

## Report of the Board of Directors

In 2016, the global economy continued to remain stable from the year 2015. The economy of trading partners, such as the United States, showed signs of improvement. The European Union and Japan continued its stable trend. Thailand also showed gradual progress with the main impetus coming from tourism, low-income support policies and investment in state infrastructure. The country's financial system has also strengthened.

The economic forecast for 2017 is an increase in growth to 3.3% from 3.0% in 2016. This improvement is attributable to the revival of the global economy as a consequence of growth in the United States and emerging nations, including infrastructure investments. Nevertheless, the woes of floods in southern region and zero-dollar tours could still bear a negative impact.

The consolidated operating results in 2016 for the Company and subsidiaries generated a total revenue of Baht 2,133.49 million, a decrease of 4.24 percent from the previous year. The Company and subsidiaries, however, managed to maintain profitability, with a net profit of Baht 205.31 million, an increase of 18.54 percent from the previous year, and is in a position to continue paying dividends to shareholders. The financial standing and overall liquidity are satisfactory and stable.

The Company is committed to transparent business operations and fair treatment of all stakeholders adhering to good governance principles, combat corruption, social and environmental responsibility. Also, the Company has participated in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), pursued such activities continually and diligently by disclosing information on various operations as well as internal control systems to the Project Committee. As a consequence, the Company received recognition as a member of the CAC on 14<sup>th</sup> October 2016. In addition, the Board of Directors has given approval to the revision of scope of functions and responsibilities stated in the Audit Committee Charter and Risk Management Committee Charter in conformity to the anti-corruption policies.

The Company acquired a good governance evaluation grade of "very good" in the survey of listed companies for the year 2016 by the Thai Institute of Directors and received the CSR-DIW Continuous Award 2016 (social responsibility standard of industrial operator) from the Department of Industrial Works, Ministry of Industry.

This year marked great loss for the Thai people with the passing away of His Majesty King Bhumibol Adulyadej, Rama IX, a King deeply loved by the people of Thailand and the world. The Board of Directors, Executive Officers and employees are faithfully grateful for His Majestic grace and will remain committed to conducting themselves as good persons with love, harmony, sacrifice for the common benefit, in furtherance of His Majesty's wishes so as to ensure the country's sustainable development and peaceful happiness. We are proud of Thanulux Public Company Limited's role in developing the country and will continue to steadfastly perform our work in return for His Majesty's grace and in eternal honour of His Majesty, King Rama IX.