



AGENDA 7

TO CONSIDER THE APPOINTMENT OF THE AUDITOR AND DETERMINATION OF AUDIT FEE

Background and Rationale

According to the Company's Articles of Association concerning with the appointment of the auditor and determination of the audit fees for the Company, stating that the matter should be carried out according to the governing law; by which the Public Limited Company Act B.E. 2535 states as follows:

Section 120: The Company's financial auditor must be chosen and fees are reviewed and approved by the Annual General Meeting of Shareholders where the meeting may vote for the same auditor to continue as the company's financial auditor.

Section 121: The financial auditor must not be a director, employee, or take any position in the company.

The policy on selecting the auditor for the Company is to contact various auditing companies that have been endorsed by the Securities and Exchange Commission (SEC) to audit the listed companies. The Company will request for proposals from these audit companies including service terms and audit fee. The Audit Committee shall select the audit company with satisfactory terms and suitable with the Company for the best interests of the Company.

Board of Directors' Opinion

In compliance with the Public Limited Company Act B.E. 2535, which stipulates that the Shareholders' Meeting should appoint the Company's financial auditor and determine the audit fee every year with recommendation from the Audit Committee, and after consideration by the Board of Directors' Meeting No. 286 (2/2016) dated February 26, 2016, the Board of Directors approved to propose to the Shareholders' Meeting to consider appointing Ms. Bongkot Amsageam, certified public accountant registration no. 3684, or Mr. Thanit Osathalert, certified public accountant registration no. 5155, or Mrs. Wilai Buranakittisopon, certified public accountant registration no. 3920 of KPMG Phoomchai Audit Ltd., to be the Company's financial auditor for year 2016, having the audit fee for year 2016 totaling Baht 1,410,000 or an increase from year 2015 by Baht 40,000 or 2.92 percent.

Supporting Information

(1) The auditors proposed above are independent and have no relationship or any other types of stake or interest with the Company, its executives, major shareholders or persons related to those mentioned.

(2) The auditors proposed above have been endorsed by the SEC to audit the listed companies. The Shareholders' Meeting has appointed the auditor from KPMG Phoomchai Audit Ltd. having the number of years performing the audit work for the Company as follows.

(2.1) Ms. Bongkot Amsageam (has been the auditor signing the Company's financial statements since 2013 totaling 3 years).

(2.2) Mr. Thanit Osathalert (never been the auditor signing the Company's financial statements).

(2.3) Mrs. Wilai Buranakittisopon (never been the auditor signing the Company's financial statements).

(3) The comparison of audit fees between the new auditor for year 2016 and previous auditor for year 2015 are as follows:



Description (Unit : Baht)	Year 2016	Year 2015	Increase / (Decrease)	
			Amount	%
Company's Audit Fee				
- Yearly Audit Fee	730,000	690,000	40,000	5.80%
- Quarterly Reviewed Financial Statement (3 quarters)	360,000	360,000	-	-
- Quarterly Consolidated Financial Statements Preparation (4 quarters)	320,000	320,000	-	-
Total	1,410,000	1,370,000	40,000	2.92%

(4) Diamond Materials Co., Ltd. is the subsidiary company of the Company also uses audit services from KPMG Phoomchai Audit Ltd. Comparison of the audit fee for year 2016 and 2015 is as follows.

Description (Unit : Baht)	Year 2016	Year 2015	Increase / (Decrease)	
			Amount	%
Subsidiary Company's Audit Fee				
- Yearly Audit Fee	290,000	290,000	-	-
- Quarterly Reviewed Financial Statement (3 quarters)	60,000	60,000	-	-
Total	350,000	350,000	-	-

(5) During the past year 2015, the Company and the subsidiary company only used audit services without using any non-audit services from the audit company employing the auditor and related person or business with the auditor or the audit company employing the auditor.

(6) The Audit Committee has considered the selection of auditors who possesses the qualification, quality, working standard, expertise and auditor independence, as well as the past work experience to be in good standard. After consideration and comparison of the workload and the audit fee, the Audit Committee has selected the auditor from KPMG Phoomchai Audit Ltd., whom is a qualified public accountant according to the regulations of the Securities and Exchange Commission.

(7) Accordingly, the Audit Committee has proposed its opinions to the Board of Directors to obtain approval from the Shareholders' Meeting for the appointment of an auditor from KPMG Phoomchai Audit Ltd. according to the following name list, whoever, to be the Company's auditor for year 2016, namely Ms. Bongkot Amsageam, certified public accountant registration no. 3684, or Mr. Thanit Osathalert, certified public accountant registration no. 5155, or Mrs. Wilai Buranakittisophon, certified public accountant registration no. 3920, and approval of the yearly audit fee, quarterly reviews fee and preparation of quarterly consolidated financial statements for year 2016 for a total of Baht 1,410,000, which is an increase of 2.92 percent from year 2015.

Voting Procedure

The resolution for this meeting agenda shall be based on the majority votes from all the votes of shareholders attending and voting at the meeting. If the vote counts are even, the Chairman of the meeting shall have the right for a casting vote.