

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARY  
(Formerly Firetrade Engineering Company Limited)  
Notes to Financial Statements  
December 31, 2016 and 2015**

**1. GENERAL AND BUSINESS RESTRUCTURING**

**General**

Firetrade Engineering Public Company Limited ( “ the Company” ) ( formerly Firetrade Engineering Company Limited) was incorporated as a limited company under the Civil of Thailand on November 2, 1999 and has its registered office at 21/57-58 Soi Soonvijai, Rama 9 Road, Bangkapi District, Huaykwang Sub-district, Bangkok 10310.

On August 8, 2016, the Company was registered the legal transformation of juristic person from being limited company under the Civil and Commercial Code to limited public company under the Limited Public Company Act B.E. 2535.

The Company is engaged in sales of fire protection equipment and systems, design, installation, repair and maintenance the fire protection systems.

**Business Restructuring**

On July 28, 2016, the Company took its increase share capital 47,500 ordinary shares to swap with the investment in 19,998 ordinary shares of Fire Inspectors Co., Ltd. (“the subsidiary”), 99.99% of shareholding as if it was a business combination of entity under common control which considered as the Company is the parent company of the subsidiary, 95.00% of shareholding, before January 1, 2016. Consequently, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary before January 1, 2016. Such presentation reflects the economic substances of the entities in the group which are under common control throughout the related time as thought the entities in the group operated as one economic unit before January 1, 2016, although the legal form of the relationship between the Company and the subsidiary incurred later. The difference between the net book value of net assets of the subsidiary as at business restructuring date and cost of business restructuring under common control amounted to Baht 0.10 million was presented under “Share premium on business restructuring under common control” under shareholders’ equity in the consolidated financial statements.

Net book value of assets and liabilities of the investment in ordinary shares of the subsidiary as at the business restructuring under common control and the swap of Company’s increase share capital 47,500 ordinary shares at Baht 100 par value with the subsidiary’s 19,998 ordinary shares from the existing shareholders of the subsidiary as discussed above were as follows:

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*Net book value of assets and liabilities as of the business restructuring date*

	In Thousand Baht
Cash and cash equivalents	10,445
Trade and other accounts receivable – related parties	2,075
Trade and other accounts receivable - others	11,367
Unbilled project work in progress	1,730
Inventories	7,401
Other current assets	236
Deposits at financial institutions under pledge	355
Equipment	108
Deferred tax asset	235
Other non-current assets	27
Trade and other accounts payable - related parties	(1,745)
Trade and other accounts payable - others	(24,531)
Income tax payable	(20)
Other current liabilities	(2,661)
Liability for post-employment benefits	(173)
Total net assets of the subsidiary	4,849
Less: 47,500 ordinary shares at Baht 100 par value	(4,750)
Share premium on business restructuring under common control	99

## **2. BASIS FOR FINANCIAL STATEMENT PREPARATION**

The accompanying financial statements are prepared in Thai Baht, which is the core functional currency, and in the Thai language in conformity with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

The consolidated financial statements, comprised of the financial statements of the Company and its subsidiary (hereinafter referred to as “the Group”). The Company’s subsidiary, i.e. Fire Inspector Co., Ltd., was incorporated in Thailand on May 11, 2007 to be engaged in sales, installation and provide service for all types of fire protection equipment and systems. The Company has the controlling power and the percentage of shareholding in such company at 99.99% (see Notes 1, 8 and 16).

Significant intra-group transactions between the Company and its subsidiary are eliminated in the preparation of the consolidated financial statements.

Except as otherwise disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Group disclosed information for the year ended December 31, 2015, for comparative propose, in the financial statement for the year ended December 31, 2016 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for the abovementioned purposes.

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Starting from January 1, 2016, the Group had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised and newly issued by The Federation of Accounting Professions (FAP), which became effective from the accounting period starting on or after January 1, 2016. The aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette during 2016 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2017 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments : Presentation and Disclosure
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments

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TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

Significant intercompany transactions between the Company and its subsidiary included in the consolidated financial statements have been eliminated.

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*Subsidiary*

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiary was necessarily transformed for uniformity with the Company's policies.

The Company accounts for its investment in subsidiary in the separate financial statements by the cost method and stated such investment at cost net of allowance for impairment (if any).

*Accounting for acquisitions of non-controlling interests*

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

**Cash and Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost, comprise cash in hand and deposits at financial institutions. Cash equivalents are highly liquid short-term investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction in use or being collateralized and that are subject to an insignificant risk of change in value.

Cash at banks which have restrictions in use or being collateralized are presented separately as "Deposits at financial institutions under pledge" under non-current assets in the statement of financial position.

**Trade Accounts Receivable and Allowance for Doubtful Accounts**

Trade accounts receivable is stated at invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed based on analysis of payment histories, monitoring on the current status of debtors, and future expectations of debtors' payments. Bad debts are written-off when incurred.

**Inventories**

Inventories are stated at the lower of cost, first-in first-out method, net of allowance for diminution in value, and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated incremental costs necessary to sales.

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Allowance for diminution in value is made for deteriorated, obsolete and slow-moving inventories.

**Land and Equipment**

*Owned assets*

Land not used is stated at cost less allowance for impairment (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

*Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by means of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment (if any). Lease payments are apportioned between the financial charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to the statement of comprehensive income.

*Depreciation*

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the useful lives of each part of an item separately for each significant part of the assets. The useful lives are as follows:

	Years
Furniture	5
Office equipment	5 and 10
Fixtures	5
Tools	5
Vehicle	5

No depreciation is charged on land and assets under construction or installation.

Depreciation methods, useful lives and residual values of the assets are reviewed at each financial year-end and adjusted if appropriate.

**Computer Software (other non-current assets)**

Computer software is stated at cost less accumulated amortization and allowance for impairment (if any).

*Amortization*

Amortization is charged as part of administrative expenses in the statement of comprehensive income on a straight-line basis over the useful lives of 3 years, 5 years and 10 years.

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**Impairment of Assets**

The carrying amounts of the Group's assets are reviewed at each of the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of an asset's fair value less cost to sell or value in use) are estimated. The review is made for individual asset or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to be at its recoverable amount and recognizes in the statement of comprehensive income. The reversal of impairment losses, recognized in prior years, is recorded as part of other income when there is an indication that such impairment losses no longer exist or are decreased. The reversal of any impairment loss shall not exceed the asset's carrying amount, net of depreciation or amortization, that would have been determined had no impairment loss been recognized for the asset in prior years.

**Trade and Other Accounts Payable**

Trade and other accounts payable are stated at cost.

**Employee Benefits**

Salaries, wages, bonuses and contributions to social security fund are recognized as expenses upon their occurrences and on accrual basis.

Obligation on defined contribution plan which is the provident fund, is recognized as an expense in the statement of comprehensive income when contribution is made to the fund on an accrual basis.

Obligation in respect of post-employment benefits, which is compensation under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method, by a qualified actuary by estimating the amount of future benefits that each employee has earned in return for his or her services in the prior and current periods. Expenses from the estimated liability for post-employment benefits, which are recognized as part of cost of sales, selling expenses, and administrative expenses in the statement of comprehensive income, comprise past service cost (if any), current service cost and interest cost which are recognized as profit or loss item. Actuarial gain/loss on measurement is recognized as other comprehensive income item. This employee benefit plan is unfunded and has no any incurrence of plan asset.

**Provisions**

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

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*Estimate installation project costs*

The Company estimates costs of each installation projects based on details of the installation design, and calculate quantity and costs of material, labour and others which used to complete the projects and accompany with determine the trend of change in that costs. Estimate costs are reviewed regularly and whenever actual costs are significant difference from the estimate costs.

*Provision for loss on installation project*

Management exercise judgement to estimate the probable loss of each installation project, based on estimates the probable costs by determine progress of installation, actual costs together with change in costs of materials and labour and current situation.

**Provision for Warranty**

A provision for warranty is recognized when the goods were sold or services were rendered to the customers. Provision is determined based on historical warranty payment experience couple with a review of the possibility factors on incurrence of such damage.

**Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.



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**Revenues**

Revenues exclude value added tax and are presented at amount net of trade discount.

*Revenues from sales of goods*

Revenues from sales of goods are recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Revenues from project works*

Revenues from project works include the initial amount agreed in the contract plus any variations in project works, claims and incentive payments if revenue is probable incurred and reliable measure. When project works are reliable estimated, revenue and cost of project works are recognized in the statement of comprehensive income in proportion of the stage of completion of project work.

The stage of completion of project work is estimated by reference to the proportion of project work cost is incurred for work performed upto date and estimate of total project work cost.

If the estimate of project work is unreliable, revenue from project work will be recognized not excess the project work cost is incurred and probably recoverable.

When it is probable that total project work costs will be exceed total revenue from project work, the expected loss of project work will be recognized in the statement of comprehensive income.

The part of completed project work, which has not yet been delivered for acceptance and billing, is recorded as unbilled project work in progress.

*Rental income*

Rental income under operating leases is recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

*Service income*

Service income is recognized when the services were rendered to customers.

*Interest and other income*

Interest and other income are recognized on an accrual basis.

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**Expenses**

*Operating leases*

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Contingent rentals are charged to the statement of comprehensive income in the accounting period of incurrence.

*Finance costs*

Interest expense and similar costs are charged to the statement of comprehensive income in the period of incurrence, except for the extent that they are capitalized as being directly attributable to the acquisition, construction or installation of an asset which necessarily takes a substantial period of time to be prepared until readiness for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

**Use of Estimates**

In order to prepare financial statements in conformity with the financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade accounts receivable
- Allowance for diminution in value of inventories and determine impairment of assets
- Useful lives and residual values of equipment
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments

**Foreign Currency Transactions**

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

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Non-monetary assets and liabilities, measured at cost, denominated in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

### **Income Tax**

Income tax expense for the year comprises current tax and deferred tax.

Current tax is the amount of income tax payable or recoverable in respect of the taxable profit or loss for the year, using tax rates 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 measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the applicable laws that have been enacted at the reporting date.

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. TRANSACTIONS WITH RELATED PARTIES**

Related parties are those parties controlled by the Group, directly or indirectly able to control the Company, or having significant influence to govern the financial or operating policies of the Group.

The related parties consisted of:

Party's Name	Type of Business	Relationship
Fire Inspector Co., Ltd.	Sales, installation and provide service for all types of protection equipment and systems	Subsidiary
Safety Factory Co., Ltd.	Sales of security instruments and equipment and provide all types of security engineering service	Co-shareholders and directors
Econlite Manufacturing (Thailand) Co., Ltd.	Sales and produce lighten equipment, warning light and all types of emergency generator	Co-shareholders and directors
S.I. Firetrade Co., Ltd.	Sales of printer, printing ink, spare parts, component of packaging printer, installation, maintenance and lease printer and packaging printer	Co-shareholders and directors

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Party's Name	Type of Business	Relationship
Khun Taksin Tantipijit	-	The Company's shareholder and director
Khun Pattamaporn Tantipijit	-	The Company's shareholder and director
Khun Somjit Tantipijit	-	Sister of the Company's shareholder and director
Khun Praphanan Tantipijit	-	The Company's shareholder
Khun Sukkamol Wutthimetha	-	The Company's shareholder
Khun Suwanlee Wutthimetha	-	The Company's shareholder

The pricing policies for particular types of transactions are as follows:

Type of Transaction	Pricing Policies
Revenues from sale of goods	Cost plus mutually agreed margin
Revenues from service	Cost plus mutually agreed margin
Rental and other income	Negotiated agreement
Gain on disposals of equipment	Market price and mutually agreed amount
Purchase of goods	Cost plus mutually agreed margin
Service income from engineering and warehouse	Cost plus mutually agreed margin
Short-term loans to and short-term loans from	Mutually agreed interest rate
Guarantees the Company's loans by directors and directors' assets	No guarantee charge

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Significant transactions with related parties for the years ended December 31, 2016 and 2015 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring 2016	Before business restructuring 2015	2016	2015
Revenues from sales of goods	698	633	22,263	14,982
Revenues from services	-	-	3,050	149
Interest income	-	-	132	-
Gain on sale of equipment	477	-	477	-
Other income	1,144	1,063	1,408	1,301
Purchases of goods	285	277	11,714	6,613
Engineering and warehousing charges	19	5	2,093	5,004
Interest expense	1,184	4,839	1,060	4,665
Remuneration of key management				
- Short-term benefits	12,499	10,340	11,021	9,031
- Post-employment benefits	955	710	871	645
Total	13,454	11,050	11,892	9,676

Balances with related parties as at December 31, 2016 and 2015 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring 2016	Before business restructuring 2015	2016	2015
<b>Trade and other accounts receivable</b>				
- Trade accounts receivable				
Fire Inspector Co., Ltd.	-	-	16,835	2,847
Safety Factory Co., Ltd.	257	309	257	309
Total	257	309	17,092	3,156
- Other accounts receivable				
Fire Inspector Co., Ltd.	-	-	45	32
S.I. Firetrade Co., Ltd.	58	66	58	66
Safety Factory Co., Ltd.	23	22	23	22
Econlite Manufacturing (Thailand) Co., Ltd.	-	42	-	42
Total	81	130	126	162
Total trade and other accounts receivable	338	439	17,218	3,318

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	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
The trade accounts receivable are aged as follows:				
Current	257	309	16,290	2,970
Overdue:				
- Not over 3 months	-	-	802	186
Total	<u>257</u>	<u>309</u>	<u>17,092</u>	<u>3,156</u>
<b>Trade and other accounts payable</b>				
- Trade accounts payable				
Fire Inspector Co., Ltd.	-	-	3,330	3,288
Safety Factory Co., Ltd.	71	79	71	79
Econlite Manufacturing (Thailand) Co., Ltd.	8	-	8	-
S.I. Firetrade Co., Ltd.	-	2	-	-
Total	<u>79</u>	<u>81</u>	<u>3,409</u>	<u>3,367</u>
- Other accounts payable				
Fire Inspector Co., Ltd.	-	-	196	4,073
Safety Factory Co., Ltd.	2	10	2	10
Total	<u>2</u>	<u>10</u>	<u>198</u>	<u>4,083</u>
Total trade and other accounts payable	<u>81</u>	<u>91</u>	<u>3,607</u>	<u>7,450</u>
<b>Other current liabilities</b>				
- Refundable deposits				
S.I. Firetrade Co., Ltd.	100	100	100	100
Safety Factory Co., Ltd.	26	26	26	26
Fire Inspector Co., Ltd.	-	-	22	22
Econlite Manufacturing (Thailand) Co., Ltd.	-	5	-	5
Total	<u>126</u>	<u>131</u>	<u>148</u>	<u>153</u>
<b>Short-term loans to and interest receivable</b>				
Fire Inspector Co., Ltd.				
- Short-term loans to	-	-	24,800	-
- Interest receivable	-	-	83	-
Total short-term loans to and interest receivable	<u>-</u>	<u>-</u>	<u>24,883</u>	<u>-</u>

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	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
<b>Short-term loans from and interest payable</b>				
- Short-term loans from Khun Taksin Tantipijit	-	82,821	-	70,261
- Interest payable Khun Taksin Tantipijit	-	645	-	471
Khun Sukkamol Wutthimetha	-	63	-	63
Khun Pattamaporn Tantipijit	-	52	-	52
Total	-	760	-	586
Total short-term loans from and interest payable	-	83,581	-	70,847

Movements during the years ended December 31, 2016 and 2015 of short-term loans to and short-term loans from related parties were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
<b>Short-term loans to</b>				
Balance as at January 1	-	-	-	-
Increase	-	-	24,800	-
Decrease	-	-	-	-
Balance as at December 31	-	-	24,800	-
<b>Short-term loans from</b>				
Balance as at January 1	82,821	130,940	70,261	122,280
Increase	27,500	23,900	24,000	18,000
Decrease	(110,321)	(72,019)	(94,261)	(70,019)
Balance as at December 31	-	82,821	-	70,261

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**5. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS**

As at December 31, 2016 and 2015, the Group had outstanding balance of trade and other accounts receivable - others were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
- The trade accounts receivable were aged as follows:				
Current	115,085	129,884	90,697	118,086
Overdue:				
- Not over 3 months	63,552	57,455	62,053	53,041
- Over 3 months to 6 months	4,520	6,077	4,520	3,030
- Over 6 months to 12 months	4,965	8,646	3,844	8,646
- Over 12 months	4,319	3,650	4,149	3,650
Total	192,441	205,712	165,263	186,453
Less allowance for doubtful accounts	(7,364)	(6,512)	(6,414)	(6,512)
Net	185,077	199,200	158,849	179,941
- Other accounts receivable				
Advances paid to installation contractors	2,670	4,505	2,670	4,133
Other prepaid expenses	7,363	3,149	7,299	3,010
Other receivables	1,011	1,664	576	1,122
Total	11,044	9,318	10,545	8,265
Total trade and other accounts receivable	196,121	208,518	169,394	188,206

**6. INVENTORIES**

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Finished goods	175,525	197,699	165,782	186,388
Goods in transit	20,425	27,677	16,828	27,677
Total	195,950	225,376	182,610	214,065
Less allowance for diminution in value of inventories	(6,237)	(7,095)	(5,678)	(6,397)
Total	189,713	218,281	176,932	207,668



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**7. DEPOSITS AT FINANCIAL INSTITUTIONS UNDER PLEDGE**

As at December 31, 2016, the Group and the Company had fixed deposits with two local financial institutions amounting to Baht 4.5 million and Baht 4.3 million, respectively (2015 : Baht 4.4 million and Baht 3.7 million, respectively) which are pledged as collateral for the credit facilities with these local financial institutions (see Note 11).

**8. INVESTMENT IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD**

As at December 31, 2016 and 2015, the details of investment in subsidiary in the separate financial statements were as follows:

	In Thousand Baht		%		In Thousand Baht	
	Authorized and paid-up share capital		Percentage of shareholding		Cost	
	2016	2015	2016	2015	2016	2015
Fire Inspector Co., Ltd. (see Note 1, 2 and 16)	2,000	-	99.99	-	4,849	-

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**9. EQUIPMENT**

Consolidated financial statements (In Thousand Baht)

	Furniture	Office Equipment	Fixtures	Tools	Vehicle	Total
<b>Cost</b>						
Balance as at January 1, 2015	2,538	6,119	1,216	3,056	15,120	28,049
Additions	364	1,363	44	313	1,128	3,212
Disposals and written - off	-	(126)	-	(69)	-	(195)
Balance as at December 31, 2015	2,902	7,356	1,260	3,300	16,248	31,066
Additions	394	1,422	11	685	4,102	6,614
Disposals and written - off	(328)	(2,077)	(465)	(356)	(2,292)	(5,518)
Balance as at December 31, 2016	2,968	6,701	806	3,629	18,058	32,162
<b>Accumulated depreciation</b>						
Balance as at January 1, 2015	2,047	4,670	505	1,836	10,526	19,584
Depreciation charge for the year	184	620	153	434	1,351	2,742
Disposals and written - off	-	(42)	-	(8)	-	(50)
Balance as at December 31, 2015	2,231	5,248	658	2,262	11,877	22,276
Depreciation charge for the year	236	734	160	450	1,116	2,696
Disposals and written - off	(300)	(1,966)	(465)	(314)	(2,227)	(5,272)
Balance as at December 31, 2016	2,167	4,016	353	2,398	10,766	19,700
<b>Net book value</b>						
As at December 31, 2015	671	2,108	602	1,038	4,371	8,790
As at December 31, 2016	801	2,685	453	1,231	7,292	12,462

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Separate financial statements (In Thousand Baht)

	Furniture	Office Equipment	Fixtures	Tools	Vehicle	Total
<b>Cost</b>						
Balance as at January 1, 2015	2,521	6,022	1,216	3,044	15,120	27,923
Additions	340	1,340	44	293	1,128	3,145
Disposals and written - off	-	(126)	-	(69)	-	(195)
Balance as at December 31, 2015	2,861	7,236	1,260	3,268	16,248	30,873
Additions	388	1,400	11	682	4,102	6,583
Disposals and written - off	(328)	(2,069)	(465)	(356)	(2,292)	(5,510)
Balance as at December 31, 2016	2,921	6,567	806	3,594	18,058	31,946
<b>Accumulated depreciation</b>						
Balance as at January 1, 2015	2,046	4,644	505	1,832	10,526	19,553
Depreciation charge for the year	178	599	153	428	1,351	2,709
Disposals and written - off	-	(42)	-	(8)	-	(50)
Balance as at December 31, 2015	2,224	5,201	658	2,252	11,877	22,212
Depreciation charge for the year	228	712	160	443	1,116	2,659
Disposals and written - off	(300)	(1,962)	(465)	(314)	(2,227)	(5,268)
Balance as at December 31, 2016	2,152	3,951	353	2,381	10,766	19,603
<b>Net book value</b>						
As at December 31, 2015	637	2,035	602	1,016	4,371	8,661
As at December 31, 2016	769	2,616	453	1,213	7,292	12,343

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The gross carrying amount of fully depreciated equipment of the Group which are still in use as at December 31, 2016 and 2015 were as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Gross carrying amount of fully depreciation	13.8	16.8	13.8	16.8

**10. LAND NOT USED IN OPERATION**

As at December 31, 2016 and 2015, land not used in operation were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Cost	4,241	4,241	4,241	4,241
Less Allowance for impairment loss of land	(334)	(334)	(334)	(334)
Total	3,907	3,907	3,907	3,907

**11. CREDIT FACILITIES WITH FINANCIAL INSTITUTIONS**

As at December 31, 2016 and 2015 the Group has credit facilities with various local financial institutions were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Bank overdrafts	31,000	1,000	31,000	1,000
Short-term loans	68,000	23,000	68,000	23,000
Letters of guarantee	42,900	33,000	39,900	33,000
Forward contracts	14,390	10,390	14,390	10,390
Total	156,290	67,390	153,290	67,390

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As at December 31, 2016, the credit facilities are guaranteed by two directors and pledged with fixed deposits with financial institutions of the Company and a director (see Note 7).

Bank overdrafts bear interest at equal interest rate of fixed deposits which pledged as collateral plus 1% and 2 % per annum and short-term loans bear interest at the negotiated rates with financial institutions.

**12. BANK OVERDRAFT AND SHORT-TERM LOANS  
FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Bank overdraft	17,386	-	17,386	-
Promissory notes	30,000	-	30,000	-
Liabilities under trust receipts	6,228	-	6,228	-
Total	53,614	-	53,614	-

**13. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS**

As at December 31, 2016 and 2015, the Group had outstanding balance of trade and other accounts payable - others were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Trade and other accounts payable				
- Trade accounts payable	63,117	101,338	57,335	96,318
- Other accounts payable				
Advance received from project works	19,319	4,992	18,118	4,992
Accrued commission	5,807	5,348	5,254	4,844
Accrued expenses	3,966	3,661	3,792	3,060
Other accounts payable	2,286	1,647	1,958	1,642
Total	31,378	15,648	29,122	14,538
Total trade and other accounts payable	94,495	116,986	86,457	110,856

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**Work in progress**

In Thousand Baht			
	Consolidated financial statements		Separate financial statements
	After business restructuring	Before business restructuring	
	2016	2015	2016 2015
Progress billings	23,280	5,525	22,060 5,525
Less project work in progress	(3,961)	(533)	(3,942) (533)
Advance received from project customers	19,319	4,992	18,118 4,992

In Thousand Baht			
	Consolidated financial statements		Separate financial statements
	After business restructuring	Before business restructuring	
	2016	2015	2016 2015
Project work in progress	156,492	113,301	120,384 101,625
Less progress billings	(103,872)	(83,468)	(93,399) (77,204)
Unbilled project work in progress	52,620	29,833	26,985 24,421
Less allowance for doubtful accounts	(1,311)	-	(1,311) -
Unbilled project work in progress - net	51,309	29,833	25,674 24,421

**14. OTHER CURRENT LIABILITIES**

In Thousand Baht			
	Consolidated financial statements		Separate financial statements
	After business restructuring	Before business restructuring	
	2016	2015	2016 2015
Revenue Department payable	2,393	2,902	2,324 2,549
Employees' deposit for damage guarantee	2,059	1,518	1,803 1,360
Others	226	292	248 314
Total	4,678	4,712	4,375 4,223

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**15. LIABILITY FOR POST-EMPLOYMENT BENEFITS**

Movements of liability for post-employment benefits for the years ended December 31, 2016 and 2015 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Liability for post-employment benefits as at January 1,	3,800	3,977	3,667	3,361
Current service cost	1,158	854	1,095	809
Interest cost	120	90	115	87
Expenses recognized as profit or loss in the statement of comprehensive income	1,278	944	1,210	896
<i>Item recognized as other comprehensive income in the statement of comprehensive income</i>				
Actuarial gain on measurement	-	(1,121)	-	(590)
Liability for post-employment benefits as at December 31,	5,078	3,800	4,877	3,667

Significant assumptions used in calculation of liability for post-employment benefits were as follows:

Description	Assumptions
Discount rate	3.14% and 3.51% per annum
Salary escalation rate	8.0% per annum
Employee turnover rates	0% to 30% per annum

**16. SHARE CAPITAL**

At the extraordinary shareholders' meeting held on July 28, 2016, the shareholders approved the following matters:

- a. Increase the Company's authorized share capital from Baht 20,000,000 to Baht 225,000,000 by newly issued share capital amounted to Baht 205,000,000 (divided into 2,050,000 ordinary shares at Baht 100 par value). The allocations of the increasing shares are as follows:
  1. Allocated and offered increasing 2,002,500 ordinary shares to the existing shareholders according to the proportion of shareholding, and
  2. Allocated increasing 47,500 ordinary shares for purchase 19,998 ordinary shares of Fire Inspector Co., Ltd. from its shareholders.

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And modify the Company's Memorandum of Association in order to conform with the increase in authorized share capital. The Company registered the above increasing share capital with the Ministry of Commerce on August 1, 2016,

- b. Approve to purchase 19,998 ordinary shares of Fire Inspector Co., Ltd. from its shareholders and pay by increasing 47,500 ordinary shares of the Company. The result from this purchase, Fire Inspector become the Company's subsidiary,
- c. Approve to transform the limited company to public limited company and list the Company on the Stock Exchange of Thailand including initial public offering (IPO) and modify the Company's Memorandum of Association in order to conform with the transform the limited company to public limited company,
- d. Change the par value of authorized share from Baht 100 per share to Baht 0.50 per share,
- e. Increase the Company's authorized share capital from Baht 225,000,000 by newly issued share capital amounted to Baht 75,000,000 (divided into 150,000,000 ordinary shares at Baht 0.50 par value) with totalling authorized share capital Baht 300,000,000 (divided into 600,000,000 ordinary shares at Baht 0.50 par value) and allocate the increasing shares for initial public offering (IPO).

The Company registered the change in par value of ordinary shares, and increase in share capital with the Ministry of Commerce on August 8, 2016,

- f. Modify the Company's Articles of Association in order to conform with the transform the limited company to public limited company, and
- g. Approve to list the Company's ordinary shares on The Stock Exchange of Thailand.

**17. LEGAL RESERVE**

Under the provisions of Civil and Commercial Code, the Company is required to appropriate at least 5% of net profit, less any accumulated losses brought forward as legal reserve until the reserve reaches 10% of the Company's authorized share capital. As at December 31, 2015, the legal reserve was fully appropriated. This legal reserve is not available for dividend distribution.

Under the provisions of the Public Companies Act B.E. 2535, Section 116, which requires a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward to a reserve account ("legal reserve") until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.



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**18. INCOME TAX**

Income tax recorded as expense for the years ended December 31, 2016 and 2015 consists of:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Income tax computed from accounting profit regarding the announced income tax rate	21,889	20,299	17,116	18,559
Effects from non-deductible expenses	501	48	287	(30)
Effects from additional deductible expenses	(452)	(8)	(442)	(8)
Income tax on taxable profit	21,938	20,339	16,961	18,521
Decrease (increase) in deferred tax assets	(553)	175	(341)	247
Income tax presented in profit or loss	21,385	20,514	16,620	18,768

Movements in deferred tax assets during the years were as follows:

	Consolidated financial statements (After business restructuring) (In Thousand Baht) For the year ended December 31, 2016			
	At January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2016
Allowance for doubtful accounts	1,303	171	-	1,474
Allowance for diminution in value of inventories	1,420	(172)	-	1,248
Employee benefits	758	256	-	1,014
Allowance for doubtful accounts - unbilled project work in progress	-	262	-	262
Allowance for impairment loss of land	67	-	-	67
Provisions of fine for delay delivery	-	36	-	36
Total	3,548	553	-	4,101

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Consolidated financial statements				
(Before business restructuring) (In Thousand Baht)				
For the year ended December 31, 2015				
	At January 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2015
Allowance for doubtful accounts	1,275	28	-	1,303
Allowance for diminution in value of inventories	1,878	(458)	-	1,420
Employee benefits	794	188	(224)	758
Allowance for impairment loss of land	-	67	-	67
Total	3,947	(175)	(224)	3,548

	Separate financial statements (In Thousand Baht)			
	For the year ended December 31, 2016			
	At January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2016
Allowance for doubtful accounts	1,303	(19)	-	1,284
Allowance for diminution in value of inventories	1,279	(144)	-	1,135
Employee benefits	733	242	-	975
Allowance for doubtful accounts - unbilled project work in progress	-	262	-	262
Allowance for impairment loss of land	67	-	-	67
Total	3,382	341	-	3,723

	Separate financial statements (In Thousand Baht)			
	For the year ended December 31, 2015			
	At January 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2015
Allowance for doubtful accounts	1,275	28	-	1,303
Allowance for diminution in value of inventories	1,800	(521)	-	1,279
Employee benefits	672	179	(118)	733
Allowance for impairment loss of land	-	67	-	67
Total	3,747	(247)	(118)	3,382

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**19. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT**

Revenues from sales of goods, revenues from project works and services, other income, costs of sales of goods, costs of project works and services, other expenses, and profit / loss before income tax expense are significant financial and core information of the Group that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Group operates in two main business segments, namely sales of fire protection equipment and design, installation, repair and maintenance of fire protection systems.

In addition, the Group operates its business in Thailand. The management therefore considers that the Group has one geographical segment.

Consolidated financial statements (In Thousand Baht)						
2017 (After business restructuring)			2016 (Before business restructuring)			
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	628,412	194,150	822,562	603,884	154,759	758,643
Costs	(468,410)	(150,284)	(618,694)	(448,290)	(116,866)	(565,156)
Gross profit	160,002	43,866	203,868	155,594	37,893	193,487

Separate financial statements (In Thousand Baht)						
2017			2016			
	Revenues from sales of goods	Revenues from project works and services	Total	Revenues from sales of goods	Revenues from project works and services	Total
Revenues	615,057	145,154	760,211	598,904	123,171	722,075
Costs	(465,219)	(121,630)	(586,849)	(448,266)	(98,988)	(547,254)
Gross profit	149,838	23,524	173,362	150,638	24,183	174,821

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**20. EXPENSES BY NATURE**

Significant expenses by nature were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Purchase of merchandises	505,722	495,725	484,312	485,767
Employee expenses	88,102	71,769	84,426	63,558
Contractor charges	60,602	53,437	51,300	42,805
Changes in finished goods	22,174	(2,443)	20,606	917
Rental and office service charges	6,298	6,284	6,270	6,257
Transportation - out expenses	5,840	5,694	5,436	5,556
Depreciation and amortization	3,051	2,993	3,013	2,960

**21. PROVIDENT FUND**

The Group has established contributory provident fund for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3%-5% of their basic salaries and working life and by the Group at the same rate. The provident funds are registered with the Ministry of Finance as juristic entities under the Provident Fund Act B.E. 2530 and are managed by licensed Fund Manager.

The Group's contributions to the fund in 2016 and 2015 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring		
	2016	2015	2016	2015
Contributions to the fund	1,542	1,180	1,453	1,053

**22. FINANCIAL INSTRUMENTS**

**Financial risk and related instrument management policies**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates, from non-performance of contractual obligations by counterparties, and from financial liquidity. The Group does not have any policy to use or issue derivative financial instruments for trading purposes. The Group did not change any significant management policies relating to financial risks and related financial instruments during 2016 and 2015.

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**Interest rate risk**

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to operations and cash flow of the Group. The Group's management believes that the interest risk is minimal because the Group's short-term and long-term loans bear interest at or approximated the floating market interest rates.

**Foreign currency risk**

The Group has trade accounts payable denominated in foreign currencies, giving rise to the exposure on market risk from changes in exchange rates.

As at December 31, 2016 and 2015, the Group has financial liabilities denominated in significant foreign currencies are as follows:

	In Thousand			
	Consolidated			
	financial statements			
	After	Before	Separate	
	business	business	financial statements	
	restructuring	restructuring	2016	2015
	2016	2015	2016	2015
US Dollar	1,134	1,538	1,033	1,490
Euro	-	312	-	312

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requesting trade credit from the Group. The Group's management believes that there were no significant concentrations of credit risk and exposure to credit risk shall not exceed the amount of allowance for doubtful accounts (if any) recorded in the statement of financial position.

**Liquidity risk**

The Group manages its liquidity risk by maintaining the level of cash and cash equivalents deemed adequate to finance the Group's operations and investments and to mitigate the effects of fluctuations in cash flows with leaning to cash flows from operating activities and financing activities.

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**Fair value measurement of financial assets and liabilities**

The Group used the Level 2 inputs of fair value hierarchy, which are other information observable for the asset or liability, either directly or indirectly, to measure the fair value of financial assets and liabilities which are as follows:

Cash and cash equivalents, trade and other accounts receivable - the carrying amounts approximate their fair values due to the relatively short-term maturity of these financial instruments.

Deposits at financial institutions under pledge - the carrying value approximates their fair value because these deposits bear interest at approximate market rates.

Bank overdraft and short-term loans from financial institutions, trade and other accounts payable - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investment in subsidiary cannot be calculated for its fair values without excessive costs.

**23. CAPITAL MANAGEMENT**

The Group's significant objectives on capital management are to ensure that it has the appropriate financial and capital structure as well as to maintain the financial liquidity and ability to continue its business as a going concern. The Group did not change any significant policies relating to its capital management during 2016 and 2015.

As at December 31, 2016 and 2015, the Group's and the Company's debt-to-equity ratio are as follows:

	Rate			
	Consolidated financial statements		Separate financial statements	
	After business restructuring	Before business restructuring	2016	2015
	2016	2015	2016	2015
Debt-to-equity ratio	0.52 : 1	0.64 : 1	0.52 : 1	0.65 : 1

**24. COMMITMENTS**

As at December 31, 2016, the Company had several office building and warehouse rental agreements with the various terms whereby the last agreement will end on November 30, 2017. The Company is committed to pay rental charges under such agreements approximately Baht 2.9 million in 2017.

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**25. CONTINGENT LIABILITIES**

As at December 31, 2016, the Company had contingent liabilities to various local financial institutions for letters of guarantee issued for the Company in favor of two state enterprises and various companies for commercial purpose totaling Baht 20.2 million.

**26. DIVIDEND PAYMENT**

**- Firetrade Engineering Public Company Limited.**

At the Board of Directors' meeting No. 4/2015 held on December 14, 2015, the Board of Directors approved the dividend payment from remaining of net profit for the year 2011 at the rate of Baht 70.0046 per share, totalling Baht 14,000,924.23. The dividend was paid to the shareholders during December 24-29, 2015.

At the extraordinary shareholders' meeting No. 1/2016 held on January 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 at the rate of Baht 19.36047 per share, totalling Baht 3,872,094.95. The dividend was paid to the shareholders in March 2016.

At the extraordinary shareholders' meeting No. 2/2016 held on July 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 – 2015 at the rate of Baht 1,395.74 per share, totalling Baht 279,148,000.00. The dividend was paid to the shareholders in July and December 2016.

**- Fire Inspector Company Limited. ("the subsidiary")**

At the Board of Directors' meeting No. 2/2016 held on July 1, 2016, the Board of Directors approved an interim dividend payment from net profit since start the operation to 2015 and some part of net profit for the year 2016 at the rate of Baht 1,097.50 per share, totalling Baht 21,950,000.00 and appropriated additional legal reserve amounting to Baht 76,496.46, totalling legal reserve was 10% of the subsidiary's authorized share capital.

**27. RECLASSIFICATION OF ACCOUNTS**

Certain accounts in the statement of comprehensive income for the year ended December 31, 2015, were reclassified to conform to the presentation of the statement of comprehensive income for the year ended December 31, 2016, without effect to the comprehensive income and shareholders' equity. Such reclassification are as follows:

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	In Thousand Baht		
	Before reclassify	Reclassify	After reclassify
Revenues from sales of goods	-	598,904	598,904
Revenues from project works and services	-	123,171	123,171
Revenues from sales and services	721,927	(721,927)	-
Other income	4,882	(148)	4,734
Cost of sales of goods	-	448,266	448,266
Costs of project works and services	-	98,988	98,988
Cost of sales and services	550,457	(550,457)	-
Selling expenses	50,641	3,203	53,844
Administrative expenses	28,253	(1,951)	26,302
Loss on exchange rate	-	1,951	1,951

## **28. EVENTS AFTER THE REPORTING PERIOD**

At the Board of Directors' meeting held on February 27, 2017, the Board of Directors has passed the resolution to propose the annual general meeting of shareholders to approve the following matters:

1. An appropriation net profit for the year 2016 for legal reserve amounting to Baht 3.5million, and
2. Payment of dividends from net profit for the year 2016 at Baht 0.14 per share, totalling Baht 63,000,000 million, to the shareholders whereby such dividends will be paid on April 10, 2017.

However, the above matters are subject to the final approval of the shareholders in the annual general shareholders' meeting hold on March 10, 2017.

## **29. APPROVAL OF THE FINANCIAL STATEMENTS**

The accompanying financial statements have been approved for dissemination by the Board of Directors' meeting on February 27, 2017.