which Qualitech Public Company Limited has ability to control in making financial and operating decisions upto the controllable is ceased as below :

	<u>Percentage of investment %</u>		<u>Type of business</u>
	2015	2014	
QLT International Limited	99.99	99.99	Providing engineering services in both Thailand and overseas and engage in relevant business
Qualitech Myanmar Limited	50.99	50.99	Providing safety engineering services in Myanmar and engage in relevant business

- 3.2 The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.
- 3.3 The balance of accounts and transactions between Qualitech Public Company Limited and subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and Expenses Recognition

4.1.1 Revenues and expenses are recognized on an accrual basis.

4.1.2 Core revenues of the Company and subsidiaries are derived from billing under contracts that provide for specific time, material and equipment charges which will be billed ranging from daily to monthly. The Company and subsidiaries recognize such revenues based on the period or lump-sum as stipulated in the contract and on the percentage of completion work for long-term mega-contract. Under this method, the Company and subsidiaries estimated contract revenues based on the actual costs incurred as a percentage of total estimated costs. The factors affect to total estimated costs are changes in the cost of materials and labor, productivity, planning, external factors including weather other factors outside the Company and subsidiaries control, may affect the progress and estimated cost of completion. These factors had impact on revenues recognition. The Company and subsidiaries routinely review estimates related to contracts when the total contract costs indicates exceeding contract revenues, the Company and subsidiaries thus, will recognize the contingent loss as expenses and reflect revision immediately.

4.2 Cash and Cash Equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

4.3 Investments

Investments in securities for trading are stated at fair value. Gain or loss on changes in fair value is recognized as income or expenses in the statements of comprehensive income.

4.4 Trade and Other Receivables

Trade and other receivables are stated at the rights to receive amount / invoice amount less allowance for doubtful accounts.

The Company and subsidiaries provided allowance for doubtful accounts by considering the overdue period of the accounts receivable from the abilities to repay the debts of each accounts receivable.

4.5 Inventory

Supplies are valued at the lower of cost on a first - in first - out (FIFO) basis or net realizable value.

4.6 Property, Plant and Equipment

4.6.1 Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any). Cost of assets including the dismantlement, removal and restoration the site on which it is located, the obligation for which the Company incurs.

4.6.2 Building and equipment are depreciation on a straight-line basis over the estimated useful lives of the assets, and the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are as follows :

	Number of years
Building	20
Building improvement	20
Office furniture and fixture	5
Tools and technical equipment	5
Office equipment	3, 5
Utilities system	5
Vehicles	5

Except for tools and technical equipment acquired from October 23, 1999 to December 31, 2003 and acquired after December 31, 2005 were depreciated on double declining balance method (5 years period) for parts of tools and technical equipment since such tools and technical equipment are made up of technology component. Such technology has greatly developed to be raised the efficiency all the time and the Company must use such tools and technical equipment for performing its work in the customers' office, thus, the tools and technical equipment may possible be obsolete or damage from the performance.

Land and assets under construction were not depreciated.

4.7 Intangible Assets

Intangible assets are valued at cost less accumulated amortization and provision for impairment of assets (if any).

Amortization is determined on a straight-line basis 10 years.

4.8 Impairment of Assets

The Company and subsidiaries have considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company and subsidiaries will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of comprehensive income for the period. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

4.9 Transactions in Foreign Currencies

The Company and subsidiaries record their transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

4.10 Financial Instruments

Financial instruments are presented in statements of financial position, consist of cash and cash equivalents, current investment, trade accounts receivable, other receivables, trade accounts payable, other payables and financial lease liabilities. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

4.11 Long-Term Lease Agreement

The Company and subsidiaries record vehicles under purchase agreement as assets and liabilities in an amount equal to the fair value of the leased assets or the present value of the minimum payments under the agreements. Interest expenses are recorded to each period over the term of the agreement.

4.12 Employee Benefits

4.12.1 Provident Fund

The Company and subsidiaries have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

4.12.2 Post-Employee Benefits

The Company and subsidiaries provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle and determines discount rate by reference to market yield of government bonds should have terms to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees' salaries, turnover, length of services and other factors. Changes in actuarial gains or losses are recognized in the period in which they are incurred in other comprehensive income. Expenses related to employee benefits shall be recorded in profit or loss for sharing such expenses throughout the period of services rendering.

4.13 Income Tax and Deferred tax

1. Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income
 - Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
 - Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.

2. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.
3. In determining the amount of current and deferred tax, the Company and subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Company and subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company and subsidiaries to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.
4. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company and subsidiaries intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
5. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.14 Accounting Estimates

Preparation of financial statements in conformity with the financial reporting standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from those estimates.

4.15 Provisions

The Company and subsidiaries recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and subsidiaries settle the obligation. The amount recognized should not exceed the amount of the provision.

4.16 Earnings per Share

Basic earnings per share is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing net profit (loss) for the year by the weighted average of common share issued during the year added by the number of common shares issued for offering to warrant holders of the Company.

5. EFFECTS OF RECLASSIFICATION

The certain accounts in the 2014 financial statements have been reclassified for corresponding with the presentation in the 2015 financial statements as follows:

	Consolidated and Separate financial statements (Baht)		
	Before reclassify	Reclassified	After reclassify
<u>Statements of financial position</u>			
Premium on share capital	76,718,065.03	(3,624,490.03)	73,093,575.00
Equity-settled share-based payment reserve	671,639.97	3,624,490.03	4,296,130.00

6. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

6.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Cash	467,682.13	390,439.24	321,939.47	326,936.48
Cash at bank - current accounts	34,000.00	34,000.00	34,000.00	34,000.00
Cash at bank - savings deposit	27,122,268.28	27,603,516.92	20,378,373.10	24,571,141.40
Total	<u>27,623,950.41</u>	<u>28,027,956.16</u>	<u>20,734,312.57</u>	<u>24,932,077.88</u>

6.2 Non-cash transaction

For the year 2015

Parent company

The Company entered into hire purchase vehicles agreement of Baht 6.98 million which was already made the initial installment in the amount of Baht 1.75 million. The remaining is presented as financial lease liabilities.

Subsidiary

The subsidiary entered into hire purchase vehicles agreement of Baht 1.20 million which was already made the initial installment in the amount of Baht 0.30 million. The remaining is presented as financial lease liabilities.

For the year 2014

Parent company

The Company entered into hire purchase vehicles agreement of Baht 5.28 million which was already made the initial installment in the amount of Baht 1.32 million. The remaining is presented as financial lease liabilities.

7. CURRENT INVESTMENT

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Investment in open-end fund :-				
Aberdeen Cash Creation Fund	15,563,187.99	6,022,028.59	0.00	0.00
KT-ST	30,518,619.59	0.00	30,518,619.59	0.00
T-TSARN	30,268,501.87	0.00	30,268,501.87	0.00
T-TSB	15,098,203.35	0.00	15,098,203.35	0.00
TMBABF	19,996,659.32	0.00	19,996,659.32	0.00
Krung Thai Savings Fund (KTSS)	0.00	20,108,016.28	0.00	20,108,016.28
T - Cash Fund	0.00	20,109,438.69	0.00	20,109,438.69
Thai Cash Management Fund	0.00	20,115,565.85	0.00	20,115,565.85
K-Money	0.00	20,005,949.98	0.00	20,005,949.98
Total investment in				
open-end fund	111,445,172.12	86,360,999.39	95,881,984.13	80,338,970.80
Cash at bank-fixed deposit 6 months	1,473,568.12	1,454,666.39	1,473,568.12	1,454,666.39
Total	112,918,740.24	87,815,665.78	97,355,552.25	81,793,637.19

Such fund invested in debt securities which had minimal risk.

8. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade accounts receivable	110,343,110.28	121,786,639.00	98,823,338.81	118,719,620.79
Other receivables	10,727,057.55	10,145,910.52	10,031,306.59	8,468,526.38
Total	121,070,167.83	131,932,549.52	108,854,645.40	127,188,147.17
Less Allowance for doubtful accounts				
- Trade accounts receivable	(15,357,255.46)	(13,913,010.71)	(13,700,350.94)	(13,913,010.71)
Net	105,712,912.37	118,019,538.81	95,154,294.46	113,275,136.46

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Undue trade accounts receivable	45,909,563.63	58,354,824.73	37,725,061.13	60,398,737.37
Overdue trade accounts receivable				
- Less than 3 months	44,692,415.15	38,629,869.54	44,563,495.15	36,951,263.69
- Over 3 months to 6 months	819,867.00	9,426,840.71	819,867.00	5,994,515.71
- Over 6 months to 9 months	2,791,185.00	2,528,409.00	2,791,185.00	2,528,409.00
- Over 9 months to 12 months	3,304,884.48	0.00	98,535.51	0.00
- Over 12 months	12,825,195.02	12,846,695.02	12,825,195.02	12,846,695.02
Total	110,343,110.28	121,786,639.00	98,823,338.81	118,719,620.79

9. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)	
			2015	2014	2015	2014	2015	2014
QLT International Limited	Providing engineering services in both Thailand and overseas and engage in relevant business	The Company held 99.99% share capital, director and management have common-shareholding	10,250,000.00	5,000,000.00	99.99	99.99	10,249,385.00	4,999,700.00
Qualitech Myanmar Limited	Security engineering services in Myanmar and engage in relevant business	The Company held 50.99% share capital, director and management have common-shareholding	2,000,000.00	2,000,000.00	50.99	50.99	1,019,700.00	1,019,700.00
Total							11,269,085.00	6,019,400.00

9.1 Share capital - QLT International Limited

9.1.1 During the year 2014, QLT International Limited has called for and received the payment of common shares amount of Baht 2.50 million (50,000 common shares of Baht 50 each), resulting to subsidiary has 100% issued and paid-up share capital equal to the registration amount of Baht 5.00 million (50,000 common shares of Baht 100 each).

9.1.2 According to the minutes of shareholders' extraordinary meeting No. 1/2015 held on March 12, 2015, passed the resolution to increase share capital amount of Baht 15 million totally Baht 20 million (200,000 common shares at par value of Baht 100 each) in the existing shareholders ratio that the subsidiary has registered the increase share capital with the Ministry of Commerce on March 24, 2015. The subsidiary has called for and received the payment of common shares amount of Baht 5.25 million (150,000 common shares of Baht 35 each), resulting to subsidiary has issued and paid-up share capital amount of Baht 10.25 million.

9.2 Qualitech Myanmar Limited

9.2.1 Qualitech Myanmar Limited joint with a person which the Company has ability to control in making financial and operating decisions.

9.2.2 Share capital - Qualitech Myanmar Limited

According to the minutes of shareholders' extraordinary meeting No. 2/2014, passed the resolution to increase share capital for another amount of Baht 4 million totally Baht 6 million (60,000 common shares at par value of Baht 100 each) that the subsidiary has registered the increase share capital with the Ministry of Commerce on May 30, 2014. But the subsidiary still has not received the payment for such increase share capital that subsidiary subsequently proposed to the shareholders for decreasing such share capital and at the shareholders' extraordinary meeting No. 3/2014 held on June 25, 2014, passed the resolution to decrease share capital for the amount of Baht 4 million, the remaining share capital amount of Baht 2 million (20,000 common shares at par value of Baht 100 each), the subsidiary has registered the decrease share capital with the Ministry of Commerce on August 21, 2014.

9.3 The financial statements for the year ended December 31, 2015 and 2014 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

10. PLEDGED BANK DEPOSIT

As at December 31, 2015 and 2014, the Company and its subsidiary have deposits at a bank amount of Baht 30.67 million and Baht 19.20 million in the consolidated financial statements, and Baht 29.08 million and Baht 19.20 million in the separate financial statements respectively which are mortgaged as collateral against contingent liabilities from bank's issuance of letter of guarantee (note 28).

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statements (Baht)							Total		
	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system		Vehicles	Assets under construction
Assets - cost :										
As at December 31, 2013	35,080,000.00	33,062,717.99	8,657,181.46	7,678,647.40	126,704,313.90	10,590,044.43	1,291,122.36	49,467,429.09	2,006,864.52	274,538,321.15
Acquisition	0.00	0.00	89,690.72	899,455.40	38,322,812.77	3,420,431.48	0.00	9,470,125.86	2,745,994.33	54,948,510.56
Disposal	0.00	0.00	0.00	(336,831.52)	(16,814,136.77)	(1,132,743.75)	0.00	(5,801,414.04)	(22,276.93)	(24,107,403.01)
Transfer	0.00	0.00	2,303,212.52	0.00	89,683.71	0.00	0.00	0.00	(2,392,896.23)	0.00
As at December 31, 2014	35,080,000.00	33,062,717.99	11,050,084.70	8,241,271.28	148,302,673.61	12,877,732.16	1,291,122.36	53,136,140.91	2,337,685.69	305,379,428.70
Acquisition	21,425,000.00	0.00	0.00	569,460.14	20,233,185.45	1,367,123.99	0.00	8,206,371.03	2,665,670.00	54,466,810.61
Disposal	(11,000,000.00)	0.00	0.00	(159,528.05)	(14,315,572.06)	(419,613.11)	0.00	(3,594,875.14)	0.00	(29,489,588.36)
Transfer to intangible assets	0.00	0.00	0.00	0.00	0.00	(129,410.00)	0.00	0.00	(2,329,607.50)	(2,459,017.50)
As at December 31, 2015	45,505,000.00	33,062,717.99	11,050,084.70	8,651,203.37	154,220,287.00	13,695,833.04	1,291,122.36	57,747,636.80	2,673,748.19	327,897,633.45
Accumulated depreciation :										
As at December 31, 2013	0.00	7,142,606.05	1,415,409.92	4,471,512.56	94,353,117.84	7,766,019.26	1,291,118.36	27,802,995.92	0.00	144,242,779.91
Depreciation for the year	0.00	1,606,508.88	542,063.03	1,074,580.30	18,520,888.90	1,753,653.59	0.00	3,733,299.00	0.00	27,230,993.70
Depreciation - write off	0.00	0.00	0.00	(331,968.66)	(15,647,941.56)	(1,060,679.97)	0.00	(5,184,917.29)	0.00	(22,225,507.48)
As at December 31, 2014	0.00	8,749,114.93	1,957,472.95	5,214,124.20	97,226,065.18	8,458,992.88	1,291,118.36	26,351,377.63	0.00	149,248,266.13
Depreciation for the year	0.00	1,536,761.09	550,013.95	1,155,418.83	21,178,790.37	2,024,532.78	0.00	3,292,574.23	0.00	29,738,091.25
Depreciation - write off	0.00	0.00	0.00	(105,836.49)	(13,974,170.88)	(675,234.13)	0.00	(3,590,582.90)	0.00	(18,345,824.40)
As at December 31, 2015	0.00	10,285,876.02	2,507,486.90	6,263,706.54	104,430,684.67	9,808,291.53	1,291,118.36	26,053,368.96	0.00	160,640,532.98
Net book value										
As at December 31, 2014	35,080,000.00	24,313,603.06	9,092,611.75	3,027,147.08	51,076,608.43	4,418,739.28	4.00	26,784,763.28	2,337,685.69	156,131,162.57
As at December 31, 2015	45,505,000.00	22,776,841.97	8,542,597.80	2,387,496.83	49,789,602.33	3,887,541.51	4.00	31,694,267.84	2,673,748.19	167,257,100.47

11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Separate financial statements (Baht)										Total
	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction		
Assets - cost :											
As at December 31, 2013	35,080,000.00	33,062,717.99	8,657,181.46	7,675,047.40	126,543,264.95	10,216,045.65	1,291,122.36	48,388,429.09	2,006,864.52	272,920,673.42	
Acquisition	0.00	0.00	89,690.72	860,095.59	38,022,519.82	3,206,800.00	0.00	9,470,125.86	2,745,994.33	54,395,226.32	
Disposal	0.00	0.00	0.00	(336,831.52)	(16,790,758.52)	(1,132,743.75)	0.00	(5,801,414.04)	(22,276.93)	(24,084,024.76)	
Transfer	0.00	0.00	2,303,212.52	0.00	89,683.71	0.00	0.00	0.00	(2,392,896.23)	0.00	
As at December 31, 2014	35,080,000.00	33,062,717.99	11,050,084.70	8,198,311.47	147,864,709.96	12,290,101.90	1,291,122.36	52,057,140.91	2,337,685.69	303,231,874.98	
Acquisition	21,425,000.00	0.00	0.00	507,997.44	19,793,085.45	1,332,320.25	0.00	7,003,971.03	2,665,670.00	52,728,044.17	
Disposal	(11,000,000.00)	0.00	0.00	(159,528.05)	(14,315,572.06)	(419,613.11)	0.00	(3,594,875.14)	0.00	(29,489,588.36)	
Transfer to intangible assets	0.00	0.00	0.00	0.00	0.00	(129,410.00)	0.00	0.00	(2,329,607.50)	(2,459,017.50)	
As at December 31, 2015	45,505,000.00	33,062,717.99	11,050,084.70	8,546,780.86	153,342,223.35	13,073,399.04	1,291,122.36	55,466,236.80	2,673,748.19	324,011,313.29	
Accumulated depreciation :											
As at December 31, 2013	0.00	7,142,606.05	1,415,409.92	4,471,455.37	94,327,768.22	7,719,146.16	1,291,118.36	27,753,197.56	0.00	144,120,701.64	
Depreciation for the year	0.00	1,606,508.88	542,063.03	1,070,602.88	18,435,654.99	1,606,958.44	0.00	3,597,499.00	0.00	26,859,287.22	
Depreciation - write off	0.00	0.00	0.00	(331,968.66)	(15,635,873.96)	(1,060,679.97)	0.00	(5,184,917.29)	0.00	(22,213,439.88)	
As at December 31, 2014	0.00	8,749,114.93	1,957,472.95	5,210,089.59	97,127,549.25	8,265,424.63	1,291,118.36	26,165,779.27	0.00	148,766,548.98	
Depreciation for the year	0.00	1,536,761.09	550,013.95	1,136,819.59	21,015,109.46	1,836,476.44	0.00	3,050,901.01	0.00	29,126,081.54	
Depreciation - write off	0.00	0.00	0.00	(105,836.49)	(13,974,170.88)	(675,234.13)	0.00	(3,590,582.90)	0.00	(18,345,824.40)	
As at December 31, 2015	0.00	10,285,876.02	2,507,486.90	6,241,072.69	104,168,487.83	9,426,666.94	1,291,118.36	25,626,097.38	0.00	159,546,806.12	
Net book value											
As at December 31, 2014	35,080,000.00	24,313,603.06	9,092,611.75	2,988,221.88	50,737,160.71	4,024,677.27	4.00	25,891,361.64	2,337,685.69	154,465,326.00	
As at December 31, 2015	45,505,000.00	22,776,841.97	8,542,597.80	2,305,708.17	49,173,735.52	3,646,732.10	4.00	29,840,139.42	2,673,748.19	164,464,507.17	

Tools and technical equipment as at December 31, 2015

(Unit : Baht)

Assets acquired	Cost	Accumulated	Net cost
		depreciation	
Depreciation by straight-line method			
- Before October 23, 1999	1,491,340.39	(1,491,297.39)	43.00
- 2004 until present	54,930,998.85	(34,612,190.17)	20,318,808.68
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	3,623,327.17	(3,623,258.17)	69.00
- 2006 until present	93,296,556.94	(64,441,742.10)	28,854,814.84
Total	153,342,223.35	(104,168,487.83)	49,173,735.52

Tools and technical equipment as at December 31, 2014

(Unit : Baht)

Assets acquired	Cost	Accumulated	Net cost
		depreciation	
Depreciation by straight-line method			
- Before October 23, 1999	1,974,030.39	(1,973,952.39)	78.00
- 2004 until present	53,568,073.02	(36,621,625.40)	16,946,447.62
Depreciation by double-declining balance method			
- Before October 23, 1999 to 2003	3,886,156.75	(3,886,099.75)	57.00
- 2006 until present	88,436,449.80	(54,645,871.71)	33,790,578.09
Total	147,864,709.96	(97,127,549.25)	50,737,160.71

Depreciation for the year ended December 31, 2015 and 2014 were Baht 21.02 million and Baht 18.44 million

respectively.

12. OTHER NON-CURRENT ASSETS

	Consolidated and Separate financial statements (Baht)	
	2015	2014
Deposit receivable under contract	4,043,674.99	4,504,826.99
Others	11,814.15	14,081.73
Total	4,055,489.14	4,518,908.72
Less Allowance for doubtful accounts	(3,622,564.07)	(3,622,564.07)
Less Provision for impairment of assets	(11,814.15)	(14,081.73)
Net	421,110.92	882,262.92

13. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade accounts payable	15,791,741.98	13,875,856.91	19,681,772.38	23,963,519.57
Other payables				
Accrued expenses	39,452,950.51	43,120,916.19	34,204,093.37	36,551,558.66
Assets payable	912,424.10	768,792.62	912,424.10	727,597.62
Others	4,137,588.03	6,258,203.88	3,980,934.53	6,191,826.28
Total	60,294,704.62	64,023,769.60	58,779,224.38	67,434,502.13

14. FINANCIAL LEASE LIABILITIES

14.1 Financial lease liabilities excluded future interest expenses as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Hire purchase payable	9,662,247.82	7,990,089.62	8,699,264.79	7,587,625.55
Less Current portion of long-term liabilities	(4,328,424.67)	(3,731,710.71)	(3,957,582.33)	(3,587,008.64)
Net	5,333,823.15	4,258,378.91	4,741,682.46	4,000,616.91

14.2 The Company and subsidiaries' fixed assets at cost are being made the payment as indicated in agreement as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Vehicles	24,843,000.00	22,611,037.38	22,866,000.00	21,832,037.38

14.3 The minimum amount to be paid under financial lease as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Within 1 year	4,640,947.00	4,045,749.00	4,236,583.00	3,884,781.00
Over 1 year less than 3 years	4,710,885.00	4,129,914.00	4,116,781.00	3,861,634.00
Over 3 years less than 5 years	854,113.00	208,810.00	833,830.00	208,810.00
Total	10,205,945.00	8,384,473.00	9,187,194.00	7,955,225.00
Less Future interest expenses of				
financial lease	(543,697.18)	(394,383.38)	(487,929.21)	(367,599.45)
Present value of financial lease				
liabilities	9,662,247.82	7,990,089.62	8,699,264.79	7,587,625.55

15. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long-term service awards.

The defined benefit plans expose the Company and subsidiaries to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follows:

	Consolidated		Separate	
	financial statements (Baht)	financial statements (Baht)	financial statements (Baht)	financial statements (Baht)
	2015	2014	2015	2014
Present value of obligations	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.00

Movement in the present value of the employee benefit obligations

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
As at 1 January	12,793,318.02	10,089,271.00	12,757,950.00	10,089,271.00
Benefits paid	(14,000.00)	0.00	(14,000.00)	0.00
Current service costs and interest	2,018,612.99	1,621,994.02	1,801,080.42	1,586,626.02
Actuarial losses (gains)	568,663.00	1,082,053.00	605,611.58	1,082,053.00
As at 31 December	15,366,594.01	12,793,318.02	15,150,642.00	12,757,950.02
Expense recognized in profit or loss				

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Current service costs	1,492,880.00	1,218,423.02	1,279,611.42	1,200,349.02
Interest on obligation	511,733.00	403,571.00	507,469.00	386,277.00
Actuarial losses (gains)	0.00	1,082,053.00	0.00	1,082,053.00
Total	2,004,613.00	2,704,047.02	1,787,080.42	2,668,679.02

The Company and its subsidiaries recognized the expenses in the following line items in the statement of income

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Cost of services	711,037.74	1,430,378.00	711,037.74	1,430,378.00
Administrative expenses	781,842.26	1,273,669.02	568,573.68	1,238,301.00
Finance costs	511,733.00	0.00	507,469.00	0.00
Total	2,004,613.00	2,704,047.02	1,787,080.42	2,668,679.00

Actuarial losses (gains) recognized in other comprehensive income

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2015	2014	2015	2014
Included in retained earnings :				
As a January 1	0.00	0.00	0.00	0.00
Recognized during the year	568,663.00	0.00	605,611.58	0.00
As at December 31	568,663.00	0.00	605,611.58	0.00

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated		Separate	
	financial statements (%)		financial statements (%)	
	2015	2014	2015	2014
Discount rate	4.00	4.00	4.00	4.00
Future salary increases	6.00	6.00	6.00	6.00

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2008 (“TMO08”).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation. Management has assessed and deemed that such sensitivity have no material impacts on the financial statements of the Company and its subsidiaries.

16. SHARE CAPITAL

16.1 The increase and decrease of share capital for the year ended December 31, 2014 and 2013 are as follow :

	Authorized share capital		Issued and paid-up share capital	
	Number of shares	Amount (Baht)	Number of shares	Amount (Baht)
Balance as at January 1, 2014	99,000,000	99,000,000.00	96,577,285	96,577,285.00
Common shares issued from exercise				
of warrants (QLT -ESOP)	0	0.00	1,550,105	1,550,105.00
Balance as at December 31, 2014	99,000,000	99,000,000.00	98,127,390	98,127,390.00
Common shares issued from exercise				
of warrants (QLT -ESOP)	0	0.00	441,095	441,095.00
Balance as at December 31, 2015	99,000,000	99,000,000.00	98,568,485	98,568,485.00

16.2 Warrants

On July 4, 2012, the Company issued 4.30 million units of warrants to the Company's management and/or employees without offering price at the exercised ratio of 1 unit of warrant per 1 ordinary share at the price of Baht 5.72 each. The exercise period is 3 years from the date of issuance and offering (in the 1st and 2nd year can be exercised right not exceed 30% and the remaining can be exercised in the 3rd year). The exercise right will be made on the 15th of March and September.

Estimated fair value of exercised right of warrants equal to Baht 0.9991 by using Black-Scholes Model such as stock price equal to Baht 6.40, exercise price is Baht 5.72, index volatility at 24.29%, dividend yield at the rate 5.47%, time to maturity 3 years and interest rate at 3.08%.

The Company recorded expenses for the issuance of warrants to purchase common shares (QLT -ESOP) to the Company's management and employees which included in employee benefit expenses and recorded "Equity-settled share-based payment reserve" in shareholders' equity.

	Consolidated and Separate	
	financial statements (Baht)	
	2015	2014
Expenses for the issuance of warrants to purchase common shares	<u>(230,941.97)</u>	<u>1,718,452.00</u>

The increase and decrease of warrants to purchase the Company's ordinary shares (QLT -ESOP) for the year ended December 31, 2015 and 2014 are as follow :

	Number of units
Balance as at January 1, 2014	2,222,350
Exercise of warrants	<u>(1,550,105)</u>
Balance as at December 31, 2014	672,245
Exercise of warrants	(441,095)
Expired warrants	<u>(231,150)</u>
Balance as at December 31, 2015	<u>0</u>

17. LEGAL RESERVE

By virtue of the Public Company Limited Act, the Company is required to set aside the reserve as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of authorized share capital. The reserve is not available for dividend distribution.

18. RETAINED EARNINGS APPROPRIATION

For the year 2015

According to the annual general shareholders' meeting for the year 2015 held on April 9, 2015, the shareholders passed the resolution to pay dividend to the shareholders at Baht 0.70 per share, total amount of Baht 68.63 million by making interim dividend payment at Baht 0.20 per share for 96.90 million ordinary shares, total amount of Baht 19.38 million, thus, the remaining annual dividend payment at Baht 0.50 per share for 98.51 million ordinary shares, total amount of Baht 49.25 million. During the year, the Company has paid such dividend in fully amount.

According to the minutes of Board of Directors' meeting No. 6/2015 held on August 8, 2015, passed the resolution to pay dividend from the result of six-months profit for the year 2015 to the shareholders at Baht 0.25 per share total amount of Baht 24.64 million. During the year, the Company has paid such dividend in fully amount.

For the year 2014

According to the annual general shareholders' meeting for the year 2014 held on April 9, 2014, the shareholders passed the resolution to pay dividend from the result of 2013 profit to the shareholders at Baht 0.65 per share, total amount of Baht 62.68 million by making interim dividend payment at Baht 0.25 per share for 95.71 million ordinary shares, total amount of Baht 23.93 million, thus, the remaining annual dividend payment at Baht 0.40 per share for 96.90 million ordinary shares, total amount of Baht 38.75 million. During the year, the Company has fully paid such dividend.

According to the minutes of Board of Directors' meeting No. 4/2014 held on August 9, 2014, passed the resolution to pay dividend from the result of profit for the six months of 2014 to the shareholders at Baht 0.20 per share total amount of Baht 19.38 million. During the year, the Company has fully paid such dividend.

19. INCOME TAX

19.1 The calculation of current income taxes

For the year 2015 and 2014, the Company and its subsidiaries calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses for the year and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 25).

19.2 Income tax recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Current tax				
For the current year	6,976,635.70	3,463,361.03	3,478,071.06	1,589,834.23
Deferred tax				
Changes in temporary differences	0.00	0.00	0.00	0.00
Total income tax	6,976,635.70	3,463,361.03	3,478,071.06	1,589,834.23

As at December 31, 2015 and 2014, allowance for doubtful accounts amount of Baht 13.70 million and Baht 13.91 million respectively are allowance for doubtful accounts of trade accounts receivable granted from promotional investment which have no impacts on deferred tax.

19.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Profit before income tax	109,449,300.34	108,520,204.89	94,528,256.75	98,415,121.51
Income tax rate (%)	20	20	20	20
Income tax	22,413,031.47	21,571,318.76	18,905,651.35	19,683,024.30
Prohibited taxable expenses	841,873.73	1,239,796.53	534,557.37	1,228,395.28
Additional taxable expenses	(485,526.08)	(445,208.26)	(485,526.08)	(444,023.66)
Promoted profit	(15,639,251.35)	(18,877,561.69)	(15,476,611.57)	(18,877,561.69)
Profit (Loss) for the year				
in subsidiaries	(153,492.07)	(24,984.31)	0.00	0.00
Total income tax	6,976,635.70	3,463,361.03	3,478,071.07	1,589,834.23
Income tax rate (%)	6	3	4	2

20. EARNINGS PER SHARE

Consolidated financial statements								
	Net profit			Number of shares			Earnings / share	
	2015	Baht	2014	2015	share	2014	2015	Baht 2014
Basic earnings per share								
Net profit of common shareholders	103,746,340.40		104,898,727.28	98,455,100		97,164,123	1.05	1.08
Effects of potential common								
share (exercise rights)	-		-	0		341,044		
Diluted earnings per share								
Net profit of common shareholders assumed								
as conversion to common share	103,746,340.40		104,898,727.28	98,455,100		97,505,167	1.05	1.08
Separate financial statements								
	Net profit			Number of shares			Earnings / share	
	2015	Baht	2014	2015	share	2014	2015	Baht 2014
Basic earnings per share								
Net profit of common shareholders	91,050,185.69		96,825,287.28	98,455,100		97,164,123	0.92	1.00
Effects of potential common								
share (exercise rights)	-		-	0		341,044		
Diluted earnings per share								
Profit of common shareholders assumed								
as conversion to common share	91,050,185.69		96,825,287.28	98,455,100		97,505,167	0.92	0.99

21. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Part of the Company and subsidiaries' assets, liabilities, revenues and expenses arose from transaction with persons and related parties. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

21.1 General information

Name	Relationship	Description	Pricing policy
Related persons			
Mr. Sumet Techachainiran	The Company's director and shareholder	Guarantee	Non-service charge
Subsidiary companies			
Qualitech Myanmar Limited	The Company held 50.99% share capital, director and management have common shareholding	Income - wages	Close to market value
		Income - management service fee	At agreed price
		Interest income	At the rate of 6.75% per annum
		Wages	At agreed price
QLT International Limited	The Company held 99.99% share capital, director and management have common shareholding	Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Wages	At agreed price
		Materials supply	At agreed price
Related company			
Parami Energy Service Co., Ltd.	Director and shareholder of subsidiary	Income - wages	At agreed price
		Wages	At agreed price
		Management service fee	At agreed price
		Interest expenses	At the rate of 6.75% per annum

21.2 Assets and liabilities transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade and other receivables				
Qualitech Myanmar Limited	0.00	0.00	95,497.50	530,524.43
QLT International Limited	0.00	0.00	0.00	66,000.00
Parami Energy Service Co., Ltd.	3,331,877.55	3,874,410.13	0.00	0.00
Total	3,331,877.55	3,874,410.13	95,497.50	596,524.43
Unbilled services income				
Qualitech Myanmar Limited	0.00	0.00	90,075.00	82,200.00
QLT International Limited	0.00	0.00	161,383.18	37,383.18
	0.00	0.00	251,458.18	119,583.18
Short-term loans				
Qualitech Myanmar Limited	0.00	0.00	0.00	1,000,000.00

The increase and decrease of short-term loans are as follow :

	Separate financial statements (Baht)	
	2015	2014
Balance as at January 1	1,000,000.00	0.00
Increase during the period	2,000,000.00	1,000,000.00
Decrease during the period	(3,000,000.00)	0.00
Balance as at December 31	0.00	1,000,000.00

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Trade and other payables				
Qualitech Myanmar Limited	0.00	0.00	0.00	59,035.65
QLT International Limited	0.00	0.00	8,538,759.54	10,081,221.79
Parami Energy Service Co., Ltd.	879,968.75	713,093.80	0.00	0.00
Total	<u>879,968.75</u>	<u>713,093.80</u>	<u>8,538,759.54</u>	<u>10,140,257.44</u>
Short-term loans				
Parami Energy Service Co., Ltd.	<u>566,465.63</u>	<u>500,000.00</u>	<u>0.00</u>	<u>0.00</u>

The increase and decrease of short-term loans are as follow :

	Consolidated financial statements (Baht)	
	2015	2014
Balance as at January 1	500,000.00	0.00
Increase during the period	1,000,000.00	500,000.00
Decrease during the period	(1,000,000.00)	0.00
Loss on exchange rate	66,465.63	0.00
Balance as at December 31	<u>566,465.63</u>	<u>500,000.00</u>

21.3 Revenues and expenses transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Service income - wages				
Qualitech Myanmar Limited	0.00	0.00	59,186.23	199,295.40
QLT International Limited	0.00	0.00	160,000.00	384,000.00
Parami Energy Service Co., Ltd.	1,517,359.90	3,748,389.40	0.00	0.00
Total	<u>1,517,359.90</u>	<u>3,748,389.40</u>	<u>219,186.23</u>	<u>583,295.40</u>
Other income - rental				
QLT International Limited	<u>0.00</u>	<u>0.00</u>	<u>194,392.54</u>	<u>291,588.84</u>

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Other income - management fee				
Qualitech Myanmar Limited	0.00	0.00	1,039,300.00	964,775.00
QLT International Limited	0.00	0.00	448,598.16	443,364.51
Total	0.00	0.00	1,487,898.16	1,408,139.51
Other income - tools rental				
Qualitech Myanmar Limited	0.00	0.00	120,000.00	298,892.22
Other income - interest				
Qualitech Myanmar Limited	0.00	0.00	56,028.79	32,270.56
Cost of services - wages				
Qualitech Myanmar Limited	0.00	0.00	225,483.32	305,142.29
QLT International Limited	0.00	0.00	21,549,155.10	23,675,824.73
Parami Energy Service Co., Ltd.	159,784.00	303,609.20	0.00	0.00
Total	159,784.00	303,609.20	21,774,638.42	23,980,967.02
Cost of services - material supply				
QLT International Limited	0.00	0.00	1,738,292.00	2,700,902.00
Cost of services - travelling				
Parami Energy Service Co., Ltd.	0.00	44,892.28	0.00	0.00
Administrative expenses - management fee				
Parami Energy Service Co., Ltd.	199,730.00	391,898.50	0.00	0.00
Finance costs - Interest expenses				
Parami Energy Service Co., Ltd.	63,061.66	0.00	0.00	0.00

22. DIRECTORS' REMUNERATION

Directors' remuneration represent the benefits paid to the Company's directors in accordance with section 90 of the Public Companies Act, excluding salaries and related benefits payable to executive directors.

23. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses relating salaries, remunerations and other benefits paid to the directors and management, in accordance with the definitions of the Office of Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels. Some of management benefit expenses are included in cost of services.

24. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2015	2014	2015	2014
Employee benefit expenses	233,099,887.27	229,358,046.18	223,947,637.84	223,009,426.20
Depreciation	29,738,091.25	27,230,993.70	29,126,081.54	26,859,287.22
Supplies used	35,909,282.07	42,050,518.86	35,737,072.33	38,024,542.98
Contractor wage	32,869,469.09	27,710,081.90	49,155,258.43	49,452,782.39
Travelling and accommodation expenses	15,072,987.86	14,197,129.41	13,347,066.92	12,698,362.80
Office expenses	7,892,356.28	8,030,039.34	7,644,015.56	7,631,326.00
Fee and consulting fee	5,059,999.32	3,087,071.22	3,447,052.75	2,322,875.73
Repairs and maintenance expenses	3,667,936.57	5,634,588.32	3,625,246.46	5,554,023.92
Directors' remuneration	2,775,000.00	2,613,000.00	2,775,000.00	2,613,000.00
Management benefit expenses	28,470,764.25	25,032,832.53	24,238,512.75	18,414,582.53

25. PROMOTIONAL PRIVILEGES

25.1 The Company and its subsidiary were granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 and the Board of Investment approved the activities under five promotion certificate for services providing of testing of welding and metal identification as the scientific testing, the certificate No. 1 dated December 28, 2005, No. 2 dated June 18, 2007, No. 3 dated August 4, 2008, No. 4 dated March 4, 2013 and No. 5 dated February 20, 2014. The significant privileges are as follows:

25.1.1 To exempt the customs duties for imported machinery as approved by the Board of Investment.

25.1.2 To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings derives from the promoted activity. In the case where a loss has been incurred during the period of receiving exemption, the annual loss was granted permission to deduct with net profit accrued after the expiration of the period of exemption of income tax for a period of 5 years.

25.1.3 The Company's shareholders will be exempted the corporate income tax for dividend received from the Company all duration of income tax exemption of the Company.

The Company must to comply with the certain conditions and terms as stipulated in promotional certificate.

25.2 The results of operation of the Company and subsidiaries for the year ended December 31, 2015 and 2014 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2015	2014	2015	2014	2015	2014
Services income	392,104,183.06	387,363,874.07	117,919,680.19	113,528,771.02	510,023,863.25	500,892,645.09
Cost of services	(260,361,907.69)	(254,791,603.90)	(73,401,608.64)	(82,163,007.40)	(333,763,516.33)	(336,954,611.30)
Gross profit	131,742,275.37	132,572,270.17	44,518,071.55	31,365,763.62	176,260,346.92	163,938,033.79
Other income	152,500.07	0.00	7,257,647.62	4,527,147.21	7,410,147.69	4,527,147.21
Administrative expenses	(53,209,036.41)	(40,952,090.53)	(19,998,336.32)	(18,598,886.04)	(73,207,372.73)	(59,550,976.57)
Finance costs	(690,851.32)	(289,067.36)	(322,970.22)	(104,932.18)	(1,013,821.54)	(393,999.54)
Profit before income tax	77,994,887.71	91,331,112.28	31,454,412.63	17,189,092.61	109,449,300.34	108,520,204.89
Income tax expenses	0.00	0.00	(6,976,635.70)	(3,463,361.03)	(6,976,635.70)	(3,463,361.03)
Profit for the year	77,994,887.71	91,331,112.28	24,477,776.93	13,725,731.58	102,472,664.64	105,056,843.86

26. OPERATING SEGMENTS

26.1 Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker of the Company has been identified as the President of executive directors.

26.2 The Company and subsidiaries' operations involve virtually in a single in services providing for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment in both domestic and an overseas geographical segment since the overseas segment had services income less than 10% of services volume, therefore, the financial information by geographical segment has not been presented.

26.3 Revenues separated by nature of services are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2015	2014
Non-Destructive Testing	285.92	275.71
Inspection and certificate	224.10	225.18

27. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

1) Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements No. 4.10.

2) Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The Company and subsidiaries have policy to hedge this credit risk by reviewing the financial status of customers and collecting based on the percentage of completion. Financial assets shown in statements of financial position at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

3) Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and subsidiaries operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its deposits at bank and financial lease liabilities. The Company and subsidiaries do not use derivative financial instruments to hedge such risk.

4) Fair value of financial instruments

Financial assets shown in statements of financial position consist of cash and cash equivalents and current investment, trade and other receivables, short-term loans, long-term investments and pledged bank deposits. Financial liabilities shown in statements of financial position consist of trade and other payables, short-term loans and financial lease liabilities.

Book value of financial assets and liabilities are close to their fair value.

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 The Company and its subsidiaries have commitment under fixed assets acquisition agreement with several seller as at December 31, 2015 and 2014 total amount of Baht 13.31 million and Baht 1.59 million in the consolidated financial statements, and Baht 13.31 million and Baht 0.69 million in the separate financial statements respectively.

28.2 The subsidiary has commitment under lease office building agreement as at December 31, 2014 for the amount of Baht 0.16 million.

28.3 The Company and its subsidiaries have contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, as at December 31, 2015 and 2014 total amount of Baht 26.81 million and Baht 15.76 million in the consolidated financial statements, and Baht 25.22 million and Baht 15.76 million in the separate financial statements respectively. Contingent liabilities are guaranteed by bank deposits (note 10).

29. PROVIDENT FUND

On February 8, 2006, the Company has joined to be a member of provident fund named "Peum Kuan Mun Kong Registered Provident fund" which registered in accordance with the Provident Fund Act B.E. 2530 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3-9% based on length of works. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

This fund is managed by Kasikorn Thai Assets Management Company Limited. For the year 2015 and 2014, the Company has contribution expenses in the amount of Baht 3.72 million and Baht 3.24 million respectively.

30. CAPITAL MANAGEMENT

The objective of financial management of the Company is to preserve the ability to continue its operation as a going concern and the capital structure to be properly appropriated.

31. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 20, 2016.

Qualitech Public Company Limited

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