

Audit Committee's Report

The Audit Committee has performed duties independently as tasked by the Board of Directors pursuant to the Audit Committee Charter. The performance was consistent with regulations and good practices for audit committees prescribed by the Office of the Securities and Exchange Commission and Stock Exchange of Thailand.

In 2016, the Audit Committee held a total of 12 meetings. The attendance of members may be summarized as follows:

		<u>Meetings attended/Meetings held</u>
1) Mr. Padoong Techasarintr	Chairman of the Audit Committee	12/12
2) Associate Prof. Nares Kesaprakron	Audit Committee Member	12/12
3) Mr. Krish Follett	Audit Committee Member	11/12
4) Pol.Lt.Gen. Amarin Niemskul *	Audit Committee Member	4/4

* Pol.Lt.Gen. Amarin Niemskul resigned from the Board of Directors as of 26th April 2016.

In addition, joint meetings were held with the management on 3 occasions to discuss matters pertaining to the business operations of the Company. Quarterly reports on the performance of the Audit Committee were also regularly submitted to the Board of Directors. The main issues in the 2016 annual period may be summarized as follows:

1. Review of financial statements. The Audit Committee reviewed key data in the quarterly and annual financial statements for 2016 of the Company and subsidiaries to ensure that the financial statements of the Company and subsidiaries had been properly stated in accordance with the applicable accounting standards, with complete, sufficient and reliable disclosure. The Audit Committee also held meetings with the auditor in the absence of the management to discuss key issues concerning the financial statements, internal control system for accounting and finance, including independence in the audit and review operations.

2. Review of internal control systems and internal audit. The Audit Committee reviewed the evaluation results of internal control systems as reported every month and quarter by the internal audit unit. It was found that the systems were sufficient and appropriate to the current business operations of the Company. The finding was consistent with the auditor's opinion that the review showed no significant defect that would affect the Company financial statement. As a consequence of the Control Self-Assessment (CSA), the Company has been able to manage risks to maintain risks at acceptable levels, as well as follow guidelines for preventing corruption in various working systems.

The Company has signed up for the Private Sector Collective Action Coalition against Corruption (CAC), a campaign initiated by Thai Institute of Directors Association and sponsored by the government and the Office of the National Anti-Corruption Commission (NACC). The Company has complied with the certification process of the campaign by presenting evidence relating to the business policies, measures and working processes, including internal control systems to the campaign committee. As a consequence, the Company was certified as a member of the CAC as from 14th October 2016.

3. The Company has compiled a Compliance Check List to assist in the review of compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, as well as laws applicable to the Company's business. The Audit Committee found that the Company had complied with laws and regulations without any impact on the business operations. In any event, the internal audit unit conducted reviews and reported to the Audit Committee every 6 months.

4. The Audit Committee reviewed connected transactions which could give rise to a conflict of interest between the Company and subsidiaries and connected persons in the year 2016 to ensure that transactions are entered in the ordinary course of business, are reasonable and confer the greatest benefit for the Company. It is also ensured that there is complete and sufficient disclosure of information as well as compliance with regulations of the Office of the Securities and Exchange Commission.

5. The Audit Committee has reviewed and performed a self-evaluation in accordance with the guidelines and charter of the Audit Committee. The evaluation showed that the Audit Committee had performed their duties efficiently and fulfilled the scope of duties and responsibilities prescribed by the Audit Committee Charter.

6. The Audit Committee considered the appointment of the auditor. The Audit Committee and management concurred that the auditor of ASV and Associates Company Limited had performed duties in accordance with accounting standards, maintained independence, and applied the appropriate skills, knowledge and experience. It was therefore resolved that a submission should be made to the Board of Directors to approve the submission to the shareholders meeting to confirm the appointment of Mr. Anusorn Kiatgungwalgri, licensed auditor number 2109 or Mrs. Kwunjai Kiatgungwalgri, licensed auditor number 5875, from ASV and Associates Company Limited, to act as the Company's auditor for 2017. The remuneration was set at 949,000.00 baht, equal to the year 2016.

On behalf of the Audit Committee



(Mr. Padoong Techasarintr)

Chairman of the Audit Committee